

SESSION LAWS
OF THE
STATE OF WASHINGTON
THIRTIETH SESSION

Convened January 13, Adjourned March 13

1947

Compiled in Chapters by BELLE REEVES,
Secretary of State

MARGINAL NOTES AND INDEX

By

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PUBLISHED BY AUTHORITY

EXPLANATORY

The Thirtieth Legislature of the State of Washington convened at 12 o'clock noon, January 13, 1947 (being the second Monday in January), and adjourned *sine die* March 13, 1947.

All acts passed by the session, either approved by the Governor or allowed to become law without his signature, take effect ninety days after adjournment, or 12 o'clock midnight, June 11, 1947, except relief bills, appropriations and other acts in which emergencies have been declared, or acts in which the effective date has been postponed.

Belle Revere
Secretary of State.

LAWS OF WASHINGTON

PASSED AT THE

Thirtieth Regular Session

1947

CHAPTER 1.

[S. B. 1.]

LEGISLATIVE EXPENSES.

AN ACT appropriating the sum of four hundred seventy-five thousand dollars (\$475,000), or so much thereof as may be necessary, for the actual and necessary expenses of the Legislature and declaring an emergency.

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

SECTION 1. There is hereby appropriated out of the general fund of the State of Washington the sum of four hundred seventy-five thousand dollars (\$475,000), or so much thereof as may be necessary, to be used for the purpose of paying the expenses, except legislative printing, of the Thirtieth Legislature of the State of Washington.

Appropriation for legislative expenses.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate January 13, 1947.

Passed the House January 13, 1947.

Approved by the Governor January 15, 1947.

CHAPTER 2.

[S. B. 2.]

LEGISLATIVE PRINTING.

AN Act appropriating the sum of forty thousand dollars (\$40,000), or so much thereof as may be necessary, for the printing ordered by the Legislature, and declaring an emergency.

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

Appropriation for legislative printing.

SECTION 1. There is hereby appropriated out of the general fund of the State of Washington the sum of forty thousand dollars (\$40,000), or so much thereof as may be necessary, to pay for such printing as may be ordered by the Thirtieth Legislature, or either branch thereof.

Emergency.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 13, 1947.

Passed the House January 13, 1947.

Approved by the Governor January 15, 1947.

CHAPTER 3.

[S. B. 3.]

SUBSISTENCE EXPENSES FOR LEGISLATORS.

AN ACT appropriating the sum of eighty-seven thousand dollars (\$87,000), or so much thereof as may be necessary, for the actual and necessary expenses of the members of the Legislature for lodging and subsistence actually incurred and paid by them while absent from their places of residence in the service of the state and declaring an emergency.

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

SECTION 1. There is hereby appropriated out of the general fund of the State of Washington the sum of eighty-seven thousand dollars (\$87,000), for the actual and necessary expenses of the members of the Thirtieth Legislature, actually expended by them for subsistence and lodging while absent from their usual places of residence in the service of the state, at a rate not exceeding ten dollars (\$10) per day, to be evidenced by the duly verified vouchers of the respective members of the Legislature.

Appropriation for subsistence for legislators.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate January 13, 1947.

Passed the House January 13, 1947.

Approved by the Governor January 15, 1947.

CHAPTER 4.

[S. B. 118, Session of 1945]

HIGHWAYS.

(The following section of chapter 250, Laws of 1945, originally passed by the Twenty-Ninth Legislature, was passed over the Governor's veto by the Thirtieth Legislature.)

Bridge across Port Washington Narrows.

SEC. 2. The Director of Highways is authorized and directed to construct a bridge across Port Washington Narrows connecting Primary State Highway No. 21 at or near Bremerton with Secondary State Highway No. 21B on the Manette Peninsula; to make surveys and plans; and to condemn or otherwise acquire such lands, as are necessary or proper for the approaches to such bridge and relocating any portion of said highway to locate said bridge at the most feasible place. Said bridge shall become and be maintained as a part of the state highway system.

Appropriation.

The sum of seven hundred and fifty thousand dollars (\$750,000), or so much thereof as may be necessary, is appropriated from the Motor Vehicle Fund to the Director of Highways to be used, together with any funds appropriated by the Federal Government, in the accomplishment of the purposes of this act.

Above section vetoed by the Governor March 19, 1945.

Passed the Senate, notwithstanding the veto of the Governor, January 14, 1947.

Passed the House, notwithstanding the veto of the Governor, January 15, 1947.

CHAPTER 5.

[S. S. B. 183, Session of 1945]

UNEMPLOYMENT COMPENSATION.

(The following section of chapter 35, Laws of 1945, originally passed by the Twenty-Ninth Legislature, was passed over the Governor's veto by the Thirtieth Legislature.)

SEC. 24. *Services of Insurance Agents and Solicitors, Real Estate Brokers and Real Estate Salesmen.* The term "employment" shall not include service performed by an insurance agent or insurance solicitor or a real estate broker or a real estate salesman to the extent he is compensated by commission and service performed by an investment company agent or solicitor to the extent he is compensated by commission, the term "investment company," as used in this sub-section, to be construed as meaning an investment company as defined in the Act of Congress entitled "Investment Company Act of 1940."

Insurance agents and solicitors.

Real estate brokers and salesmen.

Above section vetoed by the Governor March 13, 1945.

Passed the Senate, notwithstanding the veto of the Governor, January 14, 1947.

Passed the House, notwithstanding the veto of the Governor, January 15, 1947.

CHAPTER 6.

[S. B. 179, Session of 1945.]

FORMATION OF CEMETERY DISTRICTS.

AN ACT relating to the formation of cemetery districts; prescribing procedure therefor; defining the powers and duties of such districts and their governing officers; prescribing powers and duties of certain county officers in relation thereto, and authorizing the levy of taxes.

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

May be established in certain counties.

SECTION 1. Cemetery districts may be established in counties of the fifth, sixth, seventh, eighth and ninth classes, as defined in Pierce's Perpetual Code 475-23, chapter 26, Laws of 1941 (4200-1a, Remington's Supp. 1941), as in this act provided.

Petition.

SEC. 2. For the purpose of forming a cemetery district, a petition designating the boundaries of the proposed district by metes and bounds or describing the lands to be included in the proposed district by government townships, ranges and legal subdivisions, signed by not less than fifteen per cent (15%) of the qualified registered electors, who are property owners or are purchasing property under contract and who are resident within the boundaries of the district, setting forth the object of the formation of such district and stating that the establishment thereof will be conducive to the public welfare and convenience, shall be filed with the County Auditor of the county within which the proposed district is located, accompanied by an obligation signed by two (2) or more petitioners agreeing to pay the cost of publishing the notice hereinafter provided for. The County Auditor shall, within thirty (30) days from the date of filing of such petition, examine the signatures and certify to the sufficiency or insufficiency thereof and for such purpose shall have access to registration books and records in possession of the registration officers of the election precincts

Filing.

County auditor to verify.

included in whole or in part within the boundaries of the proposed district and to the tax rolls and other records in the offices of the County Assessor and County Treasurer. No person having signed a petition shall be allowed to withdraw his name therefrom after it has been filed with the County Auditor. If the petition is found to contain a sufficient number of signatures of qualified persons, the County Auditor shall transmit it, with his certificate of sufficiency attached, to the Board of County Commissioners which shall thereupon, by resolution entered upon its minutes, receive the same and fix a day and hour when it will publicly hear said petition.

Transmittal
to county
com-
missioners.

SEC. 3. The hearing on such petition shall be at the office of the Board of County Commissioners and shall be held not less than twenty (20) nor more than forty (40) days from the date of receipt thereof from the County Auditor. The hearing may be completed on the day set therefor or it may be adjourned from time to time as may be necessary, but such adjournment or adjournments shall not extend the time for determining [determining] said petition more than sixty (60) days in all from the date of receipt by the board.

Time of
hearing by
county com-
missioners.

SEC. 4. A copy of the petition with the names of petitioners omitted, together with a notice signed by the clerk of the Board of County Commissioners stating the day, hour and place of the hearing, shall be published in three (3) consecutive weekly issues of the official newspaper of the county prior to the date of hearing. Said clerk shall also cause a copy of the petition with the names of petitioners omitted, together with a copy of the notice attached, to be posted for not less than fifteen (15) days before the date of hearing in each of three (3) public places within the boundaries of the proposed district, to be previously designated by him and made a matter of record in the proceedings.

Publication
of petition.

Posting.

SEC. 5. At the time and place fixed for hearing on the petition or at any adjournment thereof, the Board of County Commissioners shall hear said petition and receive such evidence as it may deem material in favor of or opposed to the formation of the district or to the inclusion therein or exclusion therefrom of any lands, but no lands not within the boundaries of the proposed district as described in the petition shall be included without a written waiver describing the land, executed by all persons having any interest of record therein, having been filed in the proceedings. No land within the boundaries described in petition shall be excluded from the district.

Procedure
for hearing.

County com-
missioners
may deny
petition.

SEC. 6. The Board of County Commissioners shall have full authority to hear and determine the petition, and if it finds that the formation of the district will be conducive to the public welfare and convenience, it shall by resolution so declare, otherwise it shall deny the petition. If the board finds in favor of the formation of the district, it shall designate the name and number of the district, fix the boundaries thereof, and cause an election to be held therein for the purpose of determining whether or not the district shall be organized under the provisions of this act, and for the purpose of electing its first cemetery district commissioners. The Board shall, prior to calling the said election, name three (3) registered resident electors who are property owners or are purchasing property under contract within the boundaries of the district as candidates for election as cemetery district commissioners.

May fix
boundaries
and call
election.

Nomination
of district
commis-
sioners.

Election.

SEC. 7. Except as otherwise provided in this act, the election shall in so far as possible be called, noticed, held, conducted and canvassed in the same manner and by the same officials as provided by law for special elections in the county. For the purpose of such election county voting precincts may

be combined or divided and redefined, and the territory in the district shall be included in one or more election precincts as may be deemed convenient, a polling place being designated for each such precinct. The notice of election shall state generally and briefly the purpose thereof, shall give the boundaries of the proposed district, define the election precinct or precincts, designate the polling place for each, mention the names of the candidates for first cemetery district commissioners, and name the day of the election and the hours during which the polls will be open.

Notice of election.

SEC. 8. The ballot for said election shall be in such form as may be convenient but shall present the propositions substantially as follows:

Ballot.

..... (insert county name) Cemetery District
No..... (insert number)
.....Yes.....
..... (insert county name) Cemetery District
No..... (insert number)
.....No.....

and shall specify the names of the candidates nominated for election as the first cemetery district commissioners with appropriate space to vote for the same.

SEC. 9. The returns of such election shall be canvassed at the court house on the Monday next following the day of the election, but the canvass may be adjourned from time to time if necessary to await the receipt of election returns which may be unavoidably delayed. The canvassing officials, upon conclusion of the canvass, shall forthwith certify the results thereof in writing to the Board of County Commissioners. If upon examination of the certificate of the canvassing officials it is found that two-thirds ($\frac{2}{3}$ s) of all the votes cast at said election were in favor of the formation of the cemetery district, the Board of County Commissioners shall, by resolution entered upon its minutes, declare such

Election returns.

Resolution of county commissioners.

territory duly organized as a cemetery district under the name theretofore designated and shall declare the three (3) candidates receiving the highest number of votes for cemetery commissioners, the duly elected first cemetery commissioners of the district. The Clerk of the Board of County Commissioners shall certify a copy of the resolution and cause it to be filed for record in the offices of the County Auditor and the County Assessor of the county. The certified copy shall be entitled to record without payment of a recording fee. If the certificate of the canvassing officials shows that the proposition to organize the proposed cemetery district failed to receive two-thirds ($\frac{2}{3}$ s) of the votes cast at said election, the Board of County Commissioners shall enter a minute to that effect and all proceedings theretofore had shall become null and void.

Two-thirds
vote
necessary.

SEC. 10. Any person, firm or corporation having a substantial interest involved, and feeling aggrieved by any finding, determination or resolution of the Board of County Commissioners under the provisions of this act, may appeal within five (5) days after such finding, determination or resolution was made to the Superior Court of the county in the same manner as provided by law for appeals from orders of said board. After the expiration of five (5) days from the date of the resolution declaring the district organized, and upon filing of certified copies thereof in the offices of the County Auditor and County Assessor, the formation of the district shall be complete and its legal existence shall not thereafter be questioned by any person by reason of any defect in the proceedings had for the creation thereof.

Appeal.

SEC. 11. Cemetery districts created under this act shall be deemed to be municipal corporations within the purview of the constitution and laws of the State of Washington. They shall not be liable for the torts of their officers, agents or employees. They shall

constitute bodies corporate and possess all the usual powers of corporations for public purposes. They shall have full authority to carry out the objects of their creation, and to that end are empowered to acquire, hold, lease, manage, occupy and sell real and personal property or any interest therein; to enter into and perform any and all necessary contracts; to appoint and employ necessary officers, agents and employees; to contract indebtedness; to borrow money; to levy and enforce the collection of taxes against the lands within the district, and to do any and all lawful acts to effectuate the purposes of this act.

Powers of cemetery districts.

SEC. 12. The taking and damaging of property or rights therein by any cemetery district to carry out the purposes of its creation, are hereby declared to be for a public use, and any such district shall have and exercise the power of eminent domain to acquire any property or rights therein, either inside or outside the district for the use of such district. In exercising the power of eminent domain, a district shall proceed in the manner provided by law for the appropriation of real property or rights therein by private corporations. It may at its option unite in a single action proceedings to condemn property held by separate owners. Two (2) or more condemnation suits instituted separately may also in the discretion of the court be consolidated upon motion of any interested party into a single action. In such cases the jury shall render separate verdicts for each tract of land in different ownership. No finding of the jury or decree of the court as to damages in any condemnation suit instituted by the district shall be held or construed to destroy the right of the district to levy and collect taxes for any and all district purposes against the uncondemned land situated within the district.

Have power of eminent domain.

Procedure in condemnation proceedings.

SEC. 13. (a) A cemetery district organized under this act shall have power to acquire, establish, maintain, manage, improve and operate cemeteries and conduct any and all of the businesses of a cemetery as defined in the "General Cemetery Act," being chapter 247, Laws of 1943. A cemetery district shall constitute a cemetery authority as defined in said act and shall have and exercise all powers conferred by said act upon a cemetery authority and be subject to the provisions thereof.

District is a cemetery authority.

(b) A cemetery district may include within its boundaries the lands embraced within the corporate limits of fourth class towns and in any such case the district may acquire any cemetery or cemeteries theretofore maintained and operated by the town and proceed to maintain, manage, improve and operate the same under the provisions of this act. In such event the town council, after the transfer takes place, shall levy no cemetery tax. The power of eminent domain heretofore conferred shall not extend to the condemnation of existing cemeteries within the district.

Towns may be included in district.

SEC. 14. The affairs of the district shall be managed by a Board of Cemetery District Commissioners composed of three qualified electors of the district. Members of the board shall receive no compensation for their services, but shall receive expenses necessarily incurred in attending meetings of the Board or when otherwise engaged in district business. The Board shall fix the compensation to be paid the secretary and other employees of the district. The first three Cemetery District Commissioners shall serve only until the next general election, provided such election occurs thirty (30) or more days after the formation of the district, and until their successors have been elected and qualified. At the next general election, provided it occurs thirty (30) or more days after the formation of the district, three

Cemetery district commissioners.

No compensation. Expenses.

Employees.

(3) members of the Board of Cemetery Commissioners shall be chosen. They shall have the same qualifications as required of the first three (3) cemetery commissioners. The candidate receiving the highest number of votes shall serve for a term of six (6) years beginning on the second Monday in January following; the candidate receiving the next higher number of votes shall serve for a term of four (4) years from said date; and the candidate receiving the next higher number of votes shall serve for a term of two (2) years from said date. Upon the expiration of their respective terms, successors shall be chosen for terms of six (6) years to begin on the second Monday in January next succeeding the day of election. Such commissioners shall serve until their successors have been elected and qualified. Elections shall be called, noticed, conducted and canvassed by the same officials as provided for general county elections. The polling places for a cemetery district election shall be those of the county voting precincts which include any of the territory within the cemetery district, and may be located outside the boundaries of the district, and no such election shall be held irregular or void on that account.

Terms of
commis-
sioners.

Polling
places.

SEC. 15. Not later than fifteen (15) days before the day of election, any qualified registered elector of the district desiring to become a candidate for the office of cemetery district commissioner shall file with the County Auditor of his county a statement of his candidacy in the same manner as provided for candidates for county office. All electors so filing their statements shall be entitled to have their names appear as candidates on the election ballot.

Candidates
for commis-
sioner.

SEC. 16. In case a vacancy occurs in the office of Cemetery Commissioner, it shall be filled by appointment of a qualified registered elector of the district by the Board of County Commissioners, and the per-

Vacancies.

son appointed shall serve until his successor has been elected and qualified. At the next general election, provided there is sufficient time for the nomination of candidates for the office of Cemetery Commissioner after the filling of a vacancy in such office, there shall be elected a Cemetery Commissioner to serve for the remainder of the unexpired term.

Special elections.

SEC. 17. Special elections submitting propositions to the qualified voters of the district may be called at any time by resolution of the Cemetery Commissioners, and shall be called, noticed, held, conducted and canvassed in the same manner and by the same officials as provided for the election to determine whether the district shall be created. The qualifications of electors at all district elections shall be the same as for general state and county elections.

Oath of commissioners.

SEC. 18. Each Cemetery Commissioner, before assuming the duties of his office, shall take and subscribe an official oath to faithfully discharge the duties of his office, which oath shall be filed in the office of the County Clerk.

Chairman.

Secretary.

Office.

Meetings.

SEC. 19. The Board of Cemetery District Commissioners shall organize and elect a chairman from their number and shall appoint a secretary for such term as they may determine. The Secretary shall keep a record of proceedings of the Board and perform such other duties as may be prescribed by law or by the Board, and shall also take and subscribe an oath for the faithful discharge of his duties, which shall be filed with the County Clerk. The office of the Board of Cemetery Commissioners and principal place of business of the district shall be at some place in the district designated by the Board. The Board shall hold regular monthly meetings at its office on such day as it may by resolution determine and may adjourn such meetings as may be required for the

transaction of business. Special meetings of the Board may be called at any time by a majority of the commissioners or by the Secretary and the Chairman of the Board. Any commissioner not joining in the call of a special meeting shall be entitled to three (3) days written notice by mail of such meeting, specifying generally the business to be transacted. All meetings of the Board of Cemetery Commissioners shall be public and a majority shall constitute a quorum. All records of the Board shall be open to the inspection of any elector of the district at any meeting of the Board. The Board shall adopt a seal for the district; manage and conduct the affairs of the district; make and execute all necessary contracts; employ any necessary service, and promulgate reasonable rules and regulations for the government of the district and the performance of its functions and generally perform all acts which may be necessary to carry out the purposes for which the district was formed.

Records.

Seal.

Make regulations.

SEC. 20. It shall be the duty of the County Treasurer of the county in which any cemetery district is situated to receive and disburse all district revenues and collect all taxes authorized and levied under this act. There is hereby created in the office of County Treasurer of each county in which a cemetery district shall be organized for the use of the district, a Cemetery District Fund. All taxes levied for district purposes when collected shall be placed by the County Treasurer in the Cemetery District Fund.

County treasurer is district treasurer.

Cemetery District Fund.

SEC. 21. Annually, after the county board of equalization has equalized assessments for general tax purposes, the secretary of the district shall prepare a budget of the requirements of the Cemetery District Fund, certify the same and deliver it to the Board of County Commissioners in ample time for such board to levy district taxes. At the time of

District budget.

Tax levy.

making general tax levies in each year, the Board of County Commissioners shall levy taxes required for cemetery district purposes against the real and personal property in the district in accordance with the equalized valuation thereof for general tax purposes, and as a part of said general taxes. Such levies shall be part of the general tax roll and be collected as a part of general taxes against the property in the district.

Disbursement of funds.

SEC. 22. The County Treasurer shall disburse the Cemetery District Fund upon warrants issued by the County Auditor on vouchers approved and signed by a majority of the Board of Cemetery Commissioners and the secretary thereof.

Limit on indebtedness.

SEC. 23. The Board of Cemetery Commissioners shall have no authority to contract indebtedness in any year in excess of the aggregate amount of the currently levied taxes, which annual tax levy for cemetery district purposes shall not exceed one-half ($\frac{1}{2}$) mill on the dollar of assessed valuation.

Dissolution.

SEC. 24. Cemetery districts may be dissolved by a majority vote of the electors at an election called for that purpose, which shall be conducted in the same manner as provided for special elections, and no further district obligations shall thereafter be incurred, but such dissolution shall not abridge or cancel any of the outstanding obligations of the district, and the Board of County Commissioners shall have authority to make annual levies against the lands included within the district until the obligations of the district are fully paid. When the obligations are fully paid, any monies remaining in the Cemetery District Fund and all collections of unpaid district taxes shall be transferred to the current expense fund of the county.

Severability clause.

SEC. 25. If any portion of this act shall be adjudged invalid or unconstitutional for any reason,

such adjudication shall not affect, impair or invalidate the remaining portions of the act.

Passed the Senate February 22, 1945.

Passed the House March 5, 1945.

Passed the Senate notwithstanding veto of the Governor January 14, 1947.

Passed the House notwithstanding veto of the Governor January 15, 1947.

CHAPTER 7.

[S. B. 4.]

DEFICIENCY APPROPRIATION TO DEPARTMENT OF SOCIAL SECURITY.

AN ACT making deficiency appropriations to the Department of Social Security for public assistance as provided by law and for medical care and appliances, and declaring an emergency.

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

SECTION 1. By reason of deficiencies existing in the appropriations made by the Twenty-Ninth Regular Session of the Legislature, the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any moneys in the general fund of the state treasury, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

Deficiency appropriation.

- For the Department of Social Security:
 - Division of Old-Age Assistance:
 - Assistance as provided by law \$7,653,700
 - Medical care and appliances for senior citizens and blind persons . . \$1,440,769
 - Division for Children:
 - Assistance as provided by law \$1,691,166
 - Division of Public Assistance:
 - Assistance as provided by law \$1,182,940

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, Emergency.

support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 14, 1947.

Passed the House January 16, 1947.

Approved by the Governor January 17, 1947.

CHAPTER 8.

[H. B. 77, Session of 1945.]

ASSIGNMENT OF ACCOUNTS RECEIVABLE.

AN ACT relating to the Assignment of Accounts Receivable without requiring notice to the debtors thereon, providing for the filing of notice of assignment, and prescribing the rights of parties with respect to such assignments.

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

SECTION 1. Definitions. In this act:

"Account" or "Account Receivable."

(1) "Account" or "Account Receivable" means an open book account, mutual account, or account stated, due or to become due, and not represented by a judgment, note, draft, acceptance, or other similar instrument for the payment of money; it includes rights under an unperformed contract written or oral for work, goods or services which in the regular course will result in an account receivable; it excludes conditional sales contracts.

"Assignment."

(2) "Assignment" shall include any transfer, pledge, mortgage or sale of an account.

"Creditor."

(3) "Creditor" means a person having any claim, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

"Debt."

(4) "Debt" means the indebtedness owing on an account.

"Debtor."

(5) "Debtor" means any person by whom an account is owing to the assignor.

"Filing Officer."

(6) "Filing Officer" means the Secretary of State.

Duties of
filing officer.

SEC. 4. It shall be the duty of the filing officer to mark each notice filed with a consecutive file number and with the date and hour of filing, and to note and index the filing in a suitable alphabetical index according to the name of the assignor and containing a notation of assignor's address as given in the notice. The fee for such filing shall be one dollar (\$1). It shall be the duty of the filing officer to deliver to or mail to the person filing such notice a receipt giving the filing number and date and hour of filing.

Filing fee.

What
constitutes
filing.

SEC. 5. Presentation for filing of any such notice and payment of the filing fee shall constitute filing under this act.

When notice
no longer
effective.

SEC. 6. Any such notice filed pursuant to this act shall be ineffective after three years from the date of filing, except as to accounts theretofore assigned while such notice was in effect. At any time before expiration of the effectiveness of the original or any subsequent filing, a like notice, signed by the assignor and the assignee or an affidavit by the assignee alone, setting out the information required by section 3 of this act, may be filed in like manner as the original filing. Any filing of such further notice or affidavit shall be effective in like manner and for a like period as an original filing. It shall be the duty of the filing officer to mark, file and index the further notice or affidavit in like manner as the original.

New notice.

Cancellation
of notice.

SEC. 7. Any such notice filed hereunder may be cancelled by filing with the filing officer a certificate executed by the assignee reciting—(1) the date of the notice, (2) the date of the filing thereof, (3) the file number thereof, (4) the names of the parties thereto, and (5) a statement that the notice is cancelled. The filing officer shall file such certificate without charge and shall write the word "cancelled" with the date, in the index in which the notice is entered.

In the event of an assignment as security, then upon payment or satisfaction of the obligation for which the accounts were assigned as security, and upon written demand by the assignor, the assignee shall deliver to the assignor such a certificate.

SEC. 8. The assignor of an account shall be a trustee for the assignee of the proceeds of the account and of any of the property sold, which is returned to or recovered by the assignor. Irrespective of acquiescence, consent or permission by the assignee, no act or omission, (including the exercise of dominion and control) by the assignor with respect to an assigned account, the proceeds thereof, or goods sold and returned, shall invalidate the right or lien of the assignee upon any balance remaining owing on any such account or on any other assigned account.

Assignor trustee for assignee.

The rights of an assignee upon property so held in trust shall be superior to the rights of all present and future creditors of the assignor and subsequent purchasers of the property, when such property is set aside or designated in a manner indicating that the assignee has an interest therein.

Rights of assignee.

SEC. 9. Priority among assignees of the same account having effective and uncanceled notices on file shall be governed by the respective dates of the assignments made under said notices.

Priority of assignees.

SEC. 10. It shall be the duty of any assignee who has on file an effective and uncanceled notice of assignment to furnish such information relative to assignments of accounts as the assignor may in writing direct.

Assignee must inform assignor.

SEC. 11. The provisions of this act

(a) Shall not affect the validity of an assignment as between the parties thereto;

(b) Shall not be applicable to any assignment made for the benefit of all of the assignor's creditors generally.

Assignments not affected by this act.

Prior assignments not affected.

SEC. 12. The provisions of this act shall control except as to assignments made before this act takes effect.

Passed the House February 6, 1945.

Passed the Senate March 4, 1945.

Vetoed by the Governor March 19, 1945.

Passed the House notwithstanding veto of the Governor January 14, 1947.

Passed the Senate notwithstanding veto of the Governor January 15, 1947.

CHAPTER 9.

[S. B. 11.]

DEFICIENCY APPROPRIATION FROM HAY AND GRAIN INSPECTION FUND.

AN ACT appropriating one hundred thousand dollars (\$100,000) for the Department of Agriculture from the grain and hay inspection fund, and declaring an emergency.

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

Deficiency appropriation to Department of Agriculture.

SECTION 1. To provide for a deficit in the operation of the grain and hay inspection division during the present biennium due to extraordinary conditions, there is hereby appropriated for the department of agriculture from the grain and hay inspection fund the sum of one hundred thousand dollars (\$100,000) for salaries, wages and operations, or so much thereof as may be necessary.

Emergency.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 21, 1947.

Passed the House January 28, 1947.

Approved by the Governor February 3, 1947.

CHAPTER 10.

[S. B. 15.]

COLUMBIA BASIN PROJECT.

AN ACT relating to the Columbia Basin Project, making an appropriation therefor, and declaring an emergency.

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

SECTION 1. To carry out the provisions of section 4, chapter 283 of the Laws of 1943, during the remainder of the current biennium, there is hereby appropriated from the general fund to the Department of Conservation and Development for the Columbia Basin Commission the sum of nine thousand five hundred dollars (\$9,500), or so much thereof as may be necessary.

Appropriation for Columbia Basin Commission.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate January 21, 1947.

Passed the House January 29, 1947.

Approved by the Governor February 3, 1947.

CHAPTER 11.

[S. B. 00.]

TRAFFIC CONTROL.

AN ACT relating to the control of traffic on the State Capitol grounds, prescribing the jurisdiction of certain justice courts, and prescribing penalties and declaring an emergency.

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

Director of Department of Finance Budget and Business to make regulations.

SECTION 1. The director of the Department of Finance, Budget and Business shall have power to devise and promulgate rules and regulations for the control of vehicular and pedestrian traffic and the parking of motor vehicles on the State Capitol grounds. Such rules and regulations shall be promulgated by publication in one issue of a newspaper published at the State Capital and shall be given such further publicity as the director may deem proper.

Chief of Patrol to enforce.

SEC. 2. The chief of the Washington State Patrol shall be the chief enforcing officer to assure the proper enforcement of such rules and regulations.

Penalty.

SEC. 3. Any violation of a rule or regulation prescribed under this act shall be punishable as a misdemeanor, and the courts of justices of the peace in Thurston county shall have exclusive jurisdiction over such offenses.

Jurisdiction.

Emergency.

SEC. 4. This act is necessary for the immediate preservation of public peace, health, and safety and for the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 28, 1947.

Passed the House January 29, 1947.

Approved by the Governor February 3, 1947.

CHAPTER 12.

[S. B. 21.]

DEFICIENCY APPROPRIATION FOR DEPARTMENT OF GAME.

AN ACT making a deficiency appropriation for the payment of Salaries and Wages, Operations and for the Control of Beaver for the Department of Game, and declaring an emergency.

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

SECTION 1. By reason of a deficiency existing in the appropriation made by the Twenty-ninth Regular Session of the Legislature, and caused by an unequal distribution of funds in various accounts, there is hereby appropriated from the Game Fund of the State of Washington, the total sum of two hundred sixty-five thousand dollars (\$265,000) or so much thereof as may be necessary for the use of the Department of Game for the payment of Salaries and Wages, Operations and Control of Beaver. This money shall be expended for the purposes set forth below and in amounts not to exceed the individual sums set forth herein for the purposes designated, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

Deficiency appropriation.

FOR THE DEPARTMENT OF GAME:

FROM THE STATE GAME FUND.

Salaries and Wages.....	\$15,000.00
Operations	\$190,000.00
Control of Beaver.....	\$60,000.00

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety and the immediate support of the state government and its existing institutions and shall take effect immediately.

Emergency.

Passed the Senate January 27, 1947.

Passed the House January 30, 1947.

Approved by the Governor February 4, 1947.

CHAPTER 13.

[H. B. 99.]

APPROPRIATION—TEMPORARY PUBLICATION OF
SESSION LAWS.

AN ACT appropriating the sum of six thousand dollars (\$6,000), or so much thereof as may be necessary for the temporary publication of Session Laws of the Thirtieth Session of the Washington State Legislature and declaring an emergency.

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

Appropriation.

SECTION 1. That there be and there is hereby appropriated out of the general fund the sum of six thousand dollars (\$6,000), or so much thereof as may be necessary, for the printing and mailing of the temporary publication of the Session Laws of the Thirtieth Session of the Washington State Legislature.

Emergency.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of state government and its existing institutions and shall take effect immediately.

Passed the House January 27, 1947.

Passed the Senate January 30, 1947.

Approved by the Governor February 4, 1947.

CHAPTER 14.

[S. B. 94.]

DEFICIENCY APPROPRIATION—DEPARTMENT OF LABOR AND INDUSTRIES.

AN ACT making a deficiency appropriation for the payment of salaries, wages and operations for the Department of Labor and Industries, and declaring an emergency.

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

SECTION 1. By reason of a deficiency existing in the appropriations made by the Twenty-Ninth Regular Session of the Legislature, the following sums or so much thereof as shall severally be found necessary are hereby appropriated out of any moneys in the funds of the state treasury hereinafter named and for the purposes hereinafter specified for the fiscal biennium beginning April 1, 1945 and ending March 31, 1947:

Appropriation.

FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES:

Salaries and wages	\$130,314.86
Operations	\$75,826.44

FROM THE ELECTRICAL LICENSE FUND.

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES:

Operations	\$7,000.00
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SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate January 31, 1947.

Passed the House February 3, 1947.

Approved by the Governor February 5, 1947.

CHAPTER 15.

[S. B. 5.]

RELATING TO FISHERIES.

AN ACT relating to fisheries, authorizing the destruction of seals and sea lions, prescribing the powers and duties of the director of fisheries in respect thereto, providing for the payment of bounties, prescribing penalties, amending section 96, chapter 31, Laws of 1915, as amended by section 8, chapter 180, Laws of 1921 (sec. 5748, Rem. Rev. Stat.), repealing section 2, chapter 229, Laws of 1945, and declaring that this act shall take effect April 1, 1947.

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

§ 543-1
PPC.

SECTION 1. Section 96, chapter 31, Laws of 1915, as amended by section 8, chapter 180, Laws of 1921 (sec. 5748, Rem. Rev. Stat.) is amended to read as follows:

Powers and
duties of
Director of
Fisheries.

Section 96. The Director of Fisheries shall have the power and it shall be his duty to cause his employees and hunters employed for the purpose to kill and destroy seals and sea lions in the waters of the State of Washington. He shall have the authority to expend such moneys as may from time to time be appropriated by the Legislature for such purposes and he is hereby authorized to expend such moneys as may be necessary to administer this act and to purchase firearms, ammunition, dynamite and other materials necessary to carry out the purposes hereof. He shall keep as nearly as possible an accurate record of the number of seals and sea lions that are so destroyed. Any person other than an employee of the Department of Fisheries killing or causing to be killed in the waters of the state, any common seal or sea lion shall be entitled to receive a bounty of not less than three dollars (\$3.00) nor more than ten dollars (\$10.00), the amount to be designated by the Director of Fisheries at the beginning of each fiscal year, from any monies which may be

Bounties.

appropriated by the Legislature for the purposes of this act. All monies appropriated for such purposes by the Legislature of the state shall be expended under the direction of and upon vouchers approved by the Director of Fisheries, who shall adopt rules and regulations providing for the proof of such killing and the surrender and destruction of the scalp of such seal or sea lion. Any person who shall receive, or attempt to receive, any bounty for the killing of any common seal or sea lion not taken in the waters of the State of Washington shall be guilty of a gross misdemeanor and shall pay a fine of not less than two hundred and fifty dollars (\$250.00).

Payment of bounties.

Penalty.

SEC. 2. Section 2, chapter 229, Laws of 1945 is hereby repealed.

Prior penal statute repealed.

SEC. 3. This act is necessary for the support of the state government and its existing public institutions and shall take effect April 1, 1947.

Emergency

Passed the Senate January 23, 1947.

Passed the House February 5, 1947.

Approved by the Governor February 11, 1947.

CHAPTER 16.

[S. B. 34.]

DEFICIENCY APPROPRIATION.

AN ACT making a deficiency appropriation for the payment of salaries and wages and operations for the Commissioner of Public Lands, the Board of State Land Commissioners, and the State Forest Board, and declaring an emergency.

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

SECTION 1. By reason of a deficiency existing in the appropriation made by the Twenty-Ninth Regular Session of the Legislature, the following sums, or so much thereof as shall severally be found necessary

are hereby appropriated out of any monies in the General Fund of the state treasury, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

FOR THE COMMISSIONER OF PUBLIC LANDS:

FROM THE GENERAL FUND.

Deficiency appropriation.

Salaries and wages.....	\$30,486.00
Operations	10,164.00
Total	<u>\$40,650.00</u>

FOR THE BOARD OF STATE LAND COMMISSIONERS:

FROM THE GENERAL FUND.

Salaries	\$8,456.00
Operations	3,039.00
Total	<u>\$11,495.00</u>

FOR THE STATE FOREST BOARD:

FROM THE GENERAL FUND.

Salaries and operations.....	\$4,500.00
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Emergency.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate February 3, 1947.

Passed the House February 7, 1947.

Approved by the Governor February 11, 1947.

CHAPTER 17.

[S. B. 93.]

DEFICIENCY APPROPRIATIONS.

AN ACT making deficiency appropriations for the Washington State Penitentiary, the Western State Hospital, and the Northern State Hospital as provided by law, and declaring an emergency.

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

SECTION 1. By reason of deficiencies existing in the appropriations made by the Twenty-Ninth Regular Session of the Legislature, the following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any moneys in the General Fund of the state treasury, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

Deficiency appropriation.

FOR THE WASHINGTON STATE PENITENTIARY:

Salaries and wages.....	\$1,100
Operations	\$83,900

FOR THE WESTERN STATE HOSPITAL:

Salaries and wages.....	\$80,000
Operations	\$100,000

FOR THE NORTHERN STATE HOSPITAL:

Salaries, wages and operations.....	\$216,500
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SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate February 3, 1947.

Passed the House February 7, 1947.

Approved by the Governor February 11, 1947.

CHAPTER 18.

[H. B. 8.]

CREATING A WESTERN COLLEGE FUND.

AN ACT creating certain college funds; and providing for appropriations to be paid from certain other funds; and declaring an emergency.

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

New fund created.

SECTION 1. A new fund is created in the state treasury to be known as the Western College Fund.

Transfer of funds.

SEC. 2. All moneys in the state treasury to the credit of the Bellingham Normal School Fund on May 1, 1947, and all moneys thereafter paid into the state treasury for, or to the credit of, the Bellingham Normal School Fund, shall be transferred to and placed in the Western College Fund.

Appropriations to be paid from new fund.

SEC. 3. From and after April 1, 1947, appropriations made by the Thirtieth Legislature from the Bellingham Normal School Fund shall be paid out of moneys in the Western College Fund.

Old fund abolished.

SEC. 4. From and after May 1, 1947, and after the transfer required by section 2 hereof, the Bellingham Normal School Fund in the state treasury shall be and hereby is abolished.

Warrants to be paid from new fund.

SEC. 5. From and after May 1, 1947, all warrants drawn on the Bellingham Normal School Fund and not presented for payment, shall be paid from the Western College Fund, and it shall be the duty of the State Treasurer, and he is directed, to pay such warrants, when presented, from the Western College Fund.

Emergency.

SEC. 6. This act is necessary for the immediate preservation of the public peace, health and safety,

the support of the state government and its existing public institutions, and shall take effect April 1, 1947.

Passed the House February 3, 1947.

Passed the Senate February 11, 1947.

Approved by the Governor February 13, 1947.

CHAPTER 19.

[H. B. 11.]

CREATING A CENTRAL COLLEGE FUND.

AN ACT creating certain college funds; and providing for appropriations to be paid from certain other funds; and declaring an emergency.

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

SECTION 1. A new fund is created in the state treasury to be known as the Central College Fund. New fund created.

SEC. 2. All moneys in the state treasury to the credit of the Ellensburg Normal School Fund on May 1, 1947, and all moneys thereafter paid into the state treasury for, or to the credit of, the Ellensburg Normal School Fund, shall be transferred to and placed in the Central College Fund. Transfer of funds.

SEC. 3. From and after April 1, 1947, appropriations made by the Thirtieth Legislature from the Ellensburg Normal School Fund shall be paid out of moneys in the Central College Fund. Appropriations to be paid from new fund.

SEC. 4. From and after May 1, 1947, and after the transfer required by section 2 hereof, the Ellensburg Normal School Fund in the state treasury shall be and hereby is abolished. Old fund abolished.

SEC. 5. From and after May 1, 1947, all warrants drawn on the Ellensburg Normal School Fund and not presented for payment, shall be paid from the Central College Fund, and it shall be the duty of the State Treasurer, and he is directed, to pay such Warrants to be paid from new fund.

warrants, when presented, from the Central College Fund.

Emergency.

SEC. 6. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect April 1, 1947.

Passed the House February 3, 1947.

Passed the Senate February 11, 1947.

Approved by the Governor February 13, 1947.

CHAPTER 20.

[H. B. 16.]

CREATING AN EASTERN COLLEGE FUND.

AN ACT creating certain college funds; and providing for appropriations to be paid from certain other funds; and declaring an emergency.

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

New fund created.

SECTION 1. A new fund is created in the state treasury to be known as the Eastern College Fund.

Transfer of funds.

SEC. 2. All monies in the state treasury to the credit of the Cheney Normal School on May 1, 1947, and all monies thereafter paid into the state treasury for, or to the credit of, the Cheney Normal School Fund, shall be transferred to and placed in the Eastern College Fund.

Appropriations to be paid from new fund.

SEC. 3. From and after April 1, 1947, appropriations made by the Thirtieth Legislature from the Cheney Normal School Fund shall be paid out of monies in the Eastern College Fund.

Old fund abolished.

SEC. 4. From and after May 1, 1947, and after the transfer required by section 2 hereof, the Cheney Normal School Fund in the state treasury shall be and hereby is abolished.

SEC. 5. From and after May 1, 1947, all warrants drawn on the Cheney Normal School Fund and not presented for payment, shall be paid from the Eastern College Fund, and it shall be the duty of the State Treasurer, and he is directed, to pay such warrants, when presented, from the Eastern College Fund.

Warrants to be paid from new fund.

SEC. 6. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect April 1, 1947.

Emergency.

Passed the House February 3, 1947.

Passed the Senate February 11, 1947.

Approved by the Governor February 13, 1947.

CHAPTER 21.

[H. B. 28.]

LIABILITY OF EXECUTORS, ADMINISTRATORS OR TRUSTEES FOR INHERITANCE TAXES.

AN Act relating to the liability of executors, administrators, or trustees for inheritance taxes, and amending section 107n, chapter 180, Laws of 1935, as enacted by section 3, chapter 202, Laws of 1939, dividing into separate sections section 107, chapter 180, Laws of 1935 (sec. 11202-1, Rem. Rev. Stat.; sec. 974-113, PPC).

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

SECTION 1. Section 107n, chapter 180, Laws of 1935, as enacted by section 3, chapter 202, Laws of 1939, dividing into separate sections section 107, chapter 180, Laws of 1935 (sec. 11202-1, Rem. Rev. Stat.; sec. 974-113, PPC) is amended to read as follows:

Section 107n. An executor, administrator or trustee shall not be discharged from liability for such inheritance tax, nor shall a decree of distribu-

Receipt, waiver, or proof of provision for payment to be filed.

tion be entered, nor said estate, nor any part of said estate, be distributed until a receipt signed by the State Treasurer showing that the inheritance tax is paid, or written waiver executed by the supervisor showing that the estate is not subject to inheritance tax, or written acknowledgment by the supervisor that provision for payment of the tax has been made to his satisfaction, is filed with the Clerk of the Court, or the court having jurisdiction over such estate shall have determined as herein provided that such estate is not liable to pay an inheritance tax.

Applies to pending cases.

SEC. 2. The provisions of this title shall apply to all inheritance tax cases pending at the time this act takes effect.

Passed the House January 30, 1947.

Passed the Senate February 10, 1947.

Approved by the Governor February 13, 1947.

CHAPTER 22.

[H. B. 52.]

BUDGETS OF PUBLIC LIBRARIES.

AN ACT relating to the budgets of public libraries.

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

Budgets of rural county library districts.

SECTION 1. The trustees of any rural county library district or any intercounty rural library district may include in the annual budget of such district an item for the accumulation during such year of a specified sum of money to be expended in a future year for the acquisition, enlargement or improvement of real or personal property for library purposes.

Passed the House February 4, 1947.

Passed the Senate February 11, 1947.

Approved by the Governor February 13, 1947

CHAPTER 23.

[S. B. 6.]

DEPARTMENT OF FISHERIES—BOUNTIES ON SEALS
AND SEA LIONS.

AN ACT relating to fisheries and appropriating thirty-five thousand dollars (\$35,000) for the payment of bounties for killing seals and sea lions in the waters of the state, and declaring that this act shall take effect April 1, 1947.

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

SECTION 1. There is hereby appropriated from any monies in the general fund of the State of Washington, not otherwise appropriated, the sum of thirty-five thousand dollars (\$35,000) to be expended by the Director of Fisheries in paying bounties for killing, or causing to be killed, common seals and sea lions caught in the waters of the State of Washington, and the hiring of professional hunters, and otherwise carrying out the provisions of section 8, chapter 180, Laws of 1921, or amendments thereof. Appropriation.

SEC. 2. This act is necessary for the support of the state government and its existing public institutions and shall take effect April 1, 1947. Emergency.

Passed the Senate January 23, 1947.

Passed the House February 12, 1947.

Approved by the Governor February 18, 1947.

CHAPTER 24.

[S. B. 10.]

PORT DISTRICTS.

AN ACT relating to the powers of port districts; amending section 7 of chapter 92 of the Laws of 1911, as last amended by section 7 of chapter 62 of the Laws of 1913 (Remington's Revised Statutes 9695, Pierce's Perpetual Code 777-25); and adding a new section to chapter 92, Laws of 1911.

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

SECTION 1. Section 7 of chapter 92 of the Laws of 1911, as last amended by section 7 of chapter 62 of the Laws of 1913 (Rem. Rev. Stat. 9695, PPC 777-25) is hereby amended to read as follows:

Improvement to follow plans adopted.

Section 7. *Improvement to Follow Plans Adopted.* When such general plans shall have been adopted or approved, as aforesaid, every improvement to be made by said commission shall be made substantially in accordance therewith unless and until such general plans shall have been officially changed by the port commission after a public hearing thereon, of which at least ten (10) days' notice shall be published in a newspaper in general circulation in such port district.

SEC. 2. Chapter 92 of the Laws of 1911 is hereby amended by adding thereto a new section to follow immediately after section 4 thereof (Rem. 1943 Supp. 9692; PPC 777-19), which new section shall be designated section 4A and shall read as follows:

Surveys and advertising authorized.

Section 4A. All port districts organized under the provisions of this act shall be, and they are hereby, authorized and empowered to initiate and carry on the necessary studies, investigations and surveys required for the proper development, improvement and utilization of all port properties, utilities and facilities, and to assemble and analyze the data thus obtained and to cooperate with the State of Wash-

ington, other port districts and other operators of terminal and transportation facilities for this purpose, and to make such expenditures as are necessary for said purpose, and for the proper promotion, advertising, improvement and development of such properties, utilities and facilities.

Passed the Senate January 23, 1947.

Passed the House February 12, 1947.

Permitted to become a law without the signature of the Governor.

BELLE REEVES,
Secretary of State.

CHAPTER 25.

[H. B. 400, Session of 1945.]

UNIFORM WASHINGTON FOOD, DRUG, AND COSMETIC ACT.

(The following section of chapter 257, Laws of 1945, originally passed by the Twenty-Ninth Legislature, was passed over the Governor's veto by the Thirtieth Legislature.)

SEC. 91. The authority to promulgate regulations for the efficient enforcement of this act is hereby vested in the Director: *Provided, however,* That the Director shall designate the Washington State Board of Pharmacy to carry out all the provisions of this act pertaining to drugs and cosmetics, with authority to promulgate regulations for the efficient enforcement thereof.

Duty of
Board of
Pharmacy!

Above section vetoed by the Governor, March 19, 1945.

Passed the House, notwithstanding the veto of the Governor, February 7, 1947.

Passed the Senate, notwithstanding the veto of the Governor, February 19, 1947.

CHAPTER 26.

[S. B. 8.]

SALE OF CERTAIN LANDS.

AN ACT authorizing the Director of Highways to sell and convey to Milton P. McCroskey certain land in Whitman County.

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

Director of
Highways
authorized
to sell
certain land.

SECTION 1. The Director of Highways is hereby authorized to sell to Milton P. McCroskey the following described real property in Whitman County which was formerly owned by him but which was acquired for highway purposes and is no longer needed for such purposes: A strip of land eighty (80) feet wide, being forty (40) feet on the southeasterly side and forty (40) feet on the northwesterly side of the center line of State Road No. 3 surveyed over and across that part of the northeast quarter of section 22, township 16 north, range 43, E. W. M., which lies easterly of the county road, the specific details concerning all of which are to be found within that certain map of definite location now of record and on file in the office of the Director of Highways at Olympia, bearing date of approval May 17, 1932.

Also a strip of land eighty (80) feet wide, being forty (40) feet on the northwesterly side and forty feet on the southeasterly side of the center line of State Road No. 3 as surveyed over and across the southeast quarter of the northeast quarter of section 22, township 16 north, range 43, E. W. M., the specific details concerning all of which are to be found within that certain map of definite location now of record and on file in the office of the Director of Highways at Olympia and bearing date of approval May 17, 1932.

The Director of Highways shall cause said conveyance to be made when the said Milton P. Mc-

Croskey shall pay to the Department of Highways for deposit into the Motor Vehicle Fund the sum of five hundred seventy dollars (\$570), which is the amount paid by the state to acquire such property.

Conveyance to be made upon payment.

Passed the Senate January 21, 1947.

Passed the House February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 27.

[S. B. 38.]

CEMETERY DISTRICTS.

AN ACT relating to cemetery districts and amending section 1, chapter 6, Laws of 1947.

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

SECTION 1. Section 1, chapter 6, Laws of 1947 is amended to read as follows:

Section 1. Cemetery districts may be established in counties of the fourth, fifth, sixth, seventh, eighth and ninth classes, as defined in chapter 26, Laws of 1941 (4200-1a, Rem. Supp. 1941), as in this act provided.

Fourth class counties included.

Passed the Senate February 14, 1947.

Passed the House February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 28.

[S. B. 48.]

RELATING TO CITIES, TOWNS AND PARK DISTRICTS.

AN ACT relating to the powers of cities, towns and separately organized park districts in regard to public auditoriums, art museums, swimming pools, and athletic and recreational fields, buildings and facilities, and amending chapter 98, Laws of 1937 (sec. 8981-4, Rem. Rev. Stat.; sec. 413-5, PPC).

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

SECTION 1. Chapter 98, Laws of 1937 (sec. 8981-4, Rem. Rev. Stat.; sec. 413-5, PPC), is amended to read as follows:

Municipalities may acquire and rent certain facilities.

Section 3. Any city or town in this state acting through its council or legislative body, and any separately organized park district acting through its board of park commissioners or other governing officers, shall have power to acquire by donation, purchase or condemnation, and to construct and maintain public auditoriums, art museums, swimming pools, and athletic and recreational fields, including golf courses, buildings and facilities within or without its parks, and to use or let the same for such public and private purposes for such compensation and rental and upon such conditions as its council or other legislative body or board of park commissioners shall from time to time prescribe.

Passed the Senate February 4, 1947.

Passed the House February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 29.

[S. B. 73.]

PACIFIC MARINE FISHERIES COMPACT.

AN ACT relating to food and shell fish; providing for a compact between the states of California, Oregon and Washington, designated "The Pacific Marine Fisheries Compact," relative to the utilization, protection and conservation of fisheries in those areas of the Pacific Ocean over which the said state jointly or separately now have or may hereafter acquire jurisdiction, upon enactment of the same by two or more of said states, and upon ratification thereof by Congress in compliance with section 10, Article 1 of the Constitution of the United States; upon ratification designating the director of fisheries, ex-officio, as a member of The Pacific Marine Fisheries Commission in accordance with and with the duties and powers provided in said compact, and giving the director of fisheries power to make joint rules and regulations regulating the conduct of citizens of the State of Washington in off-shore fishing in certain instances and providing penalties for violations thereof.

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

SECTION 1. Should Congress, by virtue of the authority vested in it under section 10, Article 1, of the Constitution of the United States, providing for compacts and agreements between the states, ratify The Pacific Marine Fisheries Compact, recommended by the Interstate Committee on Off-Shore Fisheries of the Western Regional Legislative Conference of the Council of State Governments, after the enactment of this compact by two or more of the states of California, Oregon and Washington, then, and in that event, there shall exist between the contracting states a definite compact and agreement, the purport of which shall be substantially as follows:

Compact
subject to
Congressional
approval.

THE PACIFIC MARINE FISHERIES COMPACT.

The contracting states do hereby agree as follows:

ARTICLE I.

The purposes of this compact are and shall be to promote the better utilization of fisheries, marine,

Purposes of compact.

shell and anadromous, which are of mutual concern, and to develop a joint program of protection and prevention of physical waste of such fisheries in all of those areas of the Pacific Ocean over which the states of California, Oregon and Washington jointly or separately now have or may hereafter acquire jurisdiction.

Nothing herein contained shall be construed so as to authorize the aforesaid states or any of them to limit the production of fish or fish products for the purpose of establishing or fixing the prices thereof or creating and perpetuating a monopoly.

ARTICLE II.

When operative.

This agreement shall become operative immediately as to those states executing it whenever two or more of the states of California, Oregon and Washington have executed it in the form that is in accordance with the laws of the executing states and the Congress has given its consent.

ARTICLE III.

States to appoint representatives.

Each state joining herein shall appoint, as determined by state statutes, one or more representatives to a Commission hereby constituted and designated as The Pacific Marine Fisheries Commission, of whom one shall be the administrative or other officer of the agency of such state charged with the conservation of the fisheries resources to which this compact pertains. This Commission shall be a body with the powers and duties set forth herein.

Terms of Commissioners.

The term of each commissioner of The Pacific Marine Fisheries Commission shall be four years. A commissioner shall hold office until his successor shall be appointed and qualified but such successor's term shall expire four years from legal date of expiration of the term of his predecessor. Vacancies occurring in the office of such commissioner from any reason or cause shall be filled for the unexpired term, or a commissioner may be removed from

Vacancies.

office, as provided by the statutes of the state concerned. Each commissioner may delegate in writing from time to time, to a deputy, the power to be present and participate, including voting as his representative or substitute, at any meeting of or hearing by or other proceeding of the Commission.

Deputies.

Voting powers under this compact shall be limited to one vote for each state regardless of the number of representatives.

Voting.

ARTICLE IV.

The duty of the said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances and conditions as may be disclosed for bringing about the conservation and the prevention of the depletion and physical waste of the fisheries, marine, shell, and anadromous in all of those areas of the Pacific Ocean over which the states of California, Oregon and Washington jointly or separately now have or may hereafter acquire jurisdiction. The Commission shall have power to recommend the co-ordination of the exercise of the police powers of the several states within their respective jurisdictions and said conservation zones to promote the preservation of those fisheries and their protection against over-fishing, waste, depletion or any abuse whatsoever and to assure a continuing yield from the fisheries resources of the signatory parties hereto.

Duties of Commission.

To that end the Commission shall draft and, after consultation with the Advisory Committee hereinafter authorized, recommend to the governors and legislative branches of the various signatory states hereto legislation dealing with the conservation of the marine, shell, and anadromous fisheries in all of those areas of the Pacific Ocean over which the state of California, Oregon and Washington jointly or separately now have or may hereafter acquire jurisdiction. The Commission shall, more than one

Make recommendations.

month prior to any regular meeting of the legislative branch in any state signatory hereto, present to the governor of such state its recommendations relating to enactments by the legislative branch of that state in furthering the intents and purposes of this compact.

Recommend
regulations.

The Commission shall consult with and advise the pertinent administrative agencies in the signatory states with regard to problems connected with the fisheries and recommend the adoption of such regulations as it deems advisable and which lie within the jurisdiction of such agencies.

Recommend
stocking
of fish.

The Commission shall have power to recommend to the states signatory hereto the stocking of the waters of such states with marine, shell or anadromous fish and fish eggs or joint stocking by some or all of such states and when two or more of the said states shall jointly stock waters the Commission shall act as the co-ordinating agency for such stocking.

ARTICLE V.

Officers.

The Commission shall elect from its number a chairman and a vice chairman and shall appoint and at its pleasure, remove or discharge such officers and employees as may be required to carry the provisions of this compact into effect and shall fix and determine their duties, qualifications and compensation. Said Commission shall adopt rules and regulations for the conduct of its business. It may establish and maintain one or more offices for the transaction of its business and may meet at any time or place within the territorial limits of the signatory states but must meet at least once a year.

Adopt rules.

ARTICLE VI.

Majority
vote
necessary.

No action shall be taken by the Commission except by the affirmative vote of a majority of the whole number of compacting states represented at any meeting. No recommendation shall be made by

the Commission in regard to any species of fish except by the vote of a majority of the compacting states which have an interest in such species.

ARTICLE VII.

The fisheries research agencies of the signatory states shall act in collaboration as the official research agency of The Pacific Marine Fisheries Commission.

Official
research
agency.

An advisory committee to be representative of the commercial fishermen, commercial fishing industry and such other interests of each state as the Commission deems advisable shall be established by the Commission as soon as practicable for the purpose of advising the Commission upon such recommendations as it may desire to make.

Advisory
committee.

ARTICLE VIII.

Nothing in this compact shall be construed to limit the powers of any state or to repeal or prevent the enactment of any legislation or the enforcement of any requirement by any state imposing additional conditions and restrictions to conserve its fisheries.

State's
powers not
limited.

ARTICLE IX.

Continued absence of representation or of any representative on the Commission from any state party hereto, shall be brought to the attention of the governor thereof.

Absence of
representa-
tion.

ARTICLE X.

The states agree to make funds available annually to the support of the Commission in proportion to the primary market value of the products of their fisheries as recorded in the latest published reports (five year average) provided no state shall contribute less than two thousand dollars (\$2,000) per annum and the annual contribution of each state above the minimum shall be figured to the nearest one hundred dollars (\$100).

Contribution
by states.

Schedule of Contributions.

The compacting states agree to make available annual funds in the amounts scheduled below, which amounts are calculated in the manner set forth herein, on the basis of the latest five year catch records. Subsequent budgets shall be recommended by a majority of the Commission and the total amount thereof allocated equitably among the states in accordance with the above formula.

Schedule of Initial Annual State Contributions.

California	\$11,000
Oregon	2,000
Washington	2,000
	Total
	\$15,000

ARTICLE XI.

Withdrawal from compact.

This compact shall continue in force and remain binding upon each state until renounced by it. Renunciation of this compact must be preceded by sending six-months' notice in writing of intention to withdraw from the compact to the other parties hereto.

Director of Fisheries to be a representative.

SEC. 2. In the event the compact set forth in section 1 of this act becomes effective, the director of fisheries, ex-officio, shall have the power, and it shall be his duty to act as the representative of the State of Washington on The Pacific Marine Fisheries Commission, in accordance with the provisions of, and with the powers and duties provided in said compact.

Director of Fisheries to make regulations.

SEC. 3. In the event the compact set forth in section 1 hereof becomes effective, the director of fisheries shall have the power and he is hereby authorized from time to time to make, adopt, amend and promulgate, governing off-shore fishing in the Pacific Ocean by citizens of the State of Washington, rules and regulations, prohibiting wastage of food or shellfish, establishing open and closed season for all fishing, designating areas open or closed to

fishing, setting minimum and maximum sizes of fish and shellfish that may be taken, declaring the kinds of food or shellfish that may be used for bait, and regulating fishing gear to be used as to mesh, size and length of nets and number, length and size of line and hooks: *Provided*, That no rule or regulation shall be issued governing the conduct of citizens of the State of Washington unless like rules or regulations or statutes have been made or will become effective jointly as to the citizens of the States of Oregon and/or California.

Regulations
must be
joint.

SEC. 4. Any person, firm or corporation violating any of the rules or regulations of the director of fisheries issued in accordance with this act, shall be guilty of a misdemeanor.

Penalty.

Passed the Senate February 5, 1947.

Passed the House February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 30.

[S. B. 105.]

CERTIFICATE OF BRAND INSPECTION.

AN ACT requiring a certificate of brand inspection to move certain livestock from the state; relating to the marking of the carcasses of meat food animals, and amending section 4, chapter 75, Laws of 1937 and section 8, chapter 161, Laws of 1945 (secs. 3169-4 and 3169-27, Rem. Rev. Stat.; secs. 729-7 and 720-10 (17), PPC).

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

SECTION 1. Section 4, chapter 75, Laws of 1937 (sec. 3169-4, Rem. Rev. Stat.; sec. 729-7, PPC) is hereby amended to read as follows:

Section 4. Any person, firm or corporation, public carrier or contract hauler transporting livestock on the public highways of the State of Washington must at all times have in his or their possession a

Certificate
required.

Unlawful
to transport
certain
animals
without
certificate.

copy of an original certificate of permit or official certificate of brand inspection to remove such animals, giving name and address of consignor, number, kinds, color and brands and tattoo marks of animals and to whom consigned. It shall be unlawful to remove any cattle, horses, mules or asses from the State of Washington without first having secured an official certificate of brand inspection on the animals to be removed. The failure to have certificates of permit or official certificates of brand inspection to remove or transport such animals shall be considered prima facie evidence that they are being moved on the highways of the state illegally and any peace officer shall arrest and detain such violators. Any railroad company, steamship company or ferry boat operating within the state, or carrying on interstate or foreign commerce, before accepting consignments of livestock for shipment shall require that the consignor of any and all shipments of livestock present a certificate of permit or official certificate of brand inspection giving name and address of consignor, name and address of consignee, number, kinds, color and brands or tattoo marks of such animals, and a copy of said certificate of permit or official certificate of brand inspection shall be attached to the waybill and accompany such shipment of livestock to destination. The original shall be mailed to the director of agriculture, Olympia, and the triplicate copy filed in the local office of the railroad, steamship or ferry boat company, receiving the shipment and held for six (6) months, as provided in section 2 of this act.

SEC. 2. Section 8, chapter 161, Laws of 1945 (sec. 3169-27 Rem. Rev. Stat.; sec. 729-10(17), PPC) is hereby amended to read as follows:

Unlawful
acts.

Section 8. It shall be unlawful for any person, firm or corporation to transport, have in his or their possession, or to have on his or their premises any carcass of a meat food animal that does not bear

the clearly legible establishment number of a licensed slaughtering establishment maintaining either state or federal meat inspection or the permit number of a farm slaughterer: *Provided*, That this provision shall not apply to carcasses slaughtered by a farmer for his own consumption, to the premises of a licensed slaughtering establishment, and to carcasses of animals that have died other than by slaughter.

Passed the Senate February 4, 1947.

Passed the House February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 31.

[H. L. 19.]

SCHOOL LUNCHES.

AN ACT relating to education; providing for school lunches; amending section 1, chapter 160, Laws of 1939, as amended by section 1, chapter 51, Laws of 1943 (section 4706-1, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 883-19).

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

SECTION 1. Section 1, chapter 160, Laws of 1939, as amended by section 1, chapter 51, Laws of 1943 (section 4706-1, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 883-19), is amended to read as follows:

Section 1. The directors of any school district may establish, equip and operate lunchrooms in school buildings for pupils and teachers: *Provided*, The expenditures for food supplies shall not exceed the estimated revenues from the sale of lunches, Federal lunch aid, Indian Education Fund lunch aid, other anticipated revenue to be received for that purpose by donation or otherwise, and cash balance of such revenues during the preceding school year,

School districts may operate lunchrooms.

as shown by the school district budget in any school year.

Passed the House January 28, 1947.

Passed the Senate February 13, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 32.

[H. B. 132.]

STATE TREASURER—MONTHLY REPORTS.

AN ACT relating to the State Treasurer, requiring monthly reports as to the state of the treasury and the funds therein, and declaring an emergency.

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

SECTION 1. On or before the tenth day after the close of any calendar month commencing with the month of February, 1947, the State Treasurer shall prepare three hundred (300) printed copies of a report as to the state of the General Fund and separately as to each and every other fund under his control itemized as to: (1) the amount in the fund at the close of business at the end of the preceding month;

(2) The amount of revenue deposited or transferred to the credit of each fund during the current month;

(3) The amount of withdrawals or transfers from each fund during the current month; and

(4) The amount on hand in each fund at the close of business at the end of the current month.

One (1) copy of each report shall be mailed on or before the fifteenth day of the reporting month to each member of the State Legislature and to each elected state officer. The remaining copies shall be distributed to those requesting them so long as the supply lasts. During any reporting month the State

State
Treasurer
to make
monthly
reports.

Auditor shall approve no vouchers for salary or expenses of the State Treasurer until he has received a copy of the report herein required to be made in that month.

SEC. 2. The State Treasurer shall cause all such reports to be printed as other public documents are printed and the approval of no other officer of the state shall be necessary in carrying out the purposes of this act. Reports to be printed.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately. Emergency.

Passed the House February 13, 1947.

Passed the Senate February 12, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 33.

[H. B. 151.]

RELATING TO MOTOR VEHICLE LICENSES— EXEMPTIONS.

AN ACT relating to motor vehicle licenses; exempting certain vehicles; and amending section 15, chapter 188, Laws of 1937 (sec. 6312-15, Rem. Rev. Stat.; sec. 290-1, PPC).

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

SECTION 1. Section 15, chapter 188, Laws of 1937 (sec. 6312-15, Rem. Rev. Stat.; sec. 290-1, PPC) is hereby amended to read as follows:

Section 15. It shall be unlawful for any person to operate any vehicle over and along any of the public highways of this state without first having obtained and having in full force and effect a current and proper vehicle license and display vehicle license number plates therefor as by this chapter provided: Vehicle licenses required.
Provided, That these provisions shall not apply to

Certain
vehicles
exempted.

farm tractors, and farm implements temporarily operating or drawn upon the public highways from one farm to another, and trailers used exclusively to transport farm implements from one farm to another during the daylight hours or at night when said equipment has lights that comply with the law.

Passed the House February 15, 1947.

Passed the Senate February 14, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 34.

[H. B. 153.]

RELATING TO AGRICULTURAL FAIRS.

AN ACT relating to fairs; providing for the financing thereof, and amending section 2, chapter 200, Laws of 1939 as amended by section 1, chapter 48, Laws of 1941 (sec. 2753-6a, Rem. Rev. Stat.; sec. 936-23, PPC), and section 9, chapter 55, Laws of 1933, as last amended by section 4, chapter 48, Laws of 1941 (sec. 8312-9, Rem. Rev. Stat.; sec. 634-17, PPC).

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

SECTION 1. Section 2, chapter 200, Laws of 1939 as amended by section 1, chapter 48, Laws of 1941 (sec. 2753-6a, Rem. Rev. Stat.; sec. 936-23, PPC) is amended to read as follows:

Fairs
classified.

Section 2. For the purposes of this act, all agricultural fairs held in the State of Washington wherein 4-H Club or Smith-Hughes students participate shall be divided into classes A, B, C and D. A class A fair is one which has been in existence for two or more years and has had 4-H Club, Smith-Hughes students, and general competition among persons from five or more counties for two or more years: *Provided*, That the total number of class A fairs shall never exceed nine in number, and the first nine fairs so designated by the Director of Agriculture shall be the state class A fairs. A class B fair

is a fair which is open to all exhibitors in the county wherein said fair is held and which has sponsored classifications for 4-H Club work or Smith-Hughes vocational work for two or more years but which does not fall within the description of a class A fair. A class C fair is a fair which has for two or more years been open to competition among all 4-H Club and Smith-Hughes vocational students in a particular county, but which has not had general open competition. A class D fair is one which has either open competition or boys' and girls' 4-H Club or Smith-Hughes vocational competition, or all of these, but wherein said competition is restricted to an area smaller than a county, of which there may be several in one county.

SEC. 2. Section 9, chapter 55, Laws of 1933, as last amended by section 4, chapter 48, Laws of 1941 (sec. 8312-9, Rem. Rev. Stat.; sec. 634-17, PPC) is amended to read as follows:

Section 9. In addition to the license fees required by this act, the licensee shall pay to the Racing Commission five (5) per centum of the gross receipts of all pari-mutuel machines at each race meet, which sums shall be paid daily to the Racing Commission. All sums paid to the commission, together with all sums collected for license fees under the provisions of this act, shall be dispced of by the commission as follows: Twenty (20) per centum thereof shall be paid to and retained by the commission for the payment of the salary of its members; of its secretary, and the salaries of all other clerical, office, and other help employed by the commission, together with all expenses in connection with the carrying out of the provisions of this act, except that no payment need be made for office accommodations furnished by the state: *Provided, however,* That no salary, wages, expenses or compensation of any kind shall be paid by the State of Washington for, or in connection with the work of

Payments
to Racing
Commission.

Distribution
of amounts
paid to
Racing
Commission.

the commission in carrying out the provisions of this act; of the remaining eighty (80) per centum of all sums collected by the commission fifty (50) per centum shall, on the next business day following the receipt thereof, be paid to the State Treasurer, and by him placed in the general fund of the state treasury. The remaining thirty (30) per centum shall, on said next business day, be paid to the State Treasurer, who is hereby made ex officio treasurer of a fund to be known as the "fair fund," which fund shall be maintained as a separate and independent fund outside of the state treasury, which fund is hereby made available to the Director of Agriculture for the sole purpose of assisting fairs in the manner provided in section 6 of chapter 200 of the Laws of 1939, as amended. Any monies collected or paid to the commission under the terms of this act, and not expended at the time of making its report to the Legislature, shall be paid to the Treasurer and be placed in the general fund of the state treasury.

Passed the House February 17, 1947.

Passed the Senate February 15, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 35.

[H. B. 172.]

RELATING TO ELECTIONS.

AN ACT relating to elections and offenses against the right of suffrage, and amending section 33, chapter XIII, Laws of 1889-90 (sec. 5298, Rem. Rev. Stat.; sec. 521-45, PPC).

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

SECTION 1. Section 33, chapter XIII, Laws of 1889-90 (sec. 5298, Rem. Rev. Stat.; sec. 521-45, PPC) is amended to read as follows:

Section 33. No officer of election shall do any

electioneering on election day. No person shall do any electioneering, or circulate cards or handbills of any kind, or solicit signatures to any kind of petition on election day within any polling place, or any building in which an election is being held, or within one hundred feet thereof, nor obstruct the doors or entries thereto, or prevent free ingress to and egress from said building. Any election officer, sheriff, constable, or other peace officer, is hereby authorized and empowered, and it is hereby made his duty, to clear the passageway and prevent such obstruction, and to arrest any person creating such obstruction. No person shall remove any ballot from the polling place before the closing of the polls. No person shall show his ballot after it is marked to any person in such a way as to reveal the contents thereof, or the name of any candidate or candidates for whom he has marked his vote, nor shall any person solicit the elector to show the same; nor shall any person except a judge of election receive from any elector a ballot prepared for voting. No elector shall receive a ballot from any other person than one of the judges of election having charge of the ballots, nor shall any person other than such inspector or judges of election deliver a ballot to such elector. No elector shall vote or offer to vote any ballot except such as he has received from the judges of election having charge of the ballots. No elector shall place any mark upon his ballot by which it may afterwards be identified as the one voted by him. Any elector who does not vote a ballot delivered to him by the judges of election having charge of the ballots shall, before leaving the polling place, return such ballot to such judges. Whoever shall violate any of the provisions of this section shall be deemed guilty of a misdemeanor, and upon

No electioneering within one hundred feet of polling places.

Access to polling places not to be obstructed.

Ballots not to be removed before polls close.

Marked ballots not to be shown.

Only election judges to deliver ballots.

All ballots must be returned.

Penalty.

conviction thereof in any court of competent jurisdiction shall be fined in any sum not exceeding one hundred dollars, and adjudged to pay the cost of prosecution.

Passed the House February 10, 1947.

Passed the Senate February 15, 1947.

Approved by the Governor February 20, 1947.

CHAPTER 36.

[H. B. 115.]

STATE LEGISLATIVE COUNCIL.

AN ACT relating to the Legislature; creating and establishing a State Legislative Council from the members thereof; providing for their selection, terms, powers, duties, rules, findings and reports; and regulating the functions, expenditures and other activities of said council.

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

SECTION 1. There is hereby created a "State Legislative Council" hereinafter referred to as the council, which shall consist of ten senators and eleven representatives from the Legislature of the State of Washington, including the President pro tem of the Senate and the Speaker of the House of Representatives, said council to be appointed by the President of the Senate and the Speaker of the House of Representatives at least ten days before the close of the 1947 session of the Legislature, and at least ten days before the close of each regular session thereafter. The President of the Senate and the Speaker of the House of Representatives shall prepare their lists of appointees so that the whole membership of the council shall include at least one individual from each United States Congressional District within the state and so that not more than twelve of the council members shall be members of any one political party. The said lists

Legislative
Council
created.

Membership.

of appointees shall be subject to confirmation as to the senate members by the Senate and as to the house members by the House of Representatives. In the event of a failure to appoint council members within the time above stated, or in the event of a refusal by either Senate or House of Representatives to confirm appointments on the council, then the members on the council from either house in which there is a failure to appoint or confirm shall be elected forthwith by the members of such house.

SEC. 2. The council shall have the following powers and duties: (1) To perform, either through the council as a whole or through subcommittees thereof, all duties and functions customarily delegated to special interim legislative committees;

Powers and duties of interim committees.

(2) To examine and study the administrative organization and procedures of the state government, its offices, boards, committees, commissions, institutions and other state agencies and to make recommendations, where found advisable, directed to the elimination of unnecessary overlapping or duplication of functions, procedures and expenditures, and to the promotion of economy and efficiency in state government;

Study state government.

(3) To make current examination and reports concerning the current condition of all state funds, appropriations and other state moneys; concerning whether or not such appropriations are being currently expended for the purposes and within the statutory restrictions provided by the Legislature; and concerning the current availability of revenue to meet expenditures under appropriations;

Examine expenditures.

(4) To make such other studies and examinations of the state government and its state agencies as it may find advisable and to hear complaints, hold hearings, gather information and make findings of fact with respect thereto;

Hold hearings.

(5) To receive messages and reports in person or

Receive messages from executive branch.

in writing from the Governor or any other state officials and to attend generally to any and all business addressed to or affecting the Legislature during the interim between regular legislative sessions; and

Keep minutes.

Make reports.

(6) To make reports from time to time to the members of the Legislature and to the public with respect to any of its findings or recommendations. The council shall keep complete minutes of its meetings. The council shall make and distribute its final report to the members of the ensuing Legislature at least ten days prior to the convening of the Legislature.

Cooperate with other states.

(7) To cooperate, act and function with similar councils or committees of other states, with the Council of State Governments, and with other interstate research organizations.

Inspect records.

Issue subpoenas.

Bring contempt proceedings.

SEC. 3. In the discharge of any duty herein imposed, the council and its subcommittees shall have the authority to examine and inspect all files, records and accounts of any state office, department, institution, board, commission or agency, and to administer oaths, issue subpoenas, compel the attendance of witnesses and the production of any papers, books, accounts, documents and testimony, and to cause the deposition of witnesses, either residing within or without the state, to be taken in the manner prescribed by law for taking depositions in civil actions in the superior courts. In case of disobedience on the part of any person to comply with any subpoena issued in behalf of the council, or on the refusal of any witness to testify to any matters regarding which he may be lawfully interrogated, it shall be the duty of the superior court of any county, or of the judge thereof, on application of the council, to compel obedience by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court

or a refusal to testify therein. Each witness who appears before the State Legislative Council by its order, other than a state official or employee, shall receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record, which shall be audited and paid upon the presentation of proper vouchers signed by such witness and approved by the secretary and chairman of the council.

Witness fees.

SEC. 4. The first meeting of the State Legislative Council shall be held on the third Monday in June, 1947, and thereafter meetings shall be held throughout the legislative interim at such times and at such places as the council may determine. Subcommittees of the council may meet at such additional times and in such places as may be convenient or necessary in carrying out their delegated duties.

Meetings.

SEC. 5. The council shall have authority to select and employ an executive secretary, together with such other clerical, legal, accounting, research, and other assistants as it may deem desirable, whose compensation and salaries shall be fixed by the council.

Select employees.

SEC. 6. The members of the council shall be reimbursed for their expenses incurred while attending sessions of the State Legislative Council or meetings of any subcommittees of the council or while engaged on other council business authorized by the council to the extent of fifteen dollars (\$15) per day plus five cents (5¢) per mile in going and coming from State Legislative Council sessions or subcommittee meetings or for travel on other council business authorized by the council. All expenses incurred by the council, including salaries of employees, shall be paid upon voucher forms as provided by the State Auditor and signed by the chairman or vice-chairman of the council and attested by the secretary of said council, and the authority

Expenses.

Paid on vouchers.

of said chairman and secretary to sign vouchers shall continue until their successors are selected in each ensuing session of the Legislature. Vouchers may be drawn upon funds appropriated generally by the Legislature for legislative expenses or upon any special appropriation which may be provided by the Legislature for the expenses of the council.

May make rules.

SEC. 7. The State Legislative Council shall have authority to make its own rules and regulations governing the conduct of its business not otherwise prescribed in this act. The term of office of all council members shall be from time of confirmation or election until the convening of the next session of the Legislature. Vacancies on the council among the senate members of the council may be filled by appointment by the remaining senate members. Vacancies on the council from among the members of the House of Representatives may be filled by appointment by the remaining house members. All such vacancies shall be filled from the same political party as that of the member whose seat was vacated.

Terms of members.

Vacancies.

Delivery of records.

All of the minutes, records and files of the council and its subcommittees shall be delivered over by the council to the Speaker of the House of Representatives or to the President of the Senate at the convening of each new session of the Legislature, which minutes, records and files shall be held subject to the order of the Senate and House of Representatives, and shall thereafter be delivered over to the members of the succeeding legislative council as soon as the newly constituted council has been appointed and organized in each ensuing session of the Legislature.

Severability.

SEC. 8. If any section, subsection, paragraph or provision of this act shall be held invalid by any court for any reason, such invalidity shall not in

any way affect the validity of the remainder of this act.

Passed the House February 6, 1947.

Passed the Senate February 12, 1947.

Permitted to become a law without the signature of the Governor.

BELLE REEVES,
Secretary of State.

CHAPTER 37.

[H. B. 183.]

COOPERATIVE ASSOCIATIONS.

AN ACT relating to cooperative associations and amending section 13, chapter 19, Laws of 1913, as last amended by section 3, chapter 99, Laws of 1943 (sec. 3916, Rem. Rev. Stat.; sec. 454-25, PPC).

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

SECTION 1. Section 13, chapter 19, Laws of 1913, as last amended by section 3, chapter 99, Laws of 1943 (sec. 3916, Rem. Rev. Stat.; sec. 454-25, PPC), is amended to read as follows:

Section 13. The trustees may apportion the net earnings by paying dividends upon the paid-up capital stock at a rate not exceeding eight per cent per annum. They may set aside reasonable reserves out of such net earnings for any association purpose. The trustees may, however, distribute all or any portion of the net earnings to stockholders in proportion to the business of each with the association: *Provided*, That they may include nonstockholders at a rate not exceeding that paid to stockholders: *Provided further*, That the trustees may distribute, on a patronage basis, such net earnings at different rates on different classes, kinds, or varieties of products handled. All dividends declared or other distributions made under this section may, in the discretion of the trustees, be in the form of capital

Payment of
dividends.

Reserves.

Unclaimed
dividends.

stock or other capital or equity certificates of the association. All unclaimed dividends or distributions authorized under this act or funds payable on redeemed stock or equity certificates shall revert to the association at the discretion of the trustees, at any time after one year from the end of the fiscal year during which such distributions or redemptions have been declared.

Passed the House February 11, 1947.

Passed the Senate February 17, 1947.

Approved by the Governor February 24, 1947.

CHAPTER 38.

[S. B. 26.]

INTERSTATE COOPERATION COMMISSION.

AN ACT relating to state government and interstate cooperation and repealing chapter 195, Laws of 1945 (secs. 10964-50 to 10964-57, incl., Rem. Rev. Stat.; secs. 677h-1 to 677h-19, incl., PPC).

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

Laws
repealed.

SECTION 1. Chapter 195, Laws of 1945 (secs. 10964-50 to 10964-57, incl., Rem. Rev. Stat.; secs. 677h-1 to 677h-19, incl., PPC) is hereby repealed.

Passed the Senate February 4, 1947.

Passed the House February 19, 1947.

Approved by the Governor February 24, 1947.

CHAPTER 39.

[S. B. 102.]

DEFICIENCY APPROPRIATION—SECRETARY OF STATE.
 AN ACT making a deficiency appropriation for the office of
 Secretary of State, and declaring an emergency.

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

SECTION 1. By reason of a deficiency existing in the appropriations made by the Twenty-ninth Legislature, the following sums, or so much thereof as shall be found necessary, are hereby appropriated out of any moneys in the General Fund of the State Treasury, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

For the Secretary of State:	
Salaries and wages.....	\$1,342.60
Printing Initiative and Referendum pamphlets	7,414.76
Total.....	<u>\$8,757.36</u>

Deficiency
 appropria-
 tion.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate February 6, 1947.

Passed the House February 19, 1947.

Approved by the Governor February 24, 1947.

CHAPTER 40.

[S. B. 106.]

DEFICIENCY APPROPRIATION—STATE TREASURER.

AN Act making deficiency appropriations for salaries and wages for the office of State Treasurer, and declaring an emergency.

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

Deficiency appropriation.

SECTION 1. By reason of deficiencies existing in the appropriations made by the Twenty-ninth Regular Session of the Legislature, the following sums or so much thereof as shall severally be found necessary are hereby appropriated to the State Treasurer out of any moneys in the respective funds of the State Treasury herein specified, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

From the General Fund	
Salaries and wages.....	\$13,200.00
From the Motor Vehicle Fund	
Salaries and wages.....	\$5,300.00

Emergency.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 6, 1947.

Passed the House February 19, 1947.

Approved by the Governor February 24, 1947.

CHAPTER 41.

[S. B. 157.]

ABOLISHING WASHINGTON STATE
DEVELOPMENT BOARD.

AN Act relating to state government, abolishing the Washington State Development Board, transferring its powers and duties to the State Finance Committee, making appropriations and reappropriations, and declaring an emergency.

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

SECTION 1. The Washington State Development Board created by chapter 255, Laws of 1945, is hereby abolished and all of its powers and duties are transferred to and vested in the State Finance Committee.

Board
abolished.

SEC. 2. As of the effective date of this act, the Washington State Development Board shall transfer and surrender to the State Finance Committee all books, papers, records, and other property, together with all pending matters belonging or pertaining to the business of the Board.

All matters
and records
transferred
to State
Finance
Committee.

SEC. 3. This act shall not affect the validity of any act of the Board, performed within the scope of its authority, prior to the effective date hereof; nor shall the rights of any individual, or body politic or corporate, which have accrued before the effective date hereof be in any wise affected by the passage of this act.

Prior acts
ratified.

SEC. 4. All moneys appropriated to the Washington State Development Board from the Washington State Development Fund by section 12, chapter 255, Laws of 1945, which have not been allocated by grants for specific projects or purposes on or before the effective date of this act, are hereby transferred and appropriated from the Washington State Development Fund to the State General Fund.

Funds not
allocated
transferred
to general
fund.

Allocated
funds reap-
propriated to
State
Finance
Committee.

SEC. 5. The unexpended balance of moneys appropriated to the Washington State Development Board for counties, cities and towns by section 5, chapter 255, Laws of 1945, and the unexpended balances of moneys heretofore allocated by grants for specific projects and purposes from the appropriation made by section 12, chapter 255, Laws of 1945, are hereby reappropriated from the Washington State Development Fund to and for the use of the State Finance Committee and may be disbursed by such committee with the same effect as if the original appropriation were made directly to it.

Emergency.

SEC. 6. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 14, 1947.

Passed the House February 19, 1947.

Approved by the Governor February 25, 1947.

CHAPTER 42.

[S. B. 58.]

DEFICIENCY APPROPRIATION.

AN ACT making a deficiency appropriation for apportionment to counties as provided by section 7, chapter 141, Laws of 1945 (section 4936, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 889-9), and declaring an emergency.

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

SECTION 1. By reason of a deficiency existing in the appropriation made by the Twenty-ninth Regular Session of the Legislature, the following sum or so much thereof as shall be found necessary is hereby appropriated from the State School Equalization Fund, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

Deficiency appropriation.

For distribution to counties as provided by section 7, chapter 141, Laws of 1945 (section 4936, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 889-9) \$340,000.00

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Emergency.

Passed the Senate February 3, 1947.

Passed the House February 25, 1947.

Approved by the Governor February 27, 1947.

CHAPTER 43.

[H. B. 10.]

SALE OF CERTAIN PUBLIC LANDS.

AN ACT relating to public lands, authorizing the Department of Finance, Budget and Business to negotiate for sale of certain public lands and conveyance by the Governor.

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

Department of Finance Budget and Business may negotiate with Wenatchee.

SECTION 1. The Department of Finance, Budget and Business may negotiate with the City of Wenatchee in Chelan County for the purchase by said city from the state of the following described real property situated in Chelan County, to-wit: Lots eight (8), nine (9), ten (10), eleven (11), twelve (12) and thirteen (13), Block ten (10), and Lot eight (8), Block fifteen (15), Columbia Bridge Addition to the City of Wenatchee, according to the recorded plat thereof.

Governor to execute deed.

SEC. 2. Upon being satisfied that the reasonable market value of said property has been agreed to be paid by the City of Wenatchee and has been paid to the State Treasurer, the Governor may execute in behalf of the state a conveyance transferring the title of the State of Washington to said premises unto the City of Wenatchee.

Passed the House January 28, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 44.

[H. B. 44.]

PROBATE LAW—LINEAL DESCENDANTS.

AN ACT relating to probate law and procedure, and amending section 34, chapter 156, Laws of 1917 (sec. 1404, Rem. Rev. Stat.; sec. 219-21, PPC).

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

SECTION 1. Section 34, chapter 156, Laws of 1917 (sec. 1404, Rem. Rev. Stat.; sec. 219-21, PPC) is hereby amended to read as follows:

Section 34. When any estate shall be devised or bequeathed to any child, grandchild, or other relative of the testator, and such devisee or legatee shall die before the testator, having lineal descendants, such descendants shall take the estate, real and personal, as such devisee or legatee would have done in case he had survived the testator. A spouse is not a relative under the provisions of this section.

Lineal
descendants
to inherit.

Passed the House January 28, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 45.

[H. B. 47.]

RELATING TO STATE LANDS.

AN ACT relating to state lands, conveying certain shorelands to the University of Washington, and authorizing the University of Washington to convey a portion thereof to the City of Seattle.

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

Certain lands granted to University.

SECTION 1. There is hereby granted to the University of Washington the following described land, to-wit:

Lots two (2) and three (3), Block eleven-A (11-A) of the supplemental map of Lake Washington shorelands, filed September 5, 1916 in the office of the Commissioner of Public Lands, to be used for arboretum and botanical garden purposes and for no other purposes, except as provided in section 3.

Deed to be executed.

SEC. 2. The Commissioner of Public Lands is hereby authorized and directed to certify the lands described in section 1 to the Governor, and the Governor is hereby authorized and directed to execute, and the Secretary of State to attest, a deed of said shorelands to the University,

Regents of University may convey to Seattle.

SEC. 3. (a) The Board of Regents of the University of Washington is hereby authorized to convey to the City of Seattle that portion of said lot three (3) of the shorelands described in section 1 which is within the following described tract, to-wit:

A rectangular tract of land one hundred twenty (120) feet in north-south width, and four hundred (400) feet in east-west length, with the north boundary coincident with the north boundary of the old canal right of way, and the west boundary on the southerly extension of the west line of Lot eleven (11), Block four (4), Montlake Park, according to the recorded plat thereof, approximately

five hundred sixty (560) feet east of the east line of Montlake Boulevard.

(b) The Board of Regents is authorized to convey to the City of Seattle free of all restrictions or limitations, or to incorporate in the conveyance to the City of Seattle such provisions for reverter of said land to the University as the board deems appropriate. Should any portion of the land so conveyed to the City of Seattle again vest in the University by reason of the operation of any provisions incorporated by the board in the conveyance to the City of Seattle, the University of Washington shall hold such reverted portion subject to the reverter provisions of section 4.

Lands may
revert to
University.

SEC. 4. In case the University of Washington should attempt to use or permit the use of said shorelands or any portion thereof for any other purpose than for arboretum and botanical garden purposes, except as provided in section 3 (b), the same shall forthwith revert to the State of Washington without suit, action or any proceedings whatsoever or the judgment of any court forfeiting the same.

Lands may
revert to
State of
Washington.

Passed the House February 4, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 46.

[H. B. 49.]

UNIVERSITY OF WASHINGTON—FEE
EXEMPTIONS FOR VETERANS.

AN ACT relating to the University of Washington; empowering the regents thereof to exempt certain veterans of World Wars I and II from payment of general and special tuition fees; and amending section 5, chapter 139, Laws of 1921 (sec. 4550, Rem. Rev. Stat.; sec. 911-39, PPC).

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

Certain
veterans
exempt from
tuition fees.

SECTION 1. Section 5, chapter 139, Laws of 1921 (sec. 4550, Rem. Rev. Stat.; sec. 911-39, PPC) is amended to read as follows:

Section 5. The Board of Regents may exempt the following classes of persons from the payment of the fees mentioned in subdivisions (a) and (b) of section 1 of this act except for the individual instruction fees mentioned in said subdivision (b):
(1) All honorably discharged service men or women who served in the armed forces of the United States during World War I and those who so served in World War II at any time after the sixth day of December, 1941, and prior to the first day of January, 1947, and who are no longer entitled to vocational rehabilitation under Public Law 16, 78th Congress, 1st session, approved March 24, 1943, as amended, or to education and training under section 400 of Public Law 346, 78th Congress, 2nd session, approved June 22, 1944, as amended; and all honorably discharged service men who served in the military or naval services of any of the governments associated with the United States during the said World War I and those who so served in World War II at any time after the sixth day of December, 1941, and prior to the first day of January, 1947 and who are no longer entitled to vocational rehabilitation under Public Law 16, 78th Congress, 1st session, approved March 24, 1943, as

amended, or to education and training under section 400 of Public Law 346, 78th Congress, 2nd session, approved June 22, 1944, as amended, provided they were citizens of the United States at the time of their enlistment and who are again citizens at the time of their registration in the university. If any such service men have not been domiciled in this state for one year prior to registration said board may exempt them up to one-half of the fee payable by other non-domiciled students. (2) Members of the staff of the University of Washington. (3) Teachers in the public schools of the state who supervise the cadet teachers from the University of Washington.

Passed the House February 24, 1947.

Passed the Senate February 22, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 47.

[H. B. 104.]

BOARD OF PRISON TERMS AND PAROLES.

AN ACT relating to the Board of Prison Terms and Paroles.

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

SECTION 1. The name of the Board of Prison, Terms and Paroles is hereby changed to Board of Prison Terms and Paroles.

Comma removed.

Passed the House February 3, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 48.

[H. B. 160.]

CONVEYANCE OF PUBLIC LANDS.

AN ACT relating to public lands, authorizing the conveyance of certain property to the City of Pullman.

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

Certain land may be conveyed to City of Pullman.

SECTION 1. Upon being requested thereto by the regents of the State College of Washington the Governor is hereby authorized to convey to the City of Pullman the right, title and interest of the State of Washington in and to that parcel of real property now forming a part of the campus of said college, lying in Whitman County, Washington, more particularly described as follows:

Lot nineteen (19), Block six (6) of Campus Park Addition to Pullman, together with the vacated alley attaching thereto; also, that portion of Lot nine (9), Block six (6) of Campus Park Addition to Pullman lying easterly of the line created by the extension and projection in a northerly direction of the westerly line of Lot nineteen (19) of said block, together with the vacated alley attaching to said portion of Lot nine (9).

Passed the House February 14, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 49.

[H. B. 250.]

WASHINGTON STATE ASSOCIATION OF COUNTY
COMMISSIONERS.

AN ACT relating to counties, recognizing the Washington State Association of County Commissioners, permitting counties to reimburse the association for services and expenses, and amending section 3, chapter 188, Laws of 1939 (sec. 4077-4, Rem. Rev. Stat.; sec. 488-5, PPC).

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

SECTION 1. Section 3, chapter 188, Laws of 1939 (sec. 4077-4, Rem. Rev. Stat.; sec. 488-5, PPC) is amended to read as follows:

Section 3. County Commissioners are hereby empowered to designate the Washington State Association of County Commissioners as a co-ordinating agency in the execution of duties imposed by this act and to reimburse said association from county current expense funds in the County Commissioners' budget for the costs of any such services rendered: *Provided*, Such reimbursement shall be paid only on vouchers submitted to the County Auditor and approved by the Board of County Commissioners in the manner provided for the disbursement of other current expense funds and such vouchers shall set forth the nature of the service rendered, supported by affidavit that the service has actually been performed: *Provided, further*, The total of such reimbursements from any county in any calendar year shall not exceed a sum equal to the revenues of one-fiftieth (1/50) of a mill levy against the assessed valuation of said county.

Co-ordinat-
ing agency.

Reimburse-
ment.

Passed the House February 11, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 50.

[S. B. 63.]

UNEMPLOYMENT COMPENSATION.

AN ACT relating to unemployment compensation, amending chapter 35 of the Laws of 1945.

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

SECTION 1. The title of Chapter VIII of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

CHAPTER VIII. EXPERIENCE RATING CREDITS.

SEC. 2. Section 108 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Definitions.

Section 108. *Meaning of Terms.* As used in this chapter,

"Computation date."

(a) "Computation date" means January first of any year.

"Cut-off date."

(b) "Cut-off date" means March thirty-first next following the computation date.

"Effective date."

(c) "Effective date" means June thirtieth next following the computation date.

"Credit year."

(d) "Credit year" means the four consecutive calendar quarters immediately following the effective date.

"Qualified employer."

(e) "Qualified employer" means any employer who had employment in each of the four consecutive calendar years immediately preceding the computation date and who filed contribution reports thereon on or before the cut-off date: *Provided, however,* That no employer shall be deemed a qualified employer if he has reported no employment for four or more consecutive calendar quarters in such four calendar years: *And provided further,* That when an employer or prospective employer has acquired all or substantially all the operating assets of an employing unit, the experience of both during such four calendar years shall be jointly considered

for the purpose of determining and establishing the acquiring party's qualification for and amount of credit; and the transferring employing unit shall be divested of his experience.

(f) "Payroll" means all wages paid (or, for the years 1944 and 1945, payable) by an employer to his employees. "Payroll."

(g) "Surplus" means the lesser of (1) that amount by which the moneys in the Unemployment Compensation Fund as of the effective date, after subtracting the amount of credits previously established under this chapter and outstanding as valid on such date, exceed four times the amount of contributions paid on the payrolls reported by all employers on or before the cut-off date for the preceding calendar year, or (2) an amount equal to forty per cent (40%) of the contributions so paid for the preceding calendar year. No portion of the surplus shall be credited to any employer unless the amount of the surplus is at least ten per cent (10%) of the amount of the contributions paid on the payrolls reported by all employers on or before the cut-off date for the preceding calendar year. "Surplus."

SEC. 3. Section 109 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 109. *Establishment of Credits.* The amount of credit for each qualified employer shall be established in the following manner: "Establishment of credits."

(a) Qualified employers shall be grouped into six credit classes, to be designated as classes 6, 5, 4, 3, 2, and 1, in accordance with the sum of the quotients of annual decreases of payroll in regard to the three consecutive calendar years immediately preceding the computation date, each such quotient to be obtained by dividing any decrease of the payroll of a qualified employer in any calendar year from the preceding calendar year by the amount of the payroll in such preceding calendar year, each divi- "Six credit classes of qualified employers."

sion being carried out to the fourth decimal place and the remaining fraction, if any, disregarded: *Except*, That, the Commissioner shall issue regulations to provide for an adjustment in the sum of the annual decline quotients of any employer to eliminate the effect on such sum due to any stoppage of work which has existed because of a labor dispute at the employer's place or places of business.

Each qualified employer shall be in the credit class which is listed below on the same horizontal line on which the sum of such employer's quotients of annual decrease of payroll appears.

<i>Sum of Annual Decrease Quotients</i>	<i>Credit Class</i>
0.0000 to 0.0999.....	6
0.1000 to 0.2999.....	5
0.3000 to 0.4999.....	4
0.5000 to 0.6999.....	3
0.7000 to 0.7999.....	2
0.8000 or more	1

"Class weight."

(b) A "class weight" shall be assigned to each credit class as follows:

<i>Credit Class</i>	<i>Class Weight</i>
6	6
5	5
4	4
3	3
2	2
1	0

"Class product."

(c) The "class product" shall be obtained by dividing the total of the payrolls for the calendar year immediately preceding the computation date for all qualified employers in the same class by the total of the payrolls of all qualified employers for such year, such division being carried out to the fourth decimal place, and multiplying the quotient by the class weight.

Surplus to be credited.

(d) The surplus to be credited to each class shall be the product obtained by dividing the class product for each class by the sum of the class products for all classes and multiplying the quotient by the surplus to be credited to all employers. No por-

tion of the surplus shall be credited to credit class 1.

(e) The "class credit factor" shall be the quotient obtained by dividing the portion of the surplus assigned to any class of qualified employers by the sum of the payrolls of all employers in that class for the calendar year immediately preceding the computation date, such division being carried out to the fourth decimal place and the remaining fraction, if any, disregarded.

"Class credit factor."

(f) The portion of the surplus which is to be credited to any qualified employer is the product obtained by multiplying his payroll in the calendar year immediately preceding the computation date by the class credit factor of his class.

(g) As soon as practicable after the effective date, each qualified employer shall be furnished a notice showing the amount of credit to which he is entitled, if any. The amount shown on the notice may be applied only against contributions which are payable by him on wages paid in the credit year and reported not later than the date prescribed by the Commissioner for payment of contributions on wages paid in the last quarter of such credit year, except that when an employer or prospective employer has acquired all or substantially all the operating assets of an employing unit, any unused portion of the credit of the transferring employing unit shall be transferred to the acquiring party: *Provided*, That the transferring employing unit has submitted all reports and has paid all contributions and interest due to the date of such acquisition.

Notice to qualified employers.

The first credit notices shall be effective with the credit year beginning July 1, 1947, and shall be determined by employers' payrolls for the years 1944, 1945 and 1946, if a surplus is found to exist.

(h) Corrections and Appeals:

(1) Corrections or modifications of an employer's payroll shall not be taken into account for the purpose of an increase of his credit unless such

Corrections and appeals.
No increase after cut-off date.

corrections or modifications were established on or before the cut-off date.

Reduction within three years.

(2) Corrections or modifications of an employer's payroll may be taken into account within three years after the cut-off date, for the purpose of a reduction of his credit.

May reconsider credits.

(3) Within one year from the effective date the Commissioner may reconsider the credit allowed any employer whenever he finds that there has been an error in the computation thereof. When an increase is due, he shall issue to such employer a supplementary credit notice reflecting the increase in the employer's credit; however, when a credit notice has been issued to an employer whose credit is reduced, such notice shall be recalled and a revised notice issued. If the credit shown by the incorrect notice has already been applied in payment of contributions in excess of the correct credit, the employer shall thereupon become liable for payment into the Fund of an amount equal to the excess of the credit taken by him over the credit to which he is entitled and such amount shall be deemed and collected as contributions payable under this act.

Increase.

Reduction.

Other competitors not affected.

(4) Increases or reductions of an employer's credit shall not effect [affect] the credits established or to be established for any other employer, and shall further not affect any other computation made under this chapter.

Request for readjustment.

(5) Any employer dissatisfied with the amount of credit shown on his credit notice may file a request for adjustment with the Commissioner within thirty days of the mailing of such credit notice to the employer, showing wherein the amount of credit may be in error. Should such request for adjustment be denied the employer may within ten days of the mailing of such notice of denial of adjustment file with the Appeal Tribunal a petition for hearing which shall be heard in the same manner as a petition for a denial of refund. The appellate pro-

Appeal.

cedure prescribed by this act for further appeal shall apply to all denials of adjustment.

Passed the Senate February 11, 1947.

Passed the House February 21, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 51.

[S. B. 70.]

ALLOCATION OF STATE FUNDS—STATE CENSUS BOARD.

AN ACT relating to cities and towns and to state funds and monies paid and allocated thereto; prescribing a method for determining the population basis for such allocation and payment; making an appropriation; and declaring that this act shall take effect immediately.

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

SECTION 1. Whenever the cities and towns of the state are, under law, allocated or entitled to be paid any state funds or state monies from any source, and the allocation is required to be made on the basis of population, on and after the first day of April, 1947, the allocation shall be made on the population of the respective cities and towns, and the aggregate population of the cities and towns, as fixed by the State Census Board herein created, and as herein provided. Said Board shall, as of April 1, 1947, determine the population of each and all cities and towns of the state, and the allocation of said monies and funds shall be made for the year April, 1947, to April 1, 1948, on the basis of said population; and said Board shall fix and determine the population of each and all cities and towns of the state as of the first day of April, 1948, and the allocation of said funds and monies shall be made for the year April 1, 1948 to the year April 1, 1949 on the basis of said population.

Population as determined by State Census Board to control allocations.

Members
of Board.

SEC. 2. The State Census Board shall consist of three members, one of whom shall be a member of the faculty of the University of Washington, appointed by the President thereof, one a member of the faculty of Washington State College, appointed by the President thereof, and one member appointed by the Governor. If a member of said Board resigns, declines or is unable to act, his successor shall be named as in the original case. The Board shall elect a Chairman and shall be entitled to employ such assistants as is necessary in the performance of its duties. A member of the Board receiving any salary as a public officer or employee shall be paid a per diem of fifteen dollars (\$15), and a member of the Board not receiving any salary as a public officer or employee shall be paid a per diem of twenty-five dollars (\$25), for each day spent in the performance of his duties. All members of the Board shall be reimbursed for necessary traveling and other expenses. Expenditures herein authorized shall be made upon vouchers approved by the Chairman of the Board, and shall be paid out of any funds allocated to cities and towns under chapter 144 of the Laws of 1943, as amended by chapter 152 of the Laws of 1945, and before any payments are made to cities and towns under said act.

Compensa-
tion.Expendi-
tures.

Appropriation.

SEC. 3. That the sum of ten thousand dollars (\$10,000) or so much thereof as may be necessary is hereby appropriated from the Motor Vehicle Excise Fund for paying the per diem and expenses herein authorized.

Emergency.

SEC. 4. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately.

Passed the Senate February 6, 1947.

Passed the House February 20, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 52.

[S. B. 87.]

APPROPRIATION—DEPARTMENT OF HIGHWAYS.

AN ACT relating to public highways; appropriating monies from the mine-to-market road fund; and declaring an emergency.

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

SECTION 1. There is hereby appropriated from the mine-to-market road fund to the motor vehicle fund the sum of three hundred thousand dollars (\$300,000), or so much thereof as may be necessary, to reimburse during the current biennium the Department of Highways revolving fund for expenditures made in carrying out, and to carry out during the forthcoming biennium, the provisions of section 8 of chapter 222 of the Laws of 1945. Appropriation.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately. Emergency.

Passed the Senate February 7, 1947.

Passed the House February 20, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 53.

[S. B. 89.]

BUSINESS RECORDS AS EVIDENCE.

AN ACT relating to the admissibility in evidence of records made in the regular course of business, and designed to make uniform the law with respect thereto.

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

“Business.”

SECTION 1. The term “business” shall include every kind of business, profession, occupation, calling or operation of institutions, whether carried on for profit or not.

Records admissible as evidence.

SEC. 2. A record of an act, condition or event, shall in so far as relevant, be competent evidence if the custodian or other qualified witness testifies to its identity and the mode of its preparation, and if it was made in the regular course of business, at or near the time of the act, condition or event, and if, in the opinion of the Court, the sources of information, method and time of preparation were such as to justify its admission.

Interpretation.

SEC. 3. This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states which enact it.

Short title.

SEC. 4. This act may be cited as the Uniform Business Records as Evidence Act.

Inconsistent acts repealed.

SEC. 5. All acts or parts of acts which are inconsistent with the provisions of this act are hereby repealed.

Passed the Senate February 3, 1947.

Passed the House February 20, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 54.

[S. B. 90.]

PROBATE AND GUARDIANSHIP PROCEEDINGS.

AN ACT relating to probate and guardianship proceedings and amending chapter 156, Laws of 1917 (secs. 1371 to 1592, incl., Rem. Rev. Stat.; secs. 191-1, *et seq.*, PPC) by adding a new section thereto after section 220 to be known as section 220-a.

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

SECTION 1. Chapter 156, Laws of 1917 (secs. 1371 to 1592, incl., Rem. Rev. Stat.; secs. 191-1, *et seq.*, PPC) is amended by adding a new section thereto after section 220 to be known as section 220-a, reading as follows:

Section 220-a. The Clerk of each of the Superior Courts is authorized to fix the time of hearing of all applications, petitions and reports in probate and guardianship proceedings, except the time for hearings upon show cause orders and citations. The authority herein granted is in addition to the authority vested in the Superior Courts and Superior Court Commissioners.

Clerk may
fix time
of hearing.

Passed the Senate February 3, 1947.

Passed the House February 20, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 55.

[S. B. 125.]

APPROPRIATIONS FROM MOTOR VEHICLE FUND.

AN Act relating to public highways, making appropriations therefor from the Motor Vehicle Fund, and declaring an emergency.

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

Appropriation to cities.

SECTION 1. There is hereby appropriated from the Motor Vehicle Fund to incorporated cities and towns, the sum of six hundred thousand dollars (\$600,000), or as much thereof as shall become available, to be paid out and expended in the manner provided by law.

Appropriation to counties

SEC. 2. There is hereby appropriated from the Motor Vehicle Fund to the various counties of the state, including counties composed entirely of islands, the sum of one million four hundred thousand dollars (\$1,400,000), or as much thereof as shall become available, to be paid out and expended in the manner provided by law.

Emergency.

SEC. 3. This act is necessary for the immediate preservation of public peace, health and safety, and the support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 11, 1947.

Passed the House February 20, 1947.

Approved by the Governor February 28, 1947.

CHAPTER 56.

[H. B. 35.]

MEDICAL AID AND INDUSTRIAL INSURANCE.

AN ACT relating to medical aid and industrial insurance, and the method of communicating with claimants; amending section 10 of chapter 74 of the Laws of 1911, as last amended by section 7 of chapter 310 of the Laws of 1927 (Remington's Revised Statutes 7684; Pierce's Perpetual Code 705-17).

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

SECTION 1. Section 10 of chapter 74 of the Laws of 1911, as last amended by section 7 of chapter 310 of the Laws of 1927 (Rem. Rev. Stat. 7684; PPC 705-17) is hereby amended to read as follows:

Communi-
cate directly
to claimant.

Section 10. On all claims under this act or under the medical aid act, the Division of Industrial Insurance shall not forward claimants' written notices, orders and warrants to, or in care of, any representative of the claimant, but shall forward such notices, orders and warrants directly to the claimant until such time as the Supervisor of Industrial Insurance shall have entered an order on the claim appealable to the joint board. No money paid or payable under this act out of the accident fund or out of the medical aid fund shall, prior to the issuance and delivery of the warrant therefor, be capable of being assigned, charged, nor ever be taken in execution or attached or garnished, nor shall the same pass, or be paid, to any other person by operation of law, or by any form of voluntary assignment, or power of attorney. Any such assignment or charge shall be void: *Provided*, That if any workman shall suffer a permanent partial injury, and shall die from some other cause than the accident which produced such injury before he shall have received payment of his award for such permanent partial injury, or if any workman shall suffer any other injury and shall die from some other cause than the accident

Claims not
assignable
or subject
to execution.

When pay-
ment made
to widow or
children.

which produced such injury before he shall have received payment of any monthly installment covering any period of time prior to his death, the amount of such permanent partial award, or of such monthly payment or both, shall be paid to his widow, if he leave a widow, or to his child or children, if he leave a child or children and shall not leave a widow: *Provided*, That if any workman shall suffer any injury and shall die therefrom before he shall have received payment of any monthly installment covering time loss for any period of time prior to his death, the amount of such monthly payment shall be paid to his widow, if he leave a widow, or to his child or children if he leave a child or children, and shall not leave a widow: *Provided, further*, That if the injured workman shall have resided in the United States as long as three years prior to the date of such injury such payment shall not be made to any widow or child who was at the time of such injury a non-resident of the United States.

Reciprocal
provision.

Except as otherwise provided by treaty, whenever under the provisions of this act, compensation is payable to a beneficiary or dependent who is an alien not residing in the United States, the department shall pay fifty per centum of the compensation herein otherwise provided to such beneficiary or dependent. But if a non-resident alien, beneficiary or dependent, is a citizen of a government having a compensation law which excludes citizens of the United States either resident or non-resident, from partaking of the benefit of such law in as favorable a degree as herein extended to non-resident aliens he shall receive no compensation. No payment shall be made to any beneficiary or dependent residing in any country with which the United States does not maintain diplomatic relations, when such payment is due.

Proof of dependency by any beneficiary or dependent residing without the United States shall be made before the nearest United States consul or consular agent under the seal of such consul or consular agent, and the department may cause any warrant or warrants to which such beneficiary or dependent is entitled to be transmitted to the beneficiary or dependent through the United States consul or consular agent.

Proof of
dependency
outside
United
States.

Passed the House February 19, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 57.

[H. B. 3R.]

CONVEYANCE OF CERTAIN REAL ESTATE.

AN ACT authorizing and directing a conveyance of certain real estate to the City of Centralia, a municipal corporation.

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

SECTION 1. The Governor is hereby authorized and directed to execute on behalf of the State of Washington, and the Secretary of State to attest, a quitclaim deed conveying to the City of Centralia, a municipal corporation, the following described real estate in Lewis County, Washington:

State to
convey cer-
tain property
to City of
Centralia.

All of Block one (1), and Lots five (5), six (6), nine (9), ten (10), eleven (11) and twelve (12) in Block two (2), Seminary Hill Addition to Centralia, Washington.

All of Block twelve (12), Seminary Addition to Centralia, Washington, excepting therefrom a strip eighty-seven (87) feet wide of an even width off of the east side of said block.

Beginning at the northwest corner of Lot five (5), Block one (1) of C. H. Manning's Second Addi-

tion to Centralia, Washington, thence east to the northeast corner of Lot five (5), Block four (4) of said addition; thence north two hundred (200) links; thence west to the east line of Wilding Street extended; thence south on the said east line of Wilding Street to the place of beginning, containing two (2) acres, more or less.

Also, all of C. H. Manning's Second Addition to Centralia, Washington, including the streets through same now vacated.

Also, Maple Street from the east line of Wilding Street east to the east line of Block four (4) of C. H. Manning's Second Addition if said line was extended, excepting therefrom a strip sixty (60) feet long and thirty (30) feet wide at the intersection of Maple and Byrd Streets which said strip is still a public highway.

Also, Lots one (1), two (2), three (3), four (4), seven (7), eight (8), seventeen (17), eighteen (18), nineteen (19), twenty (20), twenty-one (21), twenty-two (22), twenty-three (23) and twenty-four (24) in Block two (2) of Seminary Hill Addition to Centralia, Washington.

Also, a tract of land in the northeast quarter ($NE\frac{1}{4}$) of the northwest quarter ($NW\frac{1}{4}$) of Section nine (9), Township fourteen (14) North, Range two (2) West of W. M., containing one and five-tenths (1.5) acres, more or less, and described as follows: Beginning at a point on the north line of Block twelve (12) of Seminary Addition to Centralia, Washington, eighty-seven (87) feet west of the northeast corner of said block; thence north to the south line of Woodham and Sprague Addition to Centralia, Washington, if said line was extended; thence west to the southeast corner of said Woodham and Sprague Addition; thence south to the northwest corner of Block twelve (12), Seminary Addition; thence east to the place of beginning.

Also, a part of the northwest quarter (NW $\frac{1}{4}$) of Section nine (9), Township fourteen (14) North, Range two (2) West of W. M., bounded on the north by Seminary Hill Addition to Centralia; on the east by Seminary Addition; on the south by Agnew and Summit Additions; on the west by Grace Seminary Addition to Centralia, Washington, containing about eight (8) acres.

Provided, however, That there is excepted from the above described area the following described unplatted tract:

Beginning at the southeast corner of intersection of Magnolia and Wilding Streets; thence, easterly along the south line of Magnolia Street five hundred and forty-seven and forty-seven hundredths (547.47) feet to a point; turning a deflection angle of seventy degrees and sixteen minutes ($70^{\circ} 16'$) to the right; thence southeasterly one hundred and twenty-four and fifty-six hundredths (124.56) feet to a point; turning a deflection angle of nineteen degrees and forty-four minutes ($19^{\circ} 44'$) to the right; thence southerly two hundred and seventy-nine (279) feet, more or less, to the north line of Davis Street; thence westerly along the north line of Davis Street to the northeast corner of the intersection of Davis Street with Wilding Street; thence northerly to the place of beginning.

Passed the House February 3, 1947.

Passed the Senate February 19, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 58.

[H. B. 75.]

COUNTY JAILS—ALLOWANCE FOR BOARD OF PRISONERS.

AN ACT relating to the allowance for board for prisoners in county jails and amending section 1, chapter 16, Laws of 1893 (sec. 10188, Rem. Rev. Stat.; sec. 680-31, PPC).

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

Allowance for boarding prisoners.

SECTION 1. Section 1, chapter 16, Laws of 1893 (sec. 10188 Rem. Rev. Stat.; sec. 680-31, PPC) is amended to read as follows:

SECTION 1. The Board of County Commissioners of each county in this state shall allow not to exceed one dollar and twenty cents (\$1.20) per day for the boarding of each prisoner confined in the county jail of their respective counties.

Passed the House February 12, 1947.

Passed the Senate February 22, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 59.

[S. H. B. 78.]

MARRIAGE CERTIFICATES.

AN ACT relating to the making and filing of marriage certificates; amending section 2385, Code of 1881, as last amended by section 1, chapter 172, Laws of 1927 and sections 2386 and 2387, Code of 1881, as last amended by sections 1 and 2 of an act approved January 15, 1886, being sections 1 and 2, page 66, Laws of 1885-86 (secs. 8445, 8446 and 8447, Rem. Rev. Stat.; secs. 733-11, -13, and -15, PPC), and transferring existing marriage records to the county auditor.

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

SECTION 1. Section 2385, Code of 1881, as last amended by section 1, chapter 172, Laws of 1927

(sec. 8445, Rem. Rev. Stat.; sec. 733-11, PPC) is amended to read as follows:

Section 2385. A person solemnizing a marriage shall, within thirty days thereafter, make and deliver to the County Auditor of the county wherein the license was issued a certificate containing the particulars specified in the last section, which said certificate shall be substantially as follows:

Certificate delivered to auditor of county where license issued.

STATE OF WASHINGTON }
COUNTY OF

This is to certify that the undersigned, a
....., by authority of a license bearing date the day of A.D., 19, and issued by the County Auditor of the county of, did, on the day of A.D., 19, at in this county and state, join in lawful wedlock A. B. of the county of, state of and C. D. of the county of, state of, with their mutual assent, in the presence of F H and E G, witnesses.

Form of certificate.

In Testimony Whereof, witness the signatures of the parties to said ceremony, the witnesses and myself, this day of, A.D., 19

SEC. 2. Section 2386, Code of 1881, as last amended by section 1 of an act approved January 15, 1886, being section 1, page 66, Laws of 1885-86 (sec. 8446, Rem. Rev. Stat.; sec. 733-13, PPC) is amended to read as follows:

Section 2386. The County Auditor shall file said certificates and record them or bind them into numbered volumes, and note on the original index to the license issued the volume and page wherein such certificate is recorded or bound.

Auditor to file or bind certificates.

SEC. 3. Section 2387, Code of 1881, as last amended by section 2 of an act approved January 15, 1886, be-

ing section 2, page 66, Laws of 1885-86 (sec. 8447, Rem. Rev. Stat.; sec. 733-15, PPC) is amended to read as follows:

Penalty.

Section 2387. Any person solemnizing a marriage, who shall wilfully refuse or neglect to make and deliver to the County Auditor for record, the certificate mentioned in section 2385, within the time in such section specified, shall be deemed guilty of a misdemeanor, and upon conviction shall pay for such refusal, or neglect, a fine of not less than twenty-five nor more than three hundred dollars.

Transfer of records.

SEC. 4. The county clerk of each county shall forthwith deliver to the County Auditor of his county all existing marriage records which are in his office.

Passed the House February 15, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 60.

[H. B. 80.]

TREASURER'S FEES—TAX TITLE PROPERTY.

AN ACT relating to the filing of Treasurer's deeds on tax title property.

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

Tax title deeds to be recorded.

SECTION 1. In addition to the fees required to be collected by the County Treasurer for the issuance of a deed upon the sale of general tax title property, the Treasurer shall collect the proper recording fee. This fee together with the deed shall then be transmitted by the Treasurer to the County Auditor who will record the same and mail the deed to the purchaser.

Passed the House February 14, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 61.

[H. B. 127.]

COUNTY COMMISSIONERS—POWERS AND DUTIES.

AN ACT relating to counties, promulgation of regulations by County Commissioners, and amending section 2673, Code of 1881, as amended by section 1, chapter 199, Laws of 1943 (sec. 4056, Rem. Rev. Stat.; sec. 480-15, PPC).

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

SECTION 1. Section 2673, Code of 1881, as amended by section 1, chapter 199, Laws of 1943 (sec. 4056, Rem. Rev. Stat.; sec. 480-15, PPC) is amended to read as follows:

Section 2673. *General Powers and Duties.* The several Boards of County Commissioners are authorized and required:

1. To provide for the erection and repairing of court houses, jails and other necessary public buildings for the use of the county; Buildings.

2. To lay out, discontinue or alter county roads and highways within their respective counties, and do all other necessary acts relating thereto according to law, except within the limits of incorporated cities and towns, whereby the terms of the acts of incorporation, jurisdiction over the roads in the limits of said incorporations is vested in the corporate authorities thereof; Roads.

3. To license and fix the rates of ferriage; to grant grocery and other licenses authorized by law to be by them granted; Licenses.

4. To fix the amount of county taxes to be assessed according to the provisions of law, and cause the same to be collected as prescribed by law; Taxes.

5. To allow all accounts legally chargeable against such county not otherwise provided for, and to audit the accounts of all officers having the care, management, collection, or disbursement of any money belonging to the county or appropriated to its benefit; Accounts.

Property,
legal actions.

6. To have the care of the county property and the management of the county funds and business, and in the name of the county to prosecute and defend all actions for and against the county, and such other powers as are or may be conferred by law.

Police
regulations.

7. To make and enforce, by appropriate resolutions or ordinances, all such police and sanitary regulations as are not in conflict with state law, and provide that any violation of such regulations, ordinances, or resolutions shall constitute a misdemeanor: *Provided*, No such regulation shall be effective unless before its adoption, a public hearing has been held thereon by the Board of County Commissioners of which at least ten days' notice has been given. The notice must set out a copy of the proposed regulations and the day, hour and place of hearing. The notice must be given by publication in the newspaper in which legal notices of the county are printed.

Passed the House February 11, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 62.

[H. B. 135.]

PORT DISTRICTS.

AN ACT relating to port districts and to the issuance of revenue bonds to pay the cost thereof; authorizing port districts to enter into additional covenants and trust indentures; providing for the safeguarding and custody of funds; providing for the further security of the holder of such bonds; validating proceedings heretofore taken for the issuance of said bonds and protecting the enforcement of bonds in the event of refunding; and providing for the payment of said bonds by loans from the general funds of the port districts, amending section 5, chapter 218, Laws of 1941, as amended by section 1, chapter 33, Laws of 1943 (sec. 9718-5, Ren. Rev. Stat.; sec. 746p-9, PPC).

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

SECTION 1. Section 5, chapter 218, Laws of 1941, as amended by section 1, chapter 33, Laws of 1943 (sec. 9718-5, Rem. Rev. Stat.; sec. 746p-9, PPC) is hereby amended to read as follows:

Section 5. Bonds issued under the provisions of this act shall be payable solely out of revenues received from the use of the improvements acquired and/or constructed from the proceeds of the sale of such bonds, from the proceeds of the sale or other disposition of said improvements, or from loans of general fund moneys of the port districts not otherwise appropriated. Such loans shall be only made after a resolution by the port district providing for the repayment of said loans from said revenues or said proceeds. Moneys received by any port district from the sale or condemnation of property constructed or acquired by the issuance of revenue bonds under the authority of this act shall be used solely for the payment of the principal of and interest on the revenue bonds issued to pay the cost of construction or acquiring such property to the extent necessary to pay such principal and interest in full. Said bonds may be authorized by resolution adopted by

Payable
solely from
revenues.

Resolution
for bonds
and special
fund.

Proportion
to fund.

Bonds
negotiable.

Statement
on bonds.

Holder may
compel
compliance.

Temporary
bonds.

May secure
by trust
indenture.

the Port Commission of such port district. Such resolution or the trust indenture authorized by such resolution to secure such bonds as hereinafter provided, or both such resolution and trust indenture, shall provide for the creation of a special fund or funds into which fund or funds the Port Commission may obligate and bind such port district to set aside and pay a fixed proportion of the gross revenues received from the use of said improvements, or any fixed amount out of and not exceeding a fixed proportion of such revenue, or a fixed amount without regard to any fixed proportion, which fund or funds shall be drawn upon solely for the purpose of paying the principal and interest upon the bonds issued pursuant to this act. Such bonds shall be negotiable instruments under the law merchant even though they shall be payable solely from such special fund or funds and shall never be deemed a charge upon the tax revenues of such port district. Such bonds shall state upon their face that they are payable from such special fund or funds. Should the corporate authorities of any port district fail to set aside and pay into such fund or funds the payments provided for in such resolution or the trust indenture authorized by such resolution to secure such bonds as hereinafter provided, or in both such resolution and trust indenture, the holder of any such bonds may bring suit to compel compliance with the terms of such resolution or trust indenture, or both. Pending the preparation and execution of such bonds, temporary bonds may be issued in such form as the Port Commission of the port district may elect.

In the discretion of the Port Commission of any such port district, such bonds may be secured by a trust indenture, including indentures supplemental thereto, by and between such port district and a trustee, which shall be any trust company or bank having the powers of a trust company within or outside of the state.

Such trust indenture may appoint a depository and trustee to receive and disburse in the place and stead of the County Treasurer, ex-officio treasurer of such port district, notwithstanding any other provision of the law to the contrary, all moneys received and to be received by said port district as the proceeds of sale of such bonds, and from the ownership, operation, sale, lease or other use or disposition of the improvements acquired from the proceeds of the sale of such bonds; and may pledge or assign to such depository and trustee revenues to be received from the use of the improvements acquired and/or constructed from the proceeds of the sale of such bonds, and may pledge or assign moneys received as the proceeds of the sale, leasing or other disposition of said improvements, but shall not convey or mortgage such improvements or any part thereof. Either the resolution providing for the issuance of such bonds or such trust indenture or both, may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the port district in relation to the construction, acquisition, betterment, maintenance, operation, repair and insurance of the improvements, and the custody, safeguarding and application of all moneys, and may also provide that such improvements shall be constructed and/or acquired and paid for under the supervision and approval of engineers employed or designated by the Port Commission of any such port district and satisfactory to the original purchasers of the bonds issued therefor, and may also require that security given by contractors and by any depository and trustee of the proceeds of the bonds or revenues from the use of such improvements or other disposition thereof or any moneys pertaining thereto, be satisfactory to such purchasers. It shall be lawful for any bank or trust company incorporated under the laws of this

Depository
and trustee.

Revenues
may be
assigned.

Bondholders
to be
protected.

Duties to be
set forth.

Bank may be
depository.

state to act as such depository and trustee and to furnish such indemnifying bonds or to pledge such securities as may be required by such Port Commission.

Bondholders not required to see application of moneys.

The Reconstruction Finance Corporation or any other agency of the United States Government making any such loan, or any other holder or owner of any bonds authorized by and issued pursuant to the provisions of this act shall not be required to see to the application of the moneys derived from such bonds to the purposes for which said bonds are issued as specified in any resolution or indenture, or both, authorizing the issuance thereof.

Passed the House February 17, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 63.

[H. B. 102.]

RELATING TO HORTICULTURE.

AN Act relating to horticulture; and amending section 13, chapter 141, Laws of 1921, as amended (sec. 2872, Rem. Rev. Stat.; sec. 635-83, PPC).

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

SECTION 1. Section 13, chapter 141, Laws of 1921, as amended by section 8, chapter 37, Laws of 1923, section 1, chapter 67, Laws Ex. Ses. 1925, section 5, chapter 27, Laws of 1931, and section 10, chapter 150, Laws of 1943 (sec. 2872, Rem. Rev. Stat.; sec. 635-83, PPC), is amended to read as follows:

Director of Agriculture to provide inspectors.

Section 13. The Director of Agriculture, Assistant Director, and Inspector-at-Large are authorized and empowered to appoint horticultural inspectors upon application of a financially interested party for certificate inspection service or other inspection

on certain specified fruits, vegetables, nursery stock, or other horticultural products, and such horticultural inspectors are authorized and empowered, to inspect, or inspect, investigate and certify to shippers and other interested parties, the quality, grade and condition of the fruit, vegetables, nursery stock, or other horticultural products specified in the application and the cars in which they are loaded. Such inspection and investigation shall be made under such rules and regulations as the Director of Agriculture may from time to time prescribe, upon the payment of such reasonable fees to be fixed by the Director as will, as near as may be, cover the cost for the services rendered. Such fees are to be collected by the inspectors-at-large who have charge of such inspection and expended by them to assist in defraying the expenses of the horticultural inspection. Such inspectors-at-large shall be bonded in an amount set by the administrative board running to the State of Washington with a surety approved by the Director conditioned for the faithful handling of these funds for the purpose specified in this act. Said inspectors-at-large shall render on or before the tenth day of each month, a detailed account to the Director of Agriculture showing the receipts and disbursements for the preceding month. On the thirtieth of June of each year the inspectors-at-large shall render a complete account of the past year's business to the Board of County Commissioners of each county in which such inspection has been made or certificates have been issued in their district, and should there be in excess of the amounts set forth in the following schedule remaining on hand in any horticultural inspection district after all expenses of such inspection or certificate of inspection service have been met, to date, in that district, such amount shall be returned to the contributors to the fund in proportion to the amount of payment made into the fund by each contributor:

Director
to prescribe
rules.

Collection
of fees.

Inspectors to
be bonded.

Render
accounts.

Refunds.

Districts 1, 2, 3, 6 and 7, each, five thousand dollars (\$5,000); District 8, six thousand five hundred dollars (\$6,500); District 10, ten thousand dollars (\$10,000); Districts 9 and 11, each, fifteen thousand dollars (\$15,000); District 4, twenty thousand dollars (\$20,000), and District 5, twenty-five thousand dollars (\$25,000). In case the applicant for such inspection or certificate service shall fail, neglect or refuse, to pay such fee within thirty (30) days after the inspection has been made, it shall be the duty of the prosecuting attorney of the county in which the inspection was made to bring action for debt in the name of the inspector-at-large in charge of the inspection on his request. Such certificate so issued shall be received in all the courts of the State of Washington as *prima facie* evidence of the truth of the statement therein contained.

Prosecuting
attorney to
collect fees.

Passed the House February 10, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 64.

[H. B. 171.]

RELATING TO INSTITUTIONS OF HIGHER EDUCATION.

AN ACT relating to institutions of higher education, authorizing such institutions to construct certain buildings, to acquire by purchase or lease lands and appurtenances, to let portions of the campus and other property, to borrow money, issue and reissue bonds to pledge rents and other income; amending section 1, chapter 91, Laws of Ex. Ses. 1925 as amended by section 1, chapter 23, Laws of Ex. Ses. 1933 (sec. 4543-1, Rem. Rev. Stat.; sec. 884-1, PPC), and section 2, chapter 91, Laws of Ex. Ses. 1925 as amended by section 2, chapter 23, Laws of Ex. Ses. 1933 (sec. 4543-2, Rem. Rev. Stat.; sec. 884-3, PPC).

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

SECTION 1. Section 1, chapter 91, Laws of Ex. Ses. 1925, as amended by section 1, chapter 23, Laws

of Ex. Ses. 1933 (sec. 4543-1, Rem. Rev. Stat.; sec. 884-1, PPC) is amended to read as follows:

Section 1. The Boards of Regents of the University of Washington and of the State College of Washington and the boards of trustees of the Colleges of Education at Ellensburg, Cheney and Bellingham, Washington, are hereby authorized to enter into contracts with persons, firms, or corporations for the erection of buildings for dormitory, hospital, and infirmary, student, faculty and employee housing and boarding purposes, and for student activities; and said boards are further authorized to purchase or lease lands and other appurtenances necessary for the construction of such buildings and to purchase or lease lands with buildings constructed thereon suitable for the purposes aforesaid; and said boards are also authorized to lease to any persons, firms, or corporations such portions of the campus of their respective institutions as may be necessary for the construction of buildings for the purposes aforesaid and the reasonable use thereof, and said boards of regents and trustees are hereby authorized to borrow money for the erection of the said buildings and appurtenances and to issue revenue bonds therefor and to refinance the same before or at maturity and to provide for the amortization of said bonds from the income derived from rentals and/or fees exacted for the use or facilities of said buildings and of any other dormitory, hospital, infirmary, housing, boarding, or student activity building in the respective institutions: *Provided*, That the State of Washington shall incur no liability by reason of exercise of the authority hereby granted to the said boards of regents and trustees aforesaid, other than as hereinafter specifically set forth: *And provided further*, That such lands, buildings, or appurtenances shall be used solely for such dormitory, hospital, infirmary, housing, boarding, or student activities in such institutions. Said boards

Regents and trustees may contract for construction of buildings.

May issue revenue bonds.

State not liable.

Use of property restricted.

May rent or
purchase.

of regents and trustees are hereby authorized to contract to pay as rental or otherwise, or to issue bonds, for a sum sufficient to pay, on the amortization plan, the principal and interest thereon, or the purchase price of said lands and buildings, or the erection costs of said buildings or appurtenances, such contract or bonds to run not over twenty years from the date of financing or refinancing. The rate of interest on the principal on any such purchase or erection cost or on any bond shall not exceed seven per cent (7%) per annum, payable semi-annually or annually as determined by said bonds.

Interest
rate.

SEC. 2. Section 2, chapter 91, Laws of Ex. Ses. 1925, as amended by section 2, chapter 23, Laws of Ex. Ses. 1933 (sec. 4543-2, Rem. Rev. Stat.; sec. 884-3, PPC) is amended to read as follows:

May spend
and pledge
fees.

Section 2. Said Boards of Regents and Trustees are hereby authorized to expend on the amortization plan any part of the fees, charges, or rentals on any or all rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, lands or appurtenances thereon, and to pledge on behalf of said institutions aforesaid, the net income from said fees, charges, or rentals for the payment of all rental or erection or other contract charges or bonds agreed to be paid on account of such dormitory or dormitories, hospital, infirmary, dining rooms, housing and student activity buildings, lands, or appurtenances.

Act to be
liberally
construed.

The authority granted in this act shall be liberally construed, and shall not be limited to buildings presently constructed or to be constructed, but shall apply to any and all buildings of the same classes in the respective institutions, and shall include authority to refinance existing and future obligations incurred under this act and/or chapter 91, Laws of Ex. Ses. 1925 and/or chapter 23, Laws of

Ex. Ses. 1933, and shall include authority to pledge for the amortization plan the net income from any and all existing and future buildings of the same classes, whether or not the same were originally financed under this act or under either of said predecessor acts.

Passed the House February 14, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 65.

[H. B. 180.]

CONVEYANCE OF CERTAIN TIDE LANDS.

AN ACT authorizing conveyance of certain tide lands in Thurston County from the State of Washington to the City of Olympia and authorizing the Commissioner of Public Lands to convey the same by appropriate deed.

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

SECTION 1. The Commissioner of Public Lands of the State of Washington is hereby authorized and directed to certify in the manner now provided by law in other cases to the Governor for deed to the City of Olympia, block D and the east half of block 55, Olympia Tide Lands, together with the vacated streets adjacent thereto.

State to convey land to City of Olympia.

SEC. 2. The Governor is hereby authorized and directed to execute, and the Secretary of State to attest, a deed to the City of Olympia conveying all of said tide lands.

Passed the House February 19, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 66.

[S. B. 108.]

STATE FOREST BOARD—BONDS AUTHORIZED.

AN ACT relating to the acquiring, seeding, reforestation and administration of lands for state forests; providing for the issuance and disposition of \$100,000 of utility bonds therefor; providing for retirement thereof and amending section 1, chapter 117, Laws of 1933, as last amended by section 1, chapter 13, Laws of 1945 (sec. 5812-11, Rem. Rev. Stat.; sec. 576-29, PPC).

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

SECTION 1. That section 1, chapter 117, Laws of 1933, as last amended by section 1, chapter 13, Laws of 1945 (sec. 5812-11, Rem. Rev. Stat.; sec. 576-29, PPC), be amended to read as follows:

Utility bonds
may be
issued.

Section 1. For the purpose of acquiring, seeding reforestation and administering land for forests and of carrying out the provisions of chapter 154 of the Laws of 1923, the State Forest Board is authorized to issue and dispose of utility bonds of the State of Washington in an amount not to exceed one hundred thousand dollars (\$100,000) in principal during the biennium expiring March 31, 1949: *Provided, however,* That no sum in excess of one dollar (\$1) per acre shall ever be paid or allowed either in cash, bonds or otherwise, for any lands suitable for forest growth, but devoid of such, nor shall any sum in excess of three dollars (\$3) per acre be paid or allowed either in cash, bonds, or otherwise, for any lands adequately restocked with young growth.

Retirement
of bonds.

Any utility bonds issued under the provision of section 1 of this act may be retired from time to time, whenever there is sufficient money in the forest development fund, said bonds to be retired at the discretion of the State Forest Board either in

the order of issuance, or by first retiring the bonds with the highest rate of interest.

Passed the Senate February 8, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 67.

[S. B. 109.]

REFORESTATION—SALE OF TREE STOCK AND SEED.

AN ACT authorizing the sale or exchange of tree stock and seed produced at the state forest nursery for reforestation purposes.

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

SECTION 1. The State Supervisor of Forestry is authorized to sell to or exchange with persons intending to restock forest areas, tree seedling stock and tree seed produced at the state nursery.

Sale or
exchange of
seedlings.

SEC. 2. All receipts from the sale of stock or seed shall be deposited in a state forest nursery revolving fund to be maintained by the Supervisor of Forestry, who is hereby authorized to use all money in said fund for the maintenance of the state tree nursery or the planting of denuded state owned lands.

Deposit
of receipts.

Passed the Senate February 8, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 1, 1947.

CHAPTER 68.

[S. B. 13.]

REGISTRATION OF VOTERS.

AN ACT relating to elections, qualifications of voters, times, places and procedure for registration of voters; amending sections 6, 9, 11, 16, and 21, chapter 1, Laws of 1933, as amended (secs. 5114-6, -9, -11, -16, and -21, Rem. Rev. Stat., secs. 531-11, -17, -21, -31, and -41, PPC); and repealing section 12a, chapter 1, Laws of 1933 as added thereto by section 1, chapter 167, Laws of 1945 (sec. 5114-12a, Rem. Rev. Stat.; sec. 531-24, PPC).

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

SECTION 1. Section 6, chapter 1, Laws of 1933, as amended by section 1, chapter 95, Laws of 1945 (sec. 5114-6, Rem. Rev. Stat.; sec. 531-11, PPC) is amended to read as follows:

Section 6. Registration officers in incorporated cities and towns shall keep their respective offices open for registration of voters during the days and hours when the same are open for the transaction of public business: *Provided*, That in all cities of the first class, the governing body, may by ordinance direct that in all, or certain, of the voting precincts of such city, designated therein, the registration files of such precincts shall be kept open in such precincts respectively, for the registration of voters residing therein, at such places respectively, and on such day or days, as shall be designated therein, and the registration officer of such city shall cause the registration files to be kept open for the registration of voters at the respective places so designated between the hours of 9:00 a. m. and 9:30 p. m., on the days so designated, in charge of a deputy appointed by him. It shall be the duty of the deputy registrar of each precinct outside of the corporate limits of any city or town, except as herein otherwise provided, to keep blank registration cards for the registration of voters residing in his precinct at his

City registration offices to be kept open.

Files may be kept open in precincts.

Time when files open.

Registration outside cities and towns.

usual place of residence or his usual place of business at reasonable hours, and he shall, at the end of each week, forward by mail, to the County Auditor, the records of those who have registered during that week: *Provided*, That such precinct registration officer, with the written consent of the County Auditor, during the time that registration files are kept open for the registration of voters, may designate some centrally located place in lieu of the usual place where registration cards are kept, where such cards will be kept for the registration of voters, after giving such notice of his intention so to do as he may deem expedient, and keep such cards for the registration of voters at such place for such time or times as is stated in such notice.

Central place may be designated.

SEC. 2. Section 9, chapter 1, Laws of 1933 (sec. 5114-9, Rem. Rev. Stat.; sec. 531-17, PPC) is amended to read as follows:

Section 9. The registration files of all precincts shall be closed against original registration or transfer for thirty (30) days immediately preceding every election and primary to be held in such precincts, respectively, but they shall remain open for an additional fifteen (15) days for transfers of registration from one precinct within a city to another precinct in the same city and for transfers of registration from one rural precinct to another rural precinct in the same county. The County Auditor shall give notice of the closing of said files for original registration and transfer by one publication in a newspaper of general circulation in such county at least five (5) days before such closing.

When registration files closed.

Transfers of registration.

Notice of closing files.

SEC. 3. Section 11, chapter 1, Laws of 1933 (sec. 5114-11, Rem. Rev. Stat.; sec. 531-21, PPC) is amended to read as follows:

Section 11. The registration officer shall administer to each person applying for registration, the following oath or affirmation: "You do solemnly

Oath of registrant.

swear (or affirm) that you will fully and truly answer such questions as may be asked touching your qualifications as a voter under the laws of this state.”

Information required of registrant.

Qualifications.

Name.

Age.

Place of birth.

Residence.

Citizenship.

Naturalization.

Literacy.

Having administered the oath as above provided, it shall be the duty of the registration officer to interrogate the applicant for registration, concerning his qualifications as a voter of the State of Washington, and of the county, city, town and precinct in which he applies for registration, requiring him to state his full name; whether he will be twenty-one years of age on the day of the next election; place of birth; place of residence; street and number, if any, or post office or rural mail route address; occupation; citizenship; if a citizen of the United States, whether native born or naturalized; if naturalized, whether in his own right or by virtue of his father's naturalization; in the case of a woman, not native born, whether naturalized in her own right or by virtue of her father's naturalization or by virtue of her marriage to a citizen of the United States; the place and date of the naturalization relied upon and the name of the court in which it took place; whether the applicant having been a native born or naturalized citizen of the United States has ever renounced his allegiance to the United States, and if so, whether he has since been naturalized as a citizen of the United States. In case the applicant is of foreign birth and is not a naturalized citizen of the United States, whether he was a legal voter of the Territory of Washington prior to November 11, 1889; whether the applicant was a legal voter of the State of Washington on November 3, 1896, or is able to read and speak the English language so as to comprehend the meaning of ordinary English prose, and in case the registration officer is not satisfied in that regard, he may require the applicant to read aloud and explain the meaning of some ordinary English prose; whether the applicant has lost his

civil rights by reason of being convicted of an infamous crime, and if so, whether such rights have been restored in a manner provided by law; whether applicant has resided in the State of Washington not less than eleven months; length of residence in the county in which registration is applied for, not less than sixty (60) days; length of residence in the precinct in which registration is applied for; whether the applicant is a taxpayer of the State of Washington; and the place and address of the last former registration of the applicant as a voter in the State of Washington under the provisions of this act. Answers to all such questions shall be inserted on the duplicate registration card.

Loss of
civil rights.

Taxpayer.

Former
registration.

SEC. 4. Section 16, chapter 1, Laws of 1933 (sec. 5114-16, Rem. Rev. Stat.; sec. 531-31, PPC) is amended to read as follows:

Section 16. Any registered voter who changes his or her name by marriage, or otherwise in the manner provided by law, shall register anew.

Change of
name.

SEC. 5. Section 21, chapter 1, Laws of 1933 (sec. 5114-21, Rem. Rev. Stat.; sec. 531-41, PPC) is amended to read as follows:

Section 21. It shall be the duty of the registrar of each county, city and town, to carefully preserve in a separate file, to be kept in his office for that purpose, all original and duplicate registration cards cancelled, as provided in the preceding sections. The files for the preservation of cancelled registration cards, above provided for, shall be arranged and kept in alphabetical order irrespective of the precincts from which said cancelled cards came or were received. Each registrar of an incorporated city or town, or county, as the case may be, shall be and is hereby authorized, to, from time to time, remove from the files of cancelled registration cards, in his office, and destroy, all original cards that have

Registration
cards
preserved.Destruction
of cancelled
cards.

been cancelled for a period of four (4) years or more.

SEC. 6. Section 12a, chapter 1, Laws of 1933, as added thereto by section 1, chapter 167, Laws of 1945 (sec. 5114-12a, Rem. Rev. Stat.; sec. 531-24, PPC) is hereby repealed.

Passed the Senate February 12, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 69.

[S. B. 134.]

PASSAGE OF STATE HIGHWAYS THROUGH CEMETERIES.

AN Act providing for the passage of state highways through cemeteries; amending section 69 of chapter 247 of the Laws of 1943 (Rem. 1943 Supp. 3778-69; PPC 353-167).

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

SECTION 1. Section 69 of chapter 247 of the Laws of 1943 (Rem. 1943 Supp. 3778-69; PPC 353-167) is hereby amended to read as follows:

Section 69. After dedication pursuant to this act, and as long as the property remains dedicated to cemetery purposes, no railroad, street, road, alley, pipe line, pole line, or other public thoroughfare or utility shall be laid out, through, over, or across any part of it without the consent of the cemetery authority owning and operating it, or of not less than two-thirds ($\frac{2}{3}$) of the owners of interment plots: *Provided*, That so long as the action is commenced prior to March 31, 1949, the State Director of Highways may condemn for state highway purposes land in any burial ground or cemetery in the following cases: (1) Where no organized or known authority is in charge of any such cemetery, or (2) where the necessary consent cannot be obtained

Consent
necessary.

When
consent not
necessary.

and the court shall find that considerations of highway safety necessitate the taking of such land. Any judgment entered in such condemnation proceedings shall provide and require that before any entry is made on the land condemned for the purpose of construction or for the use of the same for state highway purposes, the state shall, at its own expense, remove or cause to be removed, from such land any bodies buried therein and suitably re-inter them elsewhere to the satisfaction of relatives, if they can be found.

Removal
and
re-burial.

Passed the Senate February 15, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 70.

[S. B. 171.]

PUBLIC EMPLOYEES—PAYROLL DEDUCTIONS.

AN ACT authorizing payroll deductions by employees of the State of Washington, and its political subdivisions, for certain purposes.

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

SECTION 1. Any employee or group of employees of the State of Washington or any of its political subdivisions, or of any institution supported, in whole or in part, by the state or any of its political subdivisions, may authorize the deduction from his or their salaries or wages, the amount or amounts of his or their subscription payments or contributions to any person, firm or corporation furnishing or providing medical, surgical and hospital care or either of them, or life insurance or accident and health disability insurance: *Provided*, That such authorization by said employee or group of employees, shall be first approved by the head of the

Payroll
deductions
for certain
purposes
authorized.

Approval
required to
be filed.

department, division office or institution of the state or any political subdivision thereof, employing such person or group of persons, and filed with the State Auditor; or in the case of political subdivisions of the State of Washington, with the auditor of such political subdivision or the person authorized by law to draw warrants against the funds of said political subdivision.

Warrants
payable to
person
designated.

SEC. 2. Upon being authorized by any employee or group of employees so to do under the provisions of section 1 of this act, the auditor or other person authorized to draw warrants against the funds involved is hereby authorized to draw and issue a proper warrant or warrants directly to and in favor of the person, firm or corporation or organization named in the authorization for the total amount authorized to be deducted from the payroll of any such office, department, division or institution.

Passed the Senate February 13, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 71.

[S. B. 17.]

CITY EMPLOYEES RETIREMENT SYSTEM LAW.

AN ACT relating to pension, relief, disability and retirement systems of officers and employees of cities and towns; authorizing the creation and establishment of a statewide system for such purposes; providing a method for producing revenues for the operation thereof; prescribing the conditions upon and to whom allowances and benefits and amounts thereof shall be paid and fixing rates of contribution and providing for the administration of said system.

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

Short title.

SECTION 1. This act shall be known and may be cited as the "Statewide City Employees Retirement System Law."

SEC. 2. The purpose of this act is to provide for an actuarially sound system for the payment of annuities and other benefits to officers and employees and to beneficiaries of officers and employees of cities and towns thereby enabling such employees to provide for themselves and their dependents in case of old age, disability and death, and effecting economy and efficiency in the public service by furnishing an orderly means whereby such employees who have become aged or otherwise incapacitated may, without hardship or prejudice, be retired from active service.

Purpose
of act.

SEC. 3. *Definitions.* Unless a different meaning is plainly required by the context the following words and phrases as hereinafter used in this act shall have the following meanings:

Definitions.

(1) "Retirement System" shall mean "Statewide City Employees Retirement System" provided for herein.

"Retirement
System."

(2) "City" or "Cities" shall include town or towns.

"City."

(3) "Employee" shall mean any appointive officer or employee and shall include elective officials to the extent specified herein.

"Employee."

(4) "Member" shall mean any person included in the membership of the Retirement System as provided herein.

"Member."

(5) "Board" shall mean the "Board of Trustees" provided for herein.

"Board."

(6) "Retirement Fund" shall mean "Statewide City Employees Retirement Fund" provided for herein.

"Retirement
Fund."

(7) "Service" shall mean service rendered to a city for compensation; and for the purpose of this act a member shall be considered as being in service only while he is receiving compensation from the city for such service or is on leave granted for service in the armed forces of the United States as contemplated in section 12 hereof.

"Service."

"Prior Service."

(8) "Prior Service" shall mean the service of a member for compensation rendered a city prior to the effective date and shall include service in the armed forces of the United States to the extent specified herein.

"Current Service."

(9) "Current Service" shall mean service after the employee has become a member of the system.

"Creditable Service."

(10) "Creditable Service" shall mean such service as is evidenced by the record of normal contributions, plus prior service credit as evidenced by prior service certificate.

"Beneficiary."

(11) "Beneficiary" shall mean any person in receipt of a pension, annuity, retirement allowance, disability allowance, or any other benefit provided herein.

"Compensation."

(12) "Compensation" shall mean the compensation payable in cash, plus the monetary value, as determined by the Board of Trustees, of any allowance in lieu thereof (but for the purposes of this act such "Compensation" shall not exceed three hundred dollars (\$300) per month).

"Compensation Earnable."

(13) "Compensation Earnable" shall mean the full rate of compensation that would be payable to an employee if he worked the full normal working time (but for the purposes of this act, such "Compensation Earnable" shall not exceed three hundred dollars (\$300) per month).

"Final Compensation."

(14) "Final Compensation" shall mean the average annual compensation earnable by a member during the ten (10) years immediately preceding his retirement.

"Matching Contribution."

(15) "Matching Contribution" shall mean the contribution of the city deposited in an amount equal to the normal contributions of the employee.

"Normal Contributions."

(16) "Normal Contributions" shall mean contributions at the rate provided for in section 13 of this act.

"Released Matching Contributions."

(17) "Released Matching Contributions" shall

mean such "Matching Contributions" as are no longer held for the benefit of the employee.

(18) "Regular Interest" shall mean interest compounded annually at such rate as shall have been adopted by the Board of Trustees in accordance with the provisions of this act.

"Regular Interest."

(19) "Accumulated Normal Contributions" shall mean the sum of all normal contributions, deducted from the compensation of a member, standing to the credit of his individual account, together with regular interest thereon.

"Accumulated Normal Contributions."

(20) "Pension" shall mean payments derived from contributions made by the city as provided herein.

"Pension."

(21) "Annuity" shall mean payments derived from contributions made by a member as provided herein.

"Annuity."

(22) "Retirement Allowance" shall mean the pension plus the annuity.

"Retirement Allowance."

(23) "Fiscal Year" shall mean any year commencing with January 1st, and ending with December 31st next following.

"Fiscal Year."

(24) "Miscellaneous Personnel" shall mean officers and employees other than those in the uniformed police or fire service.

"Miscellaneous Personnel."

(25) "Uniformed Personnel" shall mean any employee who is a policeman in service or who is subject to call to active service or duty as such.

"Uniformed Personnel."

(26) "Effective Date" when used with regard to employees shall mean the date on which any individual or group of employees became members of any retirement system and when used with regard to any city or town shall mean the date on which it became a participant.

"Effective Date."

(27) "Actuarial Equivalent" shall mean a benefit of equal value when computed at regular interest upon the basis of such mortality tables as shall be adopted by the Board of Trustees.

"Actuarial Equivalent."

(28) "Persons Having an Insurable Interest in

"Persons Having Insurable Interest."

His Life" shall mean and include only such persons who, because of relationship from ties of blood or marriage, have reason to expect some benefit from the continuation of the life of a member.

Retirement system authorized.

SEC. 4. *Authorization and Creation.* A Retirement System is hereby authorized for employees of cities, same to become operative after the requisite city or cities or combination thereof, have signified their intention to participate in the retirement system and the board has been appointed and qualified as herein provided. The board may begin to function, establish an office, employ an actuary and such other personnel as necessary and undertake the work of establishing the retirement system but it shall not be required to undertake such work unless necessary monies are made available through negotiated loans or advances from cities or otherwise.

When Board appointed.

Whenever cities have notified the governor of election to join the retirement system to an extent which would place three hundred (300) or more employees under the system, the governor shall appoint board members as provided herein and the system so created and established shall be forthwith constituted. The date when the system shall become operative as to any city shall be fixed by the board.

Decision to participate.

SEC. 5. *Method of Participation.* Any city or town of the first, second, third or fourth class may elect to participate in the retirement system established by this act: *Provided*, That a first class city may establish or maintain any other retirement system authorized by any other law or its charter. The manner of election to participate in a retirement system under this act shall be as follows:

Legislative action.

(a) The legislative body therein by ordinance making such election;

Initiative.

(b) Approval by vote of the people of an ordinance initiated by the voters making such election;

(c) Approval by vote of the people of an ordinance making such election referended to the people by the legislative body. Referendum.

Any ordinance providing for participation therein may on petition of the voters be referended to the voters for approval or disapproval.

The referendum or initiative herein provided for shall be exercised under the law relating to legislative initiative or referendum of the particular city; and if the city be one for which the law does not now provide such initiative or referendum, it shall be exercised in the manner provided for legislative initiative and referendum of cities having a commission form of government under chapter 116, Laws of 1911, the city council performing the duties and functions under that law devolving on the commission. A majority vote in the legislative body or by the electorate shall be sufficient to carry or reject. Whenever any city has elected to join the retirement system proper authorities in such city shall immediately file with the board an application for participation under the conditions included in this act on a form approved by the board. In such application the city shall agree to make the contributions required of participating cities in the manner prescribed herein and shall state which employee group or groups are to originally have membership in the system. Method of exercising initiative or referendum.

SEC. 6. *Exclusion From the Act.* Policemen in first-class cities and all city firemen shall be excluded from the provisions of this act. Policemen and firemen excluded.

SEC. 7. *Board of Trustees.* (a) The Board of Trustees shall consist of seven (7) members, one of whom shall be the state insurance commissioner, ex-officio; three elective city officials and three city employees eligible to the benefits of the system who shall be appointed by the Governor from a list of six city officials and six city employees submitted by the Membership of Board of Trustees.

executive committee of the association of Washington cities as the official representative of cities and towns in the state after considering recommendations of city employees as to employee members. Original terms of office of the appointees in the two groups shall be one, two and three years as designated by the Governor; thereafter terms shall be for three years duration. Appointments to fill vacancies, other than those caused by expiration of a term, shall be for the unexpired term. Appointees shall serve until successors have been appointed and qualified.

Terms of office.

Officers.

(b) The board shall annually, dating from the first officially recorded meeting, elect a chairman and secretary. Four members shall constitute a quorum.

Quorum.

Oath of Office.

(c) Each member of the board shall take an oath of office that he will diligently and honestly administer the affairs of the board, and that he will not knowingly violate or wilfully permit to be violated any of the provisions of this act.

Board's powers and duties.

SEC. 8. *Powers and Duties of the Board of Trustees.* The administration of the system is hereby vested in the Board of Trustees created in section 7 of this act and the board shall:

Preserve information

(a) Keep in convenient form such data as shall be deemed necessary for actuarial valuation purposes;

Make actuarial studies.

(b) From time to time, through its actuary, make an actuarial investigation into the mortality and service experience of the beneficiaries under this act and the various accounts created for the purpose of showing the financial status of the retirement fund;

Adopt statistical tables.

(c) Adopt for the retirement system the mortality tables and such other tables as shall be deemed necessary.

(d) Certify annually the amount of appropria-

- tion which each city shall pay into the retirement fund in the next fiscal year, at such a time that the local authorities shall have ample opportunity for including such expense in the budget. Certify appropriations necessary.
- (e) Keep a record of all its proceedings, which shall be open to inspection by the public; Keep records.
- (f) From time to time adopt such rules and regulations not inconsistent with this act, for the administration of the provisions of this act, for the administration of the fund created by this act and the several accounts thereof, and for the transaction of the business of the board. Adopt rules.
- (g) Provide for investment, reinvestment, deposit and withdrawal of funds; Handle funds.
- (h) Prepare and publish annually a financial statement showing the condition of the fund and the various accounts thereof, and setting forth such other facts, recommendations and data as may be of use in the advancement of knowledge concerning the statewide city employees retirement system, and furnish a copy thereof to each city which has joined the retirement system, and to such members as may request copies thereof; Publish annual financial statement.
- (i) Serve without compensation but shall be reimbursed for expense incident to service as individual members thereof; No compensation.
- (j) Determine equitable amount of administrative expense and death-in-line-of-duty benefit expense to be borne by each city; Pro-rate expenses.
- (k) Make available to any city considering participation in the system, the services of the actuary employed by the board for the purpose of ascertaining the probable cost of such participation. The cost of any such calculation or valuation shall be paid by the city requesting same to the retirement system. Assist cities to determine costs.
- (l) Perform such other functions as are required for the execution of the provisions of this act. Perform other functions.

Amounts to be paid by cities.

SEC. 9. *Obligations and Contributions of Cities.*

(a) There shall be paid into the retirement fund by contributions of each city the amounts necessary to pay the following:

(1) Contributions equal to those deposited by employees.

(2) Prior service credits at such rate as may be selected.

(3) That part of a retirement allowance necessary to raise it to a specified minimum.

(4) An equitable share of the administrative costs, all of which costs are to be paid by the cities.

(5) An equitable share of the cost of the death-in-line-of-duty benefit, all of which costs are to be paid by the cities.

When payable.

(b) Payment of the obligations set forth in subsection (a) of this section may be made in advance or may be paid currently as contributions are received from employees and pensions are paid to retired members: *Provided*, That the share of administrative expense and expense of the death-in-line-of-duty benefit shall be paid as soon as funds are available to make such payment. From time to time each city may apply reserves in payment of the obligations set forth above as contemplated in section 20.

Board to furnish estimates.

(c) The board shall furnish each city with an estimate of the amount necessary to pay the obligations of the city in the ensuing fiscal year and the city shall provide therefor in its budget. The board shall cause to be kept an account with each city, crediting the account with such advances and payments as are made by the city and debiting the account with such charges as properly accrue against the city. The board shall furnish each city with a monthly statement of the amount of matching contributions, prior service charges and charges for minimum retirement allowances properly accruing

Monthly statements.

by reason of payment of retirement allowances and deposit of contributions of members.

(d) Notwithstanding anything to the contrary, the retirement system shall not be liable for the payment of any retirement allowances or other benefits on account of the employees or retired members of any city under this act, for which reserves or guarantees have not been properly set up by such city or its employees to pay such retirement allowances or other benefits.

When retirement system not liable.

(e) Any city may, by majority vote of its electors, withdraw from participation in the retirement system two years after giving written notice to the board of such action by the electorate. It is hereby specifically provided, however, that the city's obligation to those members receiving or eligible to a retirement allowance prior to such termination of participation shall continue in full force and effect as provided in this act. Members not receiving or being eligible to a retirement allowance at time of such termination shall be paid their accumulated contributions on demand. Should it develop that any such city is entitled to a refund such refund shall be made within one year following demand of city entitled thereto.

Withdrawal of cities.

Members protected.

Reimbursement to members.

Refunds.

SEC. 10. *Creation of Retirement Fund.* (a) A fund is hereby created and established to be known as the "Statewide City Employees Retirement Fund," and shall consist of all monies paid into it in accordance with the provisions of this act, whether such monies shall take the form of cash, securities or other assets.

Retirement Fund created.

(b) The Board of Trustees shall be the custodian of the retirement fund and shall arrange for the safekeeping thereof. Subject to such provisions as may be prescribed by law for the deposit of city funds in banks, cash belonging to the retirement fund may be deposited in any licensed national bank

Board custodian of fund.

Depositories. or banks in the State of Washington, or in any bank, banks or corporations authorized or licensed to do a banking business and organized under the laws of the State of Washington; and may be withdrawn on order of the board for the purpose of making such payments as are authorized and required by this act.

Investment of retirement fund. (c) The investment of all or any part of the retirement fund shall be subject to the terms, conditions and limitations and restrictions imposed by the laws of the State of Washington upon the making of investments by mutual savings banks.

Membership. SEC. 11. *Membership.* (a) Subject to paragraph (b) of this section, membership of this retirement system shall be composed of the following groups of employees in any participating city or cities:

Miscellaneous personnel. (1) Miscellaneous personnel as defined in this act.

Uniformed personnel. (2) Uniformed personnel, as defined in this act, not eligible to benefits under any existing state pension law.

Elective officials. (3) Elective officials, who shall have the right to membership in this retirement system upon filing written notice of such election with the Board of Trustees.

Retirement system employees. (4) Employees of the retirement system itself shall be entitled to membership and any costs in connection with such membership shall be a part of the cost of administration.

Groups may be excluded. (b) Any city may, when electing to participate in this retirement system in the manner set forth in section 5 hereof, include any one group or combination of the groups above mentioned but must include or exclude all employees in any group. Groups (3) and (4) shall be considered as being composed of miscellaneous personnel as far as benefits and obligations are concerned except when the contrary is clearly indicated.

(c) Subject to paragraph (b) of this section,

membership in this retirement system shall be compulsory for all employees in groups (1) and (2). Compulsory membership.

(d) Subject to paragraph (b) of this section, all employees in city service on the effective date shall become members on that date and all those entering city employment thereafter shall become members as of the date of their respective employments. Become members when.

(e) It shall be the duty of the proper persons in each city to immediately report to the board routine changes in the status of personnel and shall immediately furnish such other information regarding the employment of members as the board may from time to time require. Reports concerning members.

(f) Should any member withdraw more than one-quarter ($\frac{1}{4}$) of his accumulated contributions, or should he die or be retired, he shall thereupon cease to be a member. Withdrawal of members.

(g) Transfer of any employee from one city to another shall not cause the employee to lose membership in the system providing the city to which he transfers participates in the retirement system created herein. Transfer of employees.

SEC. 12. *Prior Service Credit.* (a) Subject to subsection (d) of this section the following members shall be entitled to prior service credit: Certain members entitled to prior service credit.

(1) Each member in service on the effective date.

(2) Each member entering after the effective date if such entry is within one year after rendering service prior to the effective date.

As soon as practicable, the board shall issue to each member entitled to prior service credit a certificate certifying the aggregate length of service rendered prior to the effective date. Such certificate shall be final and conclusive as to his prior service unless hereafter modified by the board, upon application of the member. Certificate issued.

(b) Each city joining the system shall have the

Calculating pensions.

privilege of selecting the rate at which prior service pensions shall be calculated for its employees and may select any one of the three rates set forth below:

Rates.

(1) 1.33% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "full prior service credit."

(2) 1.00% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "three-fourths prior service credit."

(3) .667% of final compensation multiplied by the number of years of prior service credited to the member. This rate may be referred to as "one-half prior service credit."

Ages at which rates applicable.

(c) The above rates shall apply at the age of sixty-two (62) or over for members included in the miscellaneous personnel and at age sixty (60) or over for members in the uniformed personnel: *Provided*, That if a member shall retire before attaining either of the ages above referred to the total prior service pension shall be reduced by percentages computed actuarially, for Miscellaneous Personnel at ages 61-60; and for Uniform Personnel at ages 59-58-57-56-55.

Prior service credit for sick, injured, and veterans.

(d) If sickness, injury or service in the armed forces of the United States during the national emergency identified with the First World War and/or the Second World War, prevents any regular employee from being in service on the effective date, the board shall grant prior service credit to such person when he is again employed. The legislative authority in each participating city shall specify the amount of prior service to be granted or current service credit to be made available to such employees. Certificate of honorable discharge from and/or documentary evidence of such service shall be submitted to the board before any such credit may be

granted or made available. Prior and/or current service rates for such employees shall not exceed the rates established for fellow employees.

SEC. 13. *Contributions by Employees.* (a) The normal rates of contribution of members shall be based on sex and age at time of entry into the system, which age shall be the age at the birthday nearest the date of such entry.

Basis of normal rates of contribution.

(b) The normal rates of contribution for miscellaneous personnel shall be so fixed as to provide an annuity which, together with the pension provided by the city, shall produce as nearly as may be, a retirement allowance at the age of sixty-two (62) years, of $1\frac{1}{3}\%$ of the final compensation multiplied by the number of years of service of the retiring employee. The normal rate established for age sixty (60) shall be the rate for any member who has attained a greater age before entrance into the retirement system and the normal contribution established for age twenty-four (24) shall be the rate for any member who enters the system at an earlier age.

Normal rates for miscellaneous personnel.

(c) The normal rates of contribution for uniformed personnel shall be so fixed as to provide an annuity which, together with the pension provided by the city, shall produce as nearly as may be a retirement allowance at the age of sixty (60) years, of $1\frac{1}{3}\%$ of the final compensation multiplied by the number of years of service of the retiring employee. The normal rate established for age fifty-eight (58) shall be the rate for any member who has attained a greater age before entrance into the retirement system and the normal contribution established for age twenty-two (22) shall be the rate for any member who enters the system at an earlier age.

Normal rates for uniformed personnel.

(d) Subject to the provisions of this act, the board shall adopt rules and regulations governing the making of deductions from the compensation of

Board certifies rates of deductions.

employees and shall certify to the proper officials in each city the normal rate of contribution for each member provided for in paragraphs (b) and (c) of this section. The proper officials in each city shall apply such rate of contribution to so much of the compensation of a member as does not exceed three hundred dollars (\$300) per month, and shall certify to the board on each and every payroll the total amount to be contributed and shall furnish immediately to the board a copy of each and every payroll; and each of said amounts shall be forwarded immediately to the board and the board shall credit the deduction shown on such payroll to individual accounts of the members represented on such payrolls.

Rates applied to compensation not over \$300.

Members deemed to consent.

(e) Every member shall be deemed to consent and agree to the contribution made and provided for herein, and shall receipt in full for his salary or compensation. Payment less said contributions shall be a full and complete discharge of all claims and demands whatsoever for the service rendered by such person during the period covered by such payment, except his claim to the benefits to which he may be entitled under the provisions of this act.

Retirement.

SEC. 14. *Service Retirement.* Retirement of a member for service shall be made by the board as follows:

Compulsory retirement of miscellaneous personnel.

(a) Each member included in the miscellaneous personnel in service on the effective date, who, on or before such effective date, has attained the age of sixty-five (65) years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory retirements for a period of two years immediately following the effective date. Members included in the miscellaneous personnel attaining age sixty-five (65) after the effective date shall be retired on the first day of the calendar month next succeeding the month in which the member shall

Exceptions.

have attained sixty-five (65): *Provided*, That none of such members shall be subject to compulsory retirement until two years after the effective date: *Provided further*, That the legislative authority of the city shall have the privilege at all times of extending time for retirement to attainment by such member of age sixty-seven (67).

(b) Any member included in the miscellaneous personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty (30) days prior to date of retirement: *Provided, however*, That said member, at the time specified for his retirement, shall have twenty (20) years of creditable service, as defined in this act, and shall have attained the age of sixty (60) years: *Provided further*, That during the two years immediately following the effective date voluntary service retirement of such members under sixty-two (62) years of age shall not be granted.

Voluntary
retirement
of miscella-
neous per-
sonnel.

(c) Each member included in the uniformed personnel in service on the effective date who on or before such effective date has attained the age of sixty (60) years or over shall be compulsorily retired forthwith: *Provided*, That there shall be no compulsory service retirements for a period of two years immediately following the effective date. Members included in the uniformed personnel attaining age sixty (60) after the effective date shall be retired on the first day of the calendar month next succeeding the month in which the member shall have attained the age of sixty (60). None of such members shall be subject to compulsory retirement until two years after the effective date. The legislative authority shall have the privilege at all times of extending time for retirement to attainment by such member of age sixty-four (64).

Compulsory
retirement
of uniformed
personnel.

Exceptions.

Voluntary
retirement
of uniformed
personnel.

(d) Any member included in the uniformed personnel may retire by filing with the board a written application duly attested, setting forth on what date he desires to be retired, such application to be made at least thirty (30) days prior to date of retirement: *Provided*, That said members, at the time specified for retirement, shall have twenty-five (25) years of creditable service and shall have attained the age of fifty-five (55) years: *Provided*, That during the two years immediately following the effective date voluntary service retirement of such members under age sixty (60) shall not be granted.

Retirement
allowance.

SEC. 15. *Allowance on Service Retirement.* (a) A member, upon retirement for service, shall receive a retirement allowance subject to the provisions of paragraph (b) of this section, which shall consist of:

Annuity.

(1) An annuity which shall be the actuarial equivalent of his accumulated normal contributions at the time of his retirement; and

Pension.

(2) A pension provided by the contributions of the city, equal to the annuity purchased by the accumulated normal contributions of the member.

Prior
service
pension.

(3) For any member having credit for prior service an additional pension, provided by the contributions of the city, as set forth in section 12 hereof at the rate selected by the city employing the member.

Forty
dollars
per month
minimum.

(4) Any member who has ten (10) or more years of creditable service and who is retired by reason of attaining the age of sixty-five (65) or over if included in the miscellaneous personnel or the age of sixty-two (62) or over if included in the uniformed personnel, and whose retirement allowance is calculated to be less than forty dollars (\$40) per month, shall receive such additional pension, provided by the contributions of the city, as will

make his total retirement allowance equal to forty dollars (\$40) per month.

(b) If the retirement allowance of the member as provided in this section, is in excess of one-half ($\frac{1}{2}$) of his final compensation, the pension of the member, purchased by the contributions of the city, shall be reduced to such an amount as shall make the members retirement allowance equal to one-half ($\frac{1}{2}$) of his final compensation.

Maximum of one-half final compensation.

SEC. 16. *Disability Retirement.* Any member who has at least five (5) years of creditable service within the fifteen (15) years immediately preceding retirement, and has not attained age sixty-five (65) may be retired by the board for permanent and total disability, either ordinary or accidental, upon examination as follows:

Disability retirement.

Any member while in service, or while physically or mentally incapacitated for the performance of duty, if such incapacity has been continuous from discontinuance of city service, shall be examined by such medical authority as the board shall employ, upon the application of the head of the office or department in which the member is employed with approval of the legislative body, or upon application of said member, or a person acting in his behalf, stating that said member is permanently and totally incapacitated, either physically or mentally, for the performance of duty and ought to be retired. If examination shows, to the satisfaction of the board, that the member should be retired, he shall be retired forthwith: *Provided*, The board shall retire the said member for disability forthwith: *Provided*, That the disability retirement allowance shall be effective on the first of the month following that in which the member last received salary or wages in city service.

Medical examination.

Retired immediately.

The board shall secure such medical services and advice as it may deem necessary to carry out the purpose of this section and section 18 of this act.

Board to secure medical services.

When disability allowance not payable.

The provisions of this section shall not be applicable to employees pensioned for total and permanent disability, as defined in and pursuant to state or federal law, except as to the amount of retirement allowance provided for herein may exceed the pension provided by state or federal law; nor shall the provisions of this section in so far as it provides for permanent and total disability from accident in course of employment apply to any member who is within and entitled to the benefits of the State Workmen's Compensation Act and Medical Aid Act.

Allowance on disability retirement.

SEC. 17. Allowance on Disability Retirement.

(a) On retirement for permanent and total disability a member shall receive a retirement allowance which shall consist of:

Annuity.

(1) An annuity which shall be the actuarial equivalent of his accumulated normal contributions; and

Pension.

(2) A pension provided by the contributions of the city which, together with his annuity provided by his accumulated normal contributions, shall make the retirement allowance equal to one and one-fourth per centum (1-1/4%) of his final compensation multiplied by the number of years of service credited to him, if such retirement allowance exceeds forty dollars (\$40) per month; otherwise he shall receive a retirement allowance of forty dollars (\$40) per month.

\$60 minimum if disability incurred in line of duty.

(3) If it appears to the satisfaction of the board that disability was incurred in line of duty and the retirement allowance to be provided under subsection (1) and (2) of this section is less than sixty dollars (\$60) per month, then there shall be provided by contributions of the city such additional pension as shall make the retirement allowance equal to sixty dollars (\$60) per month.

(4) No disability retirement allowance shall exceed fifty per cent (50%) of final compensation, anything herein to the contrary notwithstanding.

Maximum of one-half final compensation.

(5) Upon the death of a member while in receipt of a disability retirement allowance, his accumulated contributions, as they were at the date of his retirement, less any annuity payments made to him, shall be paid to his estate, or to such persons having an insurable interest in his life as he shall have nominated by written designation duly executed and filed with the board.

Payment upon death.

(6) If disability is due to intemperance, willful misconduct or violation of law, on the part of the member, the board, in its discretion, may pay to said member, in one lump sum his accumulated contribution, in lieu of a retirement allowance, and such payment shall constitute full satisfaction of all obligations of the city to such member.

Payment if disability due to bad conduct.

SEC. 18. *Safeguards of Disability Retirement.*

(a) The board may, at its pleasure, require any disability beneficiary under age sixty-two (62) in the miscellaneous personnel and under age sixty (60) in the uniformed personnel to undergo medical examination by medical authority designated by the board. Upon the basis of such examination the board shall determine whether such disability beneficiary is still totally and permanently incapacitated, either physically or mentally, for service in the office or department of the city where he was employed or in any other position in that city, the duties of which he might reasonably be expected to carry out.

Subsequent medical examination may be required.

(b) If the board shall determine that said beneficiary is not so incapacitated his retirement allowance shall be cancelled and he shall be reinstated forthwith in city service. If the city is unable to find employment for a disability beneficiary found to be no longer totally and permanently disabled,

May be reinstated in service.

the board shall continue the disability retirement allowance of the beneficiary until such time as employment is available, except as provided in paragraph (d) of this section.

May again become member.

(c) Should a disability beneficiary re-enter city service and be eligible for membership in the retirement system, his retirement allowance shall be cancelled and he shall immediately become a member of the retirement system, his rate of contribution for future years being that established for his age at the time of such re-entry. His individual account shall be credited with his accumulated contributions less the annuity payments made to him. An amount equal to the accumulated normal contributions so credited to him shall again be held for the benefit of said member and shall no longer be included in the amounts available to meet the obligations of the city on account of benefits that have been granted. Such member shall receive credit for prior service in the same manner as if he had never been retired for disability.

Amounts credited to account.

(d) Should any disability beneficiary under age sixty-two (62) in the miscellaneous personnel or under age sixty (60) in the uniformed personnel, refuse to submit to medical examination, his retirement allowance may be discontinued until his withdrawal of such refusal, and should refusal continue for one year, his retirement allowance may be cancelled. Should said disability beneficiary, prior to attaining age sixty-two (62) or age sixty (60), as the case may be, engaged in a gainful occupation the board shall reduce the amount of his retirement allowance to an amount, which when added to the compensation earned by him in such occupation, shall not exceed the amount of the final compensation on the basis of which his retirement allowance was determined. Should the earning capacity of such beneficiary be further altered, the board may further alter his retirement allowance as indicated

Refusal to take medical examination.

Deduction if gainfully employed.

above. When said disability beneficiary reaches age sixty-two (62), if included in the miscellaneous personnel, or age sixty (60), in the uniformed personnel, his retirement allowance shall be made equal to the amount upon which he was originally retired, and shall not again be modified for any cause except as provided in section 25 hereof.

Payment
at retire-
ment age.

(e) Should the retirement allowance of any disability beneficiary be cancelled for any cause other than re-entrance into city service, he shall be paid his accumulated contributions, less annuity payments made to him.

Payment
when
allowance
cancelled.

SEC. 19. *Withdrawal: Return to Service: Death in Service.* (a) Should service of a member be discontinued, except by death, he shall be paid six (6) months after the day of discontinuance such part of his accumulated contributions as he shall demand: *Provided*, That the board may in its discretion, grant the privilege of withdrawal at any time following such discontinuance. The board may establish rules and regulations to govern withdrawal and/or redeposit of contributions.

Contribution
repayable
after
withdrawal.

(b) Should a former member return to service in the same city in which he was employed he may restore to the fund in such manner as may be agreed upon by such person and the board, his withdrawn contributions as they were at the time of his separation from service and upon completion of such redeposit all his reights [rights] and privileges existing at the time of discontinuance of service shall be restored and his obligations as a member shall begin again. The rate of contribution of such returning member shall be the same as it was at the time he separated from service.

Member
re-employed
may restore
contribu-
tions.

(c) Upon the death of any person who has not been retired, pursuant to the provisions of this act, there shall be paid to his estate, or to such persons having an insurable interest in his life as herein-

Payment
upon death
before
retirement.

before defined, as he shall have nominated by written designation duly executed and filed with the board, his accumulated contributions less any payments therefrom already made to him. Such payment may be made in one lump sum or may be paid in installments over a period of not to exceed five (5) years, as may be designated by the member or his beneficiary, with such rate of interest as may be determined by the board.

Former member re-employed by another city.

(d) If a former member shall, within one (1) year from date of discontinuance of service, be employed by another city participating in this retirement system he shall have the privilege of redepositing and the matching contributions deposited by the city or cities in which he was formerly employed shall again be held for the benefit of such member. If such redepositing member possessed a prior service certificate the city employing him at time of retirement shall accept the liability evidenced by such certificate. Reinstatement of a prior service certificate shall be effective only upon a showing that normal contributions are on deposit in the retirement fund, to the credit of the member, covering all current service.

Releasing matching contributions when member withdraws.

SEC. 20. *Released Matching Contributions.* Whenever a member withdraws his accumulated normal contributions the matching contributions of the city so released shall be transferred to a reserve account created for the purpose of showing the amount of credits due each city through such operation. Such credits may be used by the city to apply on any charges made against the city but only so much thereof as will insure leaving in such account an amount estimated to be sufficient to again match contributions redeposited by employees returning to service as contemplated in section 19 herein. The board may credit such reserve accounts with interest at such rate as the board deems equitable.

SEC. 21. *Death-in-Line-of-Duty Benefit.* Upon the death of any member who dies from injuries or disease arising out of or incurred in the performance of his duty or duties, of which the Board of Trustees shall be the judge, if death occurs within one (1) year from date of discontinuance of city service caused by such injury, there shall be paid to his estate or to such person or persons having an insurable interest in his life, as hereinbefore defined, as he shall have nominated by written designation duly executed and filed with the board, the sum of one thousand dollars (\$1,000), purchased by the contributions of the cities participating in the retirement system. Cost of this benefit shall be determined by actuarial calculation and prorated equitably to each city. This benefit shall be exclusive of any other benefits due the member under this act. The provisions of this section in so far as it provides benefits from death in the performance of duty shall not apply in the case of any member who is within and entitled to the benefits of the State Workmen's Compensation Act and Medical Aid Act.

Death-in-line-of-duty benefit.

Sum of \$1,000.

Cost prorated among cities.

Exclusive of other benefits.

When not payable.

SEC. 22. *Optional Allowance on Retirement.* A member may elect to receive in lieu of the retirement allowance provided for in section 15, its actuarial equivalent in the form of a lesser retirement allowance, payable in accordance with the terms and conditions of one of the options set forth below in this section. Election of any option must be made by written application filed with the board at least thirty (30) days in advance of retirement and shall not be effective unless approved by the board prior to retirement of the member.

Optional retirement allowance.

Election.

Option A. The lesser retirement allowance shall be payable to the member throughout his life: *Provided*, That if he die before he receives in annuity payments referred to in paragraph (1) of subdivision (2) of section 15 a total amount equal to the amount

Payment for life of member.

of his accumulated contributions as it was at date of his retirement, the balance of such accumulated contributions shall be paid in one sum to his estate or to such person having an insurable interest in his life as he shall nominate by written designation duly executed and filed with the board.

Option B. The lesser retirement allowance shall be payable to the member throughout life, and after death of the member, one-half of the lesser retirement allowance shall be continued throughout the life of and paid to the wife or husband of this member.

Option C. The lesser retirement allowance shall be payable to the member throughout life, and after death of the member it shall be continued throughout the life of and paid to the wife or husband of the member.

A member may apply for some other benefit or benefits and the board may grant such application provided such other benefit or benefits, together with the reduced retirement allowance, shall be certified by the actuary to be of equivalent value to his retirement allowance.

SEC. 23. *Monthly Payments.* A pension, annuity, or a retirement allowance granted under the provisions of this act, unless otherwise specified herein, shall be payable in monthly installments, and each installment shall cover for the current calendar month.

SEC. 24. The right of a person to a pension, annuity or a retirement allowance, to the return of contribution, the pension, annuity or retirement allowance itself, any optional benefit, any other right accrued or accruing to any person under the provisions of this act, and the monies in the fund created under this act shall not be subject to execution, garnishment, or any other process whatsoever.

Payment for life of member and half payment to spouse after member's death.

Payment for life of member and spouse.

Other benefits may be granted.

Monthly payments.

Payments not subject to execution.

SEC. 25. *Suspension of Retirement Allowance.*

The payment of any retirement allowance to a member who has been retired from service shall be suspended during the time that the beneficiary is in receipt of compensation for service to the State of Washington, any municipal corporation, or other public service thereof paid from direct or indirect, state or municipal taxes or revenues, or revenues of publicly owned utilities, except as to the amount by which such retirement allowance may exceed such compensation for the same period. It is the intent of this section to prevent any retired person from being able to receive both his retirement allowance and compensation for service to public institutions in the State of Washington: *Provided, however,* That nothing in this section shall prevent county or state welfare departments from furnishing to any retired employee under the terms of this act the hospital, medical, dental and other benefits granted to pensioners under the provisions of section 15 of chapter 1, Laws of 1941, as amended by chapter 159, Laws of 1943, or any amendments thereof.

Allowance suspended when retired member in public employment.

May receive certain aid from welfare departments.

SEC. 26. *Constitutionality.* 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 the act which can be given effect without the provision or application so held invalid, and for such purposes the provisions of this act are declared to be severable.

Severability clause.

Passed the Senate March 1, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 72.

[H. B. 21.]

COMMITMENT OF INSANE PERSONS.

AN ACT relating to insane persons and hospitals for the insane; also amending section 16 of an act relating to the insane and to the management of hospitals for the insane, pages 482 to 495, Laws of 1889-90, as last amended by section 1, chapter 214, Laws of 1941 (sec. 6930, Rem. Rev. Stat.; sec. 641-27, PPC), also amending section 7, chapter 145, Laws of 1923 (sec. 6930-6, Rem. Rev. Stat.; sec. 641-39, PPC); also repealing sections 3 and 4, chapter 145, Laws of 1923 (secs. 6930-2 and 6930-3, Rem. Rev. Stat.; secs. 641-31 and 641-33, PPC).

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

SECTION 1. Section 16 of an act relating to the insane and to the management of hospitals for the insane, pages 482 to 495, Laws of 1889-90, as last amended by section 1, chapter 214, Laws of 1941 (sec. 6930, Rem. Rev. Stat.; sec. 641-27, PPC) is amended to read as follows:

Section 16. The Superior Court of any county in this state, or the judge thereof, upon the application of any person under oath, setting forth that any person, by reason of insanity, is unsafe to be at large, shall cause such person to be brought before him, and he shall summon to appear at the same time and place two (2) or more witnesses, who shall testify, under oath, as to conversations, manners and general conduct upon which said charge of insanity is based; and shall also cause to appear before him, at the time and place, two (2) reputable physicians, before whom the judge shall examine the charge, unless the accused, or anyone in his or her behalf, shall demand a jury to decide upon the question of insanity, and it shall be the duty of the judge so to inform the accused of his right to trial by jury and the appointment or selection of counsel therefor. If such demand be made, the trial shall be by jury. If

Insanity complaint.

Court to summon witnesses.

Two physicians.

Accused may have jury trial and counsel.

no jury is demanded, and the physicians, after a careful hearing of the case, and a personal examination of the alleged insane person, shall certify under oath that the person examined is insane, and the case is of recent or curable character, or that the said insane person is of a homicidal, suicidal or incendiary disposition, or that from any other violent symptoms, the said insane person would be dangerous to his or her own life, or the lives and property of the community in which he or she may live; and if said physicians shall also certify to the name, age, nativity, residence, occupation, length of time in this state, state last from, previous habits, premonitory symptoms, apparent cause, and class of insanity, duration of the disease and present condition, as nearly as can be ascertained by inquiry and examination; and if the judge shall be satisfied that the facts revealed in the examination establish the existence of the insanity of the person accused, and that it is of a recent or curable nature, or of a homicidal, suicidal or incendiary character, or that from the violence of the symptoms the said insane person would be dangerous to his or her own life, or to the lives and property of others if at large, or if the trial has been by jury, and the accused declared insane by said jury, and the insanity be of the character above described, the said insane person shall be ordered by the judge to be sent to a hospital for the insane, upon the following conditions; namely, that at the time of and as a part of such proceedings, the court shall summon the guardian, if any, of such alleged insane person, also the relatives of such alleged insane person, to-wit: husband or wife, parents, children or other interested persons to appear in court. If there is no guardian for such alleged insane person, the court shall appoint such guardian. Such persons shall be examined as witnesses under oath for the purpose of determining

Physicians
to certify
findings.

Nature of
insanity.

Finding of
insanity.

Guardian or
relatives
to be
summoned.

Examination to determine financial ability.

Findings of fact.

Judgment.

Actual costs to be paid.

Computation of costs.

Transportation and court costs.

Remittance to state.

When state to bear costs.

Order of liability of relatives.

the financial ability of said insane person, his estate or relatives, to pay the cost and expense of the care, maintenance, board, lodging and clothing of such insane person in the hospital for the insane to which he may be committed. Findings of fact shall be made relative to the financial ability to pay such costs as above set out and a judgment entered therein against the proper party or estate so found responsible. Every insane person, his estate or relatives, as above set forth, found to have the financial ability to pay the expenses above enumerated, shall pay therefor a sum based upon the actual cost of the previous year taking into consideration the overhead expense of operating the hospital and the expense of maintenance and repair including in both cases all salaries and expense of supervision and management as well as the materials and equipment actually used or expended in operation as computed by the State Department of Finance, Budget and Business or such part thereof as may be directed by order of the Court, and in addition thereto shall pay the cost of transportation of such insane person and all Court costs. The charge shall be made to apply in all cases from the day the insane person is received at the institution. Remittance therefor shall be made to the Director of Finance, Budget and Business in advance on the first day of each calendar month during the time the insane person remains committed. Pending such trial and before judgment, the Court may make such disposition of such alleged insane person as may seem proper. If the Court finds that such insane person or his estate or relatives have not the financial ability to pay said sum, the charges and costs referred to in this section shall be borne by the State of Washington. The relatives of such insane person shall be liable for the cost and expense of the care, maintenance, board, lodging and clothing of such insane person in the following order: first, husband or

wife; second, parents; third, children. Either the insane person's guardian or his relatives or the Department of Finance, Budget and Business may apply for a modification of the order last made by the Court if a proper showing of equitable grounds is made therefor. Not more than one application for modification of the order shall be made by any person in any one calendar year.

Order may
be modified.

SEC. 2. Upon the taking effect of this act, section 16 of an act relating to the insane and to the management of hospitals for the insane, pages 482 to 495, Laws of 1889-90, as amended by this act, shall apply to the inmates of state hospitals for the insane theretofore committed thereto, their guardians, estates and relatives as well as to those thereafter committed thereto, their guardians, estates and relatives.

Applies to
persons
heretofore
committed.

SEC. 3. Upon the taking effect of this act, the Director of Finance, Budget and Business shall give notice to the guardians of inmates of state hospitals for the insane and to those relatives chargeable by law for the cost and expense of the care, maintenance, board, lodging and clothing of those inmates that on and after sixty (60) days from the date of service of said notice, every inmate in a state hospital for the insane shall be kept and maintained therein only upon payment monthly in advance to the Department of Finance, Budget and Business of the amount charged on account of said inmate. This notice shall be served in the manner provided by law for the service of summons in civil actions.

Guardians
and relatives
to be
notified.

SEC. 4. Section 7, chapter 145, Laws of 1923 (sec. 6930-6, Rem. Rev. Stat.; sec. 641-39 PPC) is amended to read as follows:

Service of
notice.

Section 7. Upon an application being made to the Superior Court of the county wherein the order of commitment was entered praying for a modification of the then existing order determining the financial ability of the estate of an inmate of a

Summary
hearing on
modification.

hospital for the insane to pay for the cost and expense of his care, maintenance, board, lodging and clothing or the financial ability of any relative chargeable by law for the payment of such cost and expense, the Court shall summarily proceed to determine the degree of financial ability or the limit in dollars and cents of the monthly charge which may be made against the estate or against any certain relative of the inmate as the case may be.

Procedure.

The Superior Court shall have power to subpoena and examine such persons as he may believe to have knowledge of the facts to be ascertained and may for the purpose of this act conduct such proceedings in the nature of a hearing, upon proceedings supplemental to executions in civil actions. The Superior Court may endorse upon the application the names of persons other than the applicant and thereby make such persons proper or necessary parties to the proceeding. At the conclusion of the hearing the court shall enter its findings of fact which shall be either:

Findings
of fact.

(1) That no person has been found who has the financial ability to pay the charges herein provided or

(2) That some designated guardian or relative has the financial ability to pay the charges herein provided.

Judgment.

If the findings be the second alternative last above referred to, then the court shall enter its order and judgment as provided in this act by original proceedings for commitment and to the same effect.

SEC. 5. Sections 3 and 4, chapter 145, Laws of 1923 (secs. 6930-2 and 6930-3, Rem. Rev. Stat.; secs. 641-31 and 641-33, PPC) are repealed.

Passed by the House February 7, 1947.

Passed by the Senate February 26, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 73.

[H. B. 242.]

SOFT TREE FRUITS.

AN ACT relating to cherries, apricots, plums, prunes, peaches and Bartlett pears; declaring the public policy of this state be to promote the production, consumption and sale of soft tree fruits by providing for research and publicity, advertising and sales promotion campaign to increase the consumption of Washington soft tree fruits; levying an assessment and providing for its collection; creating a tree fruit commission and vesting in it the administration of this act; providing for the powers, duties and authority of said commission; providing penalties for the violation of this act, and declaring an emergency.

PREAMBLE.

That this act is passed:

(a) In the exercise of the police power of the state to protect the public health, to prevent fraudulent practices, to promote the welfare of the state, and to stabilize and protect the soft tree fruit industry of the state;

(b) Because the soft tree fruits grown in Washington collectively comprise one of the major agricultural crops of Washington, and that therefore the business of selling and distributing such crops and the expanding and protection of the market for them is of public interest;

(c) Because it is necessary and expedient to enhance the reputation of Washington soft tree fruits in domestic and foreign markets;

(d) Because it is necessary to discover the health giving qualities and food and dietetic value of Washington soft tree fruits, and to spread that knowledge throughout the world in order to increase the consumption of Washington soft tree fruits;

(e) Because Washington grown soft tree fruits are handicapped by high freight rates in competition with eastern and foreign grown soft tree fruits in

the markets of the world, and this disadvantage can only be overcome by education and advertising;

Assure taxes
and adequate
wages.

(f) Because the stabilization of the soft tree fruits industry, enlargement of its markets, and the increase of the consumption of soft tree fruits are necessary to assure the payment of taxes to the state and its subdivisions, and to maintain employment and adequate wages for agricultural labor within the state;

Possibility
of excess
production.

(g) Because many new plantings of soft fruit trees are being made and substantially increased new plantings are expected in the near future as additional land comes under irrigation, and since the soft fruit trees mature quickly, it is conceivable that the industry may become unstabilized and demoralized by the excess production unless adequate outlets for the crops are provided, in advance of this anticipated production and it is essential that the program herein outlined be adopted for the purposes herein stated to aid in stabilizing the soft tree fruit industry;

Inform
public.

(h) To disseminate information giving the public full knowledge of the manner of production, the cost and expense thereof, the care taken to produce and sell only soft tree fruits of the finest quality, the methods and care used in preparing for market, and the methods of sale and distribution to increase the amount secured by the producer thereof, so that they can pay adequate wages and pay their taxes, and by such information to reduce the cost of distribution so that the spread between the cost to the consumer and the amount received by the producer will be reduced to the minimum absolutely necessary; and to educate the wholesale and retail trade with reference to the advantages of establishing and maintaining markups that will result in increasing sales to the consumers with consequent benefits to the people of the State of Washington;

Reduce
cost of
distribution.

Increase
sales.

(i) To protect the general public by educating it in reference to the various varieties and grades of Washington soft tree fruits, the time to use and consume each variety, and the uses to which each variety should be put.

Protection
of public.

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

SECTION 1. As used in this act the following words have the meanings set forth herein:

Definitions.

(a) "Commission" means the Washington State Fruit Commission;

"Commis-
sion."

(b) "Person" means individuals and any organization of individuals however formed or exercised;

"Persons."

(c) "Shipment" and "shipped" includes loading in a car, boat, truck, wagon or other conveyance to be transported to market for resale, but does not include movement from the orchard where grown to a packing or storage plant within this state for fresh shipment, nor from an orchard, packing plant or storage plant to a processor or processing plant within this state;

"Shipment."

(d) "Handler" means any person who ships or initiates the shipping operation, whether as owner, agent or otherwise;

"Handler."

(e) "Dealer" means any person who handles, ships, buys or sells soft tree fruits, other than those grown by him, or who acts as sales or purchasing agent, broker, or factor of soft tree fruits;

"Dealer."

(f) "Processor" or "processing plant" includes every person and every plant to whom or to which soft tree fruits are delivered for the purpose of drying, dehydrating, canning, pressing, powdering, extracting, cooking, quick-freezing, brining, or for use in producing or manufacturing a product or manufactured article;

"Processor."

"Processing
Plant."

(g) "Soft tree fruits" mean Bartlett pears and

"Soft tree
fruits."

all varieties of cherries, apricots, prunes, plums and peaches;

"Commercial fruit" or "Grade."

(h) "Commercial fruit" or "commercial grade" means soft tree fruits meeting the requirements of any established or recognized fresh fruit or processing grade. Fruit bought or sold on orchard run basis and not subject to cull weigh-back shall be deemed to be "commercial fruit";

"Cull Grade."

(i) "Cull grade" means fruit of lower than commercial grade except when such fruit included with commercial fruit does not exceed the permissible tolerance permitted in a commercial grade;

"District No. 1."

(j) "District No. 1" or "first district" includes the counties of Chelan, Okanogan, Grant, Douglas, Ferry, Stevens, Pend Oreille, Spokane and Lincoln;

"District No. 2."

(k) "District No. 2" or "second district" includes the counties of Kittitas, Yakima, Benton, Franklin, Klickitat, Walla Walla, Columbia, Asotin, Garfield, Whitman and Adams;

"District No. 3."

(l) "District No. 3" or "third district" comprises all of the State of Washington not included in the first and second districts.

Commission created.

SEC. 2. There is hereby created the Washington State Fruit Commission to be thus known and designated. The commission shall be composed of ten soft tree fruit producers, two practical soft tree fruit dealers and three practical soft tree fruit processors. The Director of Agriculture and Supervisor of Horticulture of the state shall be ex-officio members of the commission without vote.

Membership.

Qualifications of members.

SEC. 3. The ten producer members shall be citizens and residents of this state, over the age of twenty-five years, each of whom is and has been actively engaged in growing and producing soft tree fruits within the state for a period of five years, and has during that period derived the major portion of his income therefrom, and who is not engaged in business directly or indirectly as a dealer. The two

dealer members shall be persons who, either individually or as executive officers of a corporation, firm, partnership, association or cooperative organization, are and have been actively engaged as dealers in soft tree fruits within the state, and are citizens and residents of this state. The three processor members shall be persons who, either individually or as executive officers of a corporation, firm, partnership, association or cooperative organization, are and have been actively engaged as processors of soft tree fruits within the State of Washington, and are citizens and residents of this state. The qualifications of members of the commission as herein set forth must continue during their term of office.

SEC. 4. Of the fifteen voting members, four of the grower members, being positions one, two, three and four, shall be from the first district; four of the grower members, being positions five, six, seven and eight, from the second district; and two of the grower members, being positions nine and ten, from the third district. One of the dealer members, being position eleven, shall be from the first district; and one of the dealer members, being position twelve, from the second district. One of the processor members shall be from the first district, one from the second district, and one from the third district, being respectively positions fifteen, thirteen and fourteen.

Members
from certain
districts.

SEC. 5. The regular term of office of the members of the commission shall be three years from the date of election and until their successors are elected and qualified, except however, that the first terms of the members of the commission shall be as follows: Positions one, four, seven, ten and thirteen shall terminate on April 1, 1948; positions two, five, eight, eleven and fourteen shall terminate on April 1, 1949; and positions three, six, nine, twelve and fifteen shall terminate on April 1, 1950.

Terms of
office.

How com-
missioners
elected.

SEC. 6. Commissioners shall be elected by a majority vote of the qualified growers, dealers or processors present at their respective district meetings called by the Director of Agriculture for this purpose. The name of any qualified person may be placed before the respective meetings by oral nomination. After nominations are closed a secret written ballot shall be taken. Each qualified grower, dealer or processor present shall be entitled to one vote for each position for his respective group to be filled at said election. If a nominee does not receive a majority of the votes on the first ballot, a run-off election shall be held between the candidates receiving the largest number of votes with two candidates for each position not filled. If more than one position is to be filled at any election, the first candidate elected, or if elected on the same ballot, the candidate receiving the largest number of votes shall be declared elected to the position with the longest term.

Meetings to
elect com-
missioners.

SEC. 7. The Director of Agriculture shall immediately, after this act becomes effective, call a meeting of soft tree fruit growers, one of dealers, and one of processors in each of the three districts for the purpose of electing their respective members of the commission. Thereafter, district meetings of each group shall be called annually by the Director of Agriculture at times and places to be fixed by the commission. Public notice thereof shall be given by the commission in such manner as it may determine, provided that non-receipt of the notice by any interested person shall not invalidate the meeting and election.

Annual
meetings.

Vacancies
how filled.

SEC. 8. In the event a position becomes vacant due to resignation, disqualification, death, or for any other reason, such position, until the next annual election meeting shall be filled by vote of the remaining members of the commission. At such annual election a commissioner shall be elected to fill the balance of the unexpired term.

SEC. 9. A majority of the voting members shall constitute a quorum for the transaction of all business and the carrying out of the duties of said commission.

Quorum.

SEC. 10. No member of the commission shall receive any salary or other compensation but each member shall receive the sum of ten dollars (\$10) per day for each day spent in actual attendance on or in traveling to and from meetings of the commission or on special assignment for the commission, together with actual expenses incurred in carrying out the provisions of this section.

Commissioners get no salary.

Expenses.

SEC. 11. There shall be separate district advisory committees and a separate state commodity committee for each of the following soft tree fruits, to-wit: Bartlett pears, peaches, apricots, prunes and plums, and cherries. The growers, dealers or processors of each of the soft tree fruits, at their respective annual district meetings may elect separate district advisory committees for each of the soft tree fruits if grown, handled or processed in their respective districts. The district advisory committee shall consist of five members comprising three growers, one dealer and one processor of the respective soft tree fruit groups. Each state commodity committee shall consist of two members from, and selected by, each district advisory committee for each soft fruit or fruits.

District and state advisory committees.

Election.

Composition.

SEC. 12. Each district advisory committee and each state commodity committee shall select one of its members as chairman. Meetings may be called by the chairman or by any two members of any committee by giving reasonable written notice of the meeting to each member of such committee. A majority of the members shall be necessary to constitute a quorum. The district advisory committees and state commodity committees shall consult with and advise the commission on matters per-

Chairman.

Meetings.

Quorum.

Duties.

taining to the soft tree fruits which they respectively represent, and the commission shall give due consideration to their recommendations. Any grower, dealer or processor, if qualified, may be a member of more than one committee.

Commission
is a
corporation.

SEC. 13. The Washington State Fruit Commission shall be, and it is hereby declared and created a corporate body. It shall have power to sue and be sued; to contract and be contracted with; it shall have and possess all the powers of a corporation. The commission shall adopt a corporate seal. Copies of the proceedings, records, and acts of the commission, when certified by the secretary and authenticated by the corporate seal, shall be admissible in evidence in all courts of this state, and shall be *prima facie* evidence of the truth of all statements therein.

Seal.

Records as
evidence.

Officers.

SEC. 14. The commission shall elect a secretary-manager, whose compensation shall be fixed by the commission.

Duties of
treasurer.

SEC. 15. The commission shall appoint a treasurer who may be the same person as the secretary-manager. All monies received by any person from the assessment levied under the authority of this act shall be paid to the treasurer of the commission, shall be deposited in such banks as the commission may designate, and shall be disbursed by order of the commission. The treasurer shall file with the commission a fidelity bond executed by a surety company authorized to do business in this state, in favor of the commission and the State of Washington, jointly and severally, conditioned for the faithful performance of his duties and the strict accounting of all funds of the commission, in the penal sum of fifty thousand dollars (\$50,000). None of the provisions of section 1, chapter 96, Laws of 1907, as amended, shall be applicable to monies collected under this act.

Fidelity
bond.

SEC. 16. The State of Washington shall not be

liable for the acts of said commission or its contracts. Payment of claims arising by reason of the administration of this act shall be limited to the funds collected by the commission, and no member of the commission or any employee or agent thereof shall be liable on the contracts of the commission. All salaries, expenses, costs, obligations and liabilities incurred by said commission shall be payable only from the funds collected by the commission under this act.

State not
liable for
commis-
sion's acts.

SEC. 17. The powers and duties of the commission shall include the following: (1) To elect a chairman and from time to time such other officers as it may deem advisable, and to adopt and from time to time alter, rescind, modify and amend all proper and necessary rules, regulations and orders for the exercise of its powers and the performance of its duties, which such rules, regulations and orders shall have the force and effect of law when not inconsistent with existing laws;

Powers and
duties of
commission.

Elect officers

Make rules.

(2) To administer and enforce this act, and do and perform all acts and exercise all powers deemed reasonably necessary, proper or advisable to effectuate the purposes of this act, and to perpetuate and promote the general welfare of the soft tree fruit industry of this state.

Enforce
this act.

(3) To employ and at its pleasure discharge a secretary-manager, treasurer, and such attorneys, clerks, and employees as it deems necessary, and to prescribe their duties and powers and fix their compensation;

Hire
employees.

(4) To establish offices and incur any and all expense and to enter into any and all contracts and agreements and to create such liabilities as may be reasonable for the proper administration and enforcement of this act;

Establish
offices.

Make
contracts.

(5) To investigate and prosecute violations of this act;

Prosecute.

(6) To conduct scientific research; to develop

Research.

and discover the healthful, therapeutic and dietetic value of soft tree fruits and products thereof; to develop and expand markets; to increase production and quality of soft tree fruits and products thereof; and to improve products and product handling so that the various products may be placed in the hands of the ultimate consumer in the best possible condition, whether such fruits are shipped and sold in their fresh or processed state. In connection with such research the commission shall have power to accept contributions of, or to match private, state or federal funds that may be available for these purposes and to employ or make contributions of funds to other persons or state or federal agencies conducting such research;

Accept contributions for research.

Employ advertisers.

(7) To employ and at its pleasure discharge an advertising manager, agents, advertising agencies, and such other help as it deems necessary, and to outline their powers and duties and fix their compensation;

Make advertising contracts.

(8) To make in the name of the commission such advertising contracts and other agreements as may be necessary;

Keep records.

(9) To keep accurate books, records, and accounts of all of its dealings, which books, records and accounts shall be open to inspection and audit by the State Auditor;

Classify.

(10) To establish classifications for any soft tree fruit.

Assessment on soft tree fruits grown.

SEC. 18. There is hereby levied and imposed upon all commercial soft tree fruits grown in this state in 1947 and annually thereafter, an assessment of fifty cents (50¢) on each two thousand pounds (net weight) of commercial soft tree fruits when shipped fresh or delivered to processors, whether in bulk or loose in boxes or any other container, or packed in any style package: *Provided*, That there shall be exempt all sales of five hundred

pounds, or less, of commercial soft tree fruit sold by grower direct to consumer.

SEC. 19. All money levied and collected under this act shall be expended exclusively to effectuate the purposes and objects of this act. The money shall be generally expended on promotion and improvement of the various commodities approximately in the ratio it is derived from the various commodities, after deducting suitable amounts for general overhead and basic general research, unless a majority of the functioning state commodity committees consents to a larger expenditure on behalf of any commodity or commodities. Any funds contributed to the commission by any special group or raised by an additional levy on any commodity or classification thereof, shall be expended only in connection with such commodity.

Expenditure
of money.

SEC. 20. Every dealer, handler, and processor shall keep a complete and accurate record of all soft tree fruits handled, shipped or processed by him. Such record shall be in simple form and contain such information as the commission shall by regulation or rule prescribe. Such records shall be preserved by such handler, dealer and processor for a period of two years and shall be offered and submitted for inspection at any reasonable time upon written request of the commission or its duly authorized agents.

Records to
be kept as
prescribed by
commission.

SEC. 21. Every dealer, handler, and processor shall at such times as the commission may by rule or regulation require, file with the commission a return under oath on forms to be prescribed and furnished by the commission, stating the quantity of soft tree fruits handled, shipped or processed by him during the period or periods of time prescribed by the commission. Such return shall contain such further information as may be necessary to carry out the objects and purposes of this act.

Reports to
commission

Assessments payable before shipment.

SEC. 22. All assessments levied and imposed by this act shall be due and payable and shall be paid prior to shipment. No soft tree fruits shall be carried, transported, or shipped by any owner or agent of such owner, nor shall any soft tree fruit be offered by any person to any carrier, common or private, for transportation until such assessment has been paid to the commission and its official receipt issued.

Stamps may be used to collect.

SEC. 23. The commission shall by rule or regulation prescribe the method of collection, and for that purpose may require stamps to be known as "Washington State Fruit Commission stamps" to be purchased from the commission and fixed or attached to the container, invoices, shipping documents, inspection certificates, releases, or receiving receipts or tickets. Any such stamps shall be cancelled immediately upon being so attached or fixed, and the date of cancellation shall be placed on such stamps.

Grower primarily responsible.

SEC. 24. Unless the assessment has been paid by the grower and evidence thereof submitted by him, the dealer, handler or processor shall be responsible for the payment of all assessments hereunder on all soft tree fruits handled, shipped or processed by him but shall charge the same against the grower, who shall be primarily responsible for such payment.

SEC. 25. In order to effectuate the objects and purposes of this act, it is the duty of the commission to provide for and conduct a comprehensive and extensive research, advertising and educational campaign. The commission shall investigate and ascertain the needs of the soft tree fruits producers, the conditions of the markets, and the extent to which the same require advertising and research. If upon such investigation, it appears that the revenue from the assessment being levied is inadequate to ac-

compish the purposes and objects of this act, it shall file a full report with the Director of Agriculture of its investigation and findings, showing the necessities of the industry, the extent and probable cost of the required program, and the probable revenue to be expected from the assessment then being levied under the authority of this act. If the report of its investigation and findings filed with the Director of Agriculture shows that the probable revenue is less than the amount reasonably necessary to accomplish the objects and purposes of the act, the commission may thereafter increase such assessment to a sum not exceeding two dollars (\$2) for each two thousand pounds (net weight) of soft tree fruits, whether in bulk, loose in boxes, or any other container, or packed in any style package: *Provided*, That no such increase shall be made prior to May, 1948.

Assessments
may be
increased.

SEC. 26. The same assessment shall be made for each soft tree fruit, except that if a two-thirds majority of the state commodity committee of any fruit in writing recommends the levy of an additional assessment on such fruit, or any classification thereof, for any year or years, the commission may levy such assessment for such year or years up to the maximum of two dollars (\$2) for each two thousand pounds of any fruit except cherries or any classification thereof, as to which the assessment may be increased to a maximum of five dollars (\$5) for each two thousand pounds. Any funds so raised shall be expended solely for the purposes provided in this act and solely for such fruit, or classification thereof.

Levy on a
particular
fruit may be
increased.

How addi-
tional funds
expended.

SEC. 27. If the commission publishes a bulletin or other publication, or a section in some established trade publication, for the dissemination of information to the soft tree fruit industry in this state, the first two dollars (\$2) of any assessment paid annually by each grower, handler, dealer and proces-

Payment
for com-
mission
publication.

sor of such fruit shall be applied to the payment of his subscription to such bulletin or publication.

Penalty.

SEC. 28. Every person shall be guilty of a misdemeanor who: (1) Violates or aids in the violation of any provision of this act;

(2) Violates or aids in the violation of any rule or regulation of the commission.

Venue.

SEC. 29. Any prosecution brought under this act may be instituted or brought in any county in this state in which the defendant or any of the defendants reside, or in which the violation was committed, or in which the defendant or any of the defendants has his principal place of business.

Jurisdiction of Superior Courts.

The several Superior Courts of the State of Washington are hereby invested with jurisdiction to enforce this act and to prevent and restrain violations thereof, or of any rule or regulation promulgated by the commission.

Who to enforce this act.

SEC. 30. It shall be the duty of all state and county law enforcement officers and all employees and agents of the Department of Agriculture to aid in the enforcement of this act.

Promulgation of rules.

SEC. 31. Every rule, regulation or order promulgated by the commission shall be filed with the State Director of Agriculture, and shall be published in a legal daily newspaper in each of the three districts. All such rules, orders or regulations shall become effective fifteen days after both filing and publication.

Inspection of records.

SEC. 32. Agents of the commission, upon specific written authorization signed by the chairman or secretary-manager of the commission, shall have the right to inspect the premises, books, records, documents, and all other instruments of any carrier, railroad, truck, boat, grower, handler, dealer, and processor for the purpose of enforcing this act and collecting the assessments levied under the authority of this act.

SEC. 33. This act shall be liberally construed. If any section, sentence, clause or part of this act is for any reason held to be unconstitutional or invalid, as applied to any person or as applied under certain circumstances, such decision shall not affect the remaining portions of this act nor the application of this act to other persons or under other circumstances.

Construction
of act.Constitution-
ality.

SEC. 34. This act is necessary for the immediate preservation of public health, the preservation of the soft tree fruits industry, the preservation of the soft tree fruits producing areas, and for the support of the state government and its existing institutions, and in order that the commission may be organized and function prior to the beginning of the 1947 soft tree fruit marketing season, and shall take effect immediately.

Emergency.

Passed the House February 18, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 74.

[H. B. 219.]

FOOD FISH AND SHELLFISH.

AN ACT relating to food and shellfish; providing for licenses for the taking, canning, receiving, buying, wholesaling and selling of food and shellfish, defining license fees, fixing penalties for violations thereof, amending section 51, chapter 31, Laws of 1915, as last amended by section 1, chapter 149, Laws of 1937 (sec. 5703, Rem. Rev. Stat.; sec. 555-21, PPC) and adding thirty-six new sections thereto, to be known as sections 51-a to -z, incl., and sections 51-aa to -jj, incl., respectively and repealing section 2, chapter 8, Laws of 1941, as amended by section 2, chapter 44, Laws of 1943 (sec. 5724-1, Rem. Rev. Stat.; sec. 555-33, PPC); section 2, chapter 63, Laws of 1921, as last amended by section 1, chapter 222, Laws of 1937 (sec. 5704, Rem. Rev. Stat.; sec. 560-1, PPC); section 2, chapter 133, Laws of 1931, as last amended by section 1, chapter 45, Laws of 1943 (sec. 5704b, Rem. Rev. Stat.; sec. 555-25, PPC), and declaring this act shall take effect April 1, 1947.

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

SECTION 1. Section 51, chapter 31, Laws of 1915, as last amended by section 1, chapter 149, Laws of 1937 (sec. 5703, Rem. Rev. Stat.; sec. 555-21, PPC), is amended to read as follows:

Licenses.

Section 51. Licenses herein required shall be issued to any qualified person, firm or corporation, by the Director of Licenses, or his duly authorized deputy, upon the receipt of a lawful application therefor, upon a blank to be furnished for that purpose, accompanied by the receipt of the State Treasurer for the required fee, and the Director of Licenses shall cause to be endorsed on such application the number of the license issued and the date of issue, and transmit the application to the Director of Fisheries. All applications for licenses shall be filed with the State Treasurer accompanied by the proper fees.

Application.

Payment.

SEC. 2. There are hereby added to section 51, thirty-six new sections to be known as sections 51-a to -z, incl., and sections 51-aa to -jj, incl., to read as follows, respectively:

Personal commercial fishing \$5.00.

Section 51-a. There shall be a personal commercial fishing license fee of five dollars (\$5) per annum, which shall be obtained by every person who takes or assists in taking any fish or shellfish from the waters or beaches of the State of Washington for commercial purposes, or who operates or assists in operating any boat or gear for the taking of fish or shellfish from the waters or beaches of the State of Washington for commercial purposes, or who brings or assists in bringing any fish or shellfish into the State of Washington for commercial purposes after having taken such fish or shellfish in the waters of the Pacific Ocean. The personal license shall be carried on the person whenever such

person is engaged in the taking, landing or selling of any fish or shellfish: *Provided, however,* This section shall not apply to those persons engaged solely as employees of any person, firm or corporation holding a valid oyster or clam farm license.

Section 51-b. There shall be a commercial fishing guide license fee of ten dollars (\$10) per annum, which shall be obtained by every person acting as a professional guide for hire for others in the taking of food fish or shellfish from the waters or beaches of the State of Washington for commercial purposes.

Commercial
fishing guide
\$10.00.

Section 51-c. (1) There shall be a commercial fishing vessel license fee of five dollars (\$5) per annum, which shall be obtained by every person, firm or corporation, owning or operating any commercial vessel which delivers or lands fish or shellfish within the State of Washington: *Provided,* That nothing in this section shall apply to vessels operated by any person, firm or corporation having an oyster or clam farmer's license and used exclusively for such purpose.

Commercial
fishing vessel
\$5.00.

(2) Each annual application for a commercial fishing vessel license shall contain the name and address of the owner of the vessel, the name and address of the operator of the vessel, the name and number of the vessel, a description of the vessel and fishing gear to be carried thereon, and such other information as may be required by the department of fisheries.

Application.

(3) At the time of issuance of such license the Director of Licenses shall furnish each applicant with a certificate of registration and two metal license plates with the registration number stamped thereon. Such registration shall be known as the "State of Washington License & Registration Number" and shall not be transferable. The registration certificate shall be carried aboard the vessel at all times and the metal license plates shall be affixed

Certificate of
registration.

License
plates.

and carried in plain sight on each side of the vessel well forward.

Reports.

(4) Registrants shall report immediately any change of name, ownership or operator of the vessel. Defaced, mutilated or lost license plates shall be replaced immediately and a fee of two dollars (\$2) shall be charged for such new plates.

Duplicate plates.

Hand line or jigger
\$5.00.

Section 51-d. There shall be a hand line or jigger license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes: *Provided*, That not more than three hooks shall be attached to any one hand line or jigger used for commercial fishing.

Troll line
\$5.00.

Section 51-e. There shall be a troll line license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Set line
\$10.00.

Section 51-f. There shall be a set line license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes: *Provided*, That not more than five hundred hooks may be attached to any one set line.

Gill net
\$7.50.

Section 51-g. There shall be a gill net license fee of seven dollars and fifty cents (\$7.50) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes in the Puget Sound, Grays Harbor and Willapa Harbor districts: *Provided*, That any person using any such net which exceeds seven hundred and fifty feet in length, shall pay an additional license fee of one cent (1¢) for each foot by which such length is exceeded.

Additional fee.

Gill net
\$7.50.

Section 51-h. There shall be a gill net license fee of seven dollars and fifty cents (\$7.50) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes in the Columbia River district.

Section 51-i. There shall be a set net license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes for bottom fish only.

Set net
\$10.00.

Section 51-j. There shall be a dip bag net license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Dip bag net
\$5.00.

Section 51-k. There shall be a drag seine, beach seine, or drag bag seine license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes: *Provided*, That any person fishing with any such device which exceeds three hundred feet in length, shall pay an additional fee of three cents (3¢) for each foot by which such length is exceeded.

Drag seine,
beach seine,
or drag bag
seine \$10.00.

Additional
fee.

Section 51-l. There shall [be] a lampara, or round-haul net license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Lampara, or
round-haul
net \$25.00.

Section 51-m. There shall be a purse seine license fee of fifty dollars (\$50) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Purse seine
\$50.00.

Section 51-n. There shall be a beam trawl license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Beam trawl
\$25.00.

Section 51-o. There shall be an otter trawl license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Otter trawl
\$25.00.

Section 51-p. There shall be a reef net license

Reef net
\$15.00.

fee of fifteen dollars (\$15) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Fyke net
\$10.00.

Section 51-q. There shall be a fyke net license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Brush weir
\$25.00.

Section 51-r. There shall be a brush weir license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for herring for commercial purposes.

Ring net
\$5.00.

Section 51-s. There shall be a ring net license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for commercial purposes.

Bottom fish
pot \$10.00.

Section 51-t. There shall be a bottom fish pot license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for bottom fish for commercial purposes: *Provided*, That an additional fee of ten cents (10¢) per pot shall be required for each pot over one hundred.

Additional
fee.

Shellfish
pot \$5.00.

Section 51-u. There shall be a shellfish pot license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation operating such gear in fishing for crab, shrimp, crawfish or octopus for commercial purposes: *Provided*, That an additional fee of ten cents (10¢) per pot shall be required for each pot over one hundred.

Additional
fee.

Clam or
oyster farm
\$10.00.

Section 51-v. There shall be a clam or oyster farm license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation engaged in the production of clams or oysters on privately owned or controlled tidelands for commercial purposes.

Oyster
reserve
\$10.00.

Section 51-w. There shall be an oyster reserve license fee of ten dollars (\$10) per annum, which shall be required of any person, firm or corporation

taking oysters from state reserves and/or state tide-lands for any purpose authorized by law or regulations of the Director of Fisheries.

Section 51-x. There shall be a wholesale fish or shellfish dealer's license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm, or corporation engaged in the business of selling fish or shellfish at wholesale or in freezing, salting, smoking, kippering, preserving in ice or otherwise dealing in or curing any food or shellfish for commercial purposes whether or not he is the taker or catcher of such fish or shellfish.

Wholesale
fish or shell-
fish dealer's
\$25.00.

Section 51-y. There shall be a retail fish or shellfish dealer's license fee of two dollars and fifty cents (\$2.50) per annum, which shall be required of any person, firm or corporation who sells fresh, frozen or cured fish or shellfish directly to the consumer whether or not he is the taker or catcher of such fish or shellfish.

Retail fish or
shellfish
dealer's
\$2.50.

Section 51-z. There shall be a food fish canning license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation engaged in canning food fish, for commercial purposes, in hermetically sealed containers which are processed by exposure to heat for pasteurization or sterilization.

Food fish
canning
\$25.00.

Section 51-aa. There shall be a shellfish canning license fee of fifteen dollars (\$15) per annum, which shall be required of any person, firm or corporation engaged in canning shellfish, for commercial purposes, in hermetically sealed containers which are processed by exposure to heat for pasteurization or sterilization.

Shellfish
canning
\$15.00.

Section 51-bb. There shall be a fish by-products license fee of twenty-five dollars (\$25) per annum, which shall be required of any person, firm or corporation engaged for commercial purposes in the manufacture or preparation of fertilizer, oil, meal,

Fish
by-products
\$25.00.

caviar, fish bait or other by-products from fish or shellfish.

Fish broker's
\$25.00.

Section 51-cc. There shall be a fish broker's license fee of twenty-five dollars (\$25) per annum, which shall be required of every person, firm or corporation handling food fish, or shellfish, whether fresh, frozen, canned or otherwise processed, for others or with others with whom he has an interest, divisible or indivisible, for a fixed compensation or on commission, or who negotiates, bargains and contracts with others relative to any of such fish and with the custody of which he may not have any concern.

Fish buyer's
\$5.00.

Section 51-dd. There shall be a fish buyer's license fee of five dollars (\$5) per annum, which shall be required of each wholesaler, canner, by-products manufacturer or broker for each buyer engaged as the representative of such wholesaler, canner, by-products manufacturer or broker.

Boathouse
operator's
\$5.00.

Section 51-ee. There shall be a boathouse operator's license fee of five dollars (\$5) per annum, which shall be required of any person, firm or corporation engaged in the business of renting boats to individuals for the purpose of taking food fish or shellfish for personal use: *Provided*, That an additional fee of one dollar (\$1) shall be required for each boat in excess of five in number.

Branch
plant
\$5.00.

Section 51-ff. There shall be a branch plant license fee of five dollars (\$5) per annum, which shall be required of each retailer, wholesaler, canner, by-products manufacturer or boathouse operator having more than one place of business. Such person, firm or corporation shall designate one place of business as headquarters and shall obtain one such license for each other place of business.

Unlawful not
to have
license.

Section 51-gg. It shall be unlawful for any person, firm, or corporation to engage in any phase of the fishing industry, or to operate any fishing gear

known as or classified as commercial fishing gear by the director of fisheries, or to deliver or land any fish in the State of Washington, whether taken from waters within or without the jurisdiction of the State of Washington, without first obtaining and having in possession such licenses as herein specified.

Section 51-hh. Any person, firm or corporation violating any of the provisions of this act shall be guilty of a misdemeanor and conviction thereof shall be subject to a fine of not less than twenty-five dollars (\$25) nor more than two hundred fifty dollars (\$250). Penalty.

Section 51-ii. Section 2, chapter 8, Laws of 1941, as amended by section 2, chapter 44, Laws of 1943 (sec. 5724-1, Rem. Rev. Stat.; sec. 555-33, PPC) section 2, chapter 63, Laws of 1921, as last amended by section 1, chapter 222, Laws of 1937 (sec. 5704, Rem. Rev. Stat.; sec. 560-1, PPC) and section 2, chapter 133, Laws of 1931, as last amended by section 1, chapter 45, Laws of 1943 (sec. 5704b, Rem. Rev. Stat.; sec. 555-25, PPC) are hereby repealed. Repealed statutes.

Section 51-jj. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect April 1, 1947. Emergency.

Passed the House February 27, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 75.

[H. B. 53.]

INTER-COUNTY RURAL LIBRARY DISTRICTS.

AN ACT providing for the establishment of inter-county rural library districts and changing the methods of forming and dissolving rural county library districts, and amending section 2, chapter 119, Laws of 1935, as amended by section 1, chapter 65, Laws of 1941, and section 4a, chapter 65, Laws of 1941, as amended by section 1, chapter 251, Laws of 1943, and section 8, chapter 119, Laws of 1935, as amended by section 7, chapter 65, Laws of 1941, and section 20, chapter 119, Laws of 1935 (secs. 8226-2, 8226-4a, 8226-8 and 8226-20, Rem. Rev. Stat.; secs. 727-3, 727-9, 727-15 and 727-39, PPC).

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

May be established.

SECTION 1. Inter-county rural library districts may be established to provide throughout several counties free public library service similar to that provided within a single county by a rural county library district.

Alternative methods.

SEC. 2. An inter-county rural library district shall be established by joint action of two or more counties proceeding by either of the following alternative methods:

Separate action of County Commissioners.

(a) The Boards of County Commissioners of any two or more counties shall adopt identical resolutions proposing the formation of such a district to include all of the areas outside of incorporated cities or towns in such counties as may be designated in such resolutions. In lieu of such resolutions a petition of like purport signed by ten (10) per cent of the registered voters residing outside of incorporated cities or towns of a county, may be filed with the County Auditor thereof, and shall have the same effect as a resolution. Action to initiate the formation of such a district shall become ineffective in any county if corresponding action is not completed within one year thereafter by each other county included in such proposal. When such

Petition.

action has been taken in each of the counties involved, at the next general or special election held in the respective counties there shall be submitted to the voters in the areas outside of incorporated cities and towns a question as to whether an inter-county rural library district shall be established as outlined in the resolutions or petitions. If a majority of the electors voting on the proposition in each of the counties affected shall vote in favor of such district it shall thereby become established.

Election.

(b) The County Commissioners of two or more counties meeting in joint session attended by a majority of the County Commissioners of each county may, by majority vote of those present, order the establishment of an inter-county rural library district to include all of the area outside of incorporated cities and towns in as many of the counties represented at such joint meeting as shall be determined by resolution of such joint meeting. No county, however, shall be included in such district if a majority of its County Commissioners vote against its inclusion in such district.

Joint action of County Commissioners.

SEC. 3. An existing rural county library district may be expanded into an inter-county rural library district or an established inter-county rural library district may be expanded to include additional counties by joint action of all counties included in the proposed expanded district taken in the same manner as prescribed for the initiation of an inter-county rural library district.

Expansion of county district in same manner.

SEC. 4. All property, assets and liabilities of pre-existing rural county library districts within the area included in an inter-county rural library district shall pass to and be assumed by an inter-county rural library district.

Assets and liabilities belong to new district.

SEC. 5. Immediately following the establishment of an inter-county rural library district the Boards of County Commissioners of the counties affected

Appointment of board of trustees.

Appointment of librarian.

shall jointly appoint a board of five trustees for the district in accordance with section 8 of chapter 119, Laws of 1935, as amended. The Board of Trustees shall appoint a librarian for the district.

May adopt name.

SEC. 6. The Board of Trustees of an inter-county rural library district may adopt a name by which the district shall be known and under which it shall transact all of its business.

Two mill tax levy.

SEC. 7. Funds for the establishment and maintenance of the library service of the district shall be provided by the Boards of County Commissioners of the respective counties by means of an annual tax levy on the property in the district of not more than two (2) mills per annum. The tax levy in the several counties shall be at a uniform rate and shall be based on a budget to be compiled by the Board of Trustees of the inter-county rural library district who shall determine the uniform tax rate necessary and certify their determination to the respective Boards of County Commissioners.

Uniform rate in each county.

Designated County Treasurer to be treasurer of district.

SEC. 8. The Board of Trustees of an inter-county rural library district shall designate the County Treasurer of one of the counties included in the district to act as treasurer for the district. All moneys raised for the district by taxation within the participating counties or received by the district from any other sources shall be paid over to him, and he shall disburse the funds of the district upon warrants drawn thereon by the auditor of the county to which he belongs pursuant to vouchers approved by the trustees of the district.

Same powers as rural county library districts.

SEC. 9. Except as otherwise specifically provided inter-county rural library districts and the trustees thereof shall have the same powers as are prescribed by section 4a, chapter 119, Laws of 1935, as amended by section 1, chapter 251, Laws of 1943, for rural county library districts and shall follow the same procedures and be subject to the same

limitations as are provided therein with respect to the contracting of indebtedness.

SEC. 10. Section 2, chapter 119, Laws of 1935, as last amended by section 1, chapter 65, Laws of 1941 (sec. 8226-2, Rem. Rev. Stat.; sec. 727-3, PPC) is amended to read as follows:

Section 2. As used in this act, unless the context requires a different meaning (1) "governmental unit" means any county, city, town, rural county library district, inter-county rural library district, or school district, except a union high school district; (2) "legislative body" means the body authorized to determine the amount of taxes to be levied in a governmental unit; in rural county library districts and in inter-county rural library districts the legislative body shall be the Board of Library Trustees of the district; (3) "library" means a free public library supported in whole or in part with money derived from taxation; and (4) "regional library" means a free public library maintained by two or more counties or other governmental units; and (5) "rural county library district" means a library serving all the area of a county not included within the area of incorporated cities and towns; and (6) "inter-county rural library district" means a municipal corporation organized to provide library service for all areas outside of incorporated cities and towns within two or more counties.

Definitions.
"Governmental unit."

"Legislative body."

"Library."

"Regional library."

"Rural county library district."

"Inter-county rural library district."

SEC. 11. Section 4a, chapter 65, Laws of 1941, as amended by section 1, chapter 251, Laws of 1943 (sec. 8226-4a, Rem. Rev. Stat.; sec. 727-9, PPC) is amended to read as follows:

Section 4a. Rural County Library Districts are hereby authorized for the purpose of giving free public library service to their residents. Such districts shall include all areas of the county outside incorporated cities and towns. A rural county library district may be established by a majority vote

Rural County Library Districts authorized.

of the people voting on the proposition in the district. The procedure for the establishment of such a Rural County Library District shall be as follows:

Established by majority vote.
Petitions. (1) petitions signed by at least ten (10) per cent of the registered voters of the county, outside of the area of incorporated cities and towns, asking that the question: "Shall a Rural County Library District be established?" shall be filed with the Board of County Commissioners. (2) The Board of County Commissioners, after having determined that the petition was signed by the requisite number of qualified petitioners, shall place the proposition for the establishment of a Rural County Library District on the ballot for the vote of the people of the county, outside incorporated cities and towns, at the next succeeding general or special election.

Election. (3) If a majority of the electors voting on the proposition vote in favor of the establishment of a Rural County Library District, the Board of County Commissioners shall forthwith declare it established.

Establishment. After the Board of County Commissioners has declared a Rural County Library District established, it shall appoint a Board of Library Trustees as is provided in section 8 hereof and provide funds for the establishment and maintenance of library service for the district by making a tax levy on the property in the district of not more than two (2) mills per annum sufficient for the library service as is required by the budget submitted to the Board of County Commissioners by the Board of Library Trustees. Such levies shall be a part of the general tax roll and shall be collected as a part of the general taxes against the property in the district. The Board of Library Trustees of the district shall have authority to contract indebtedness and evidence the same by the issuance and sale at par plus accrued interest not exceeding six per cent (6%) per annum of coupon warrants of the district in such form as the Board of Library Trustees shall determine, and

Trustees.

Two mill tax levy.

May issue coupon warrants.

the same may be issued in advance of the tax levy. Such warrants, signed by the chairman and the secretary of the Board of Library Trustees, shall be payable at such time or times as the Board of Library Trustees shall provide not longer than six (6) years from the date thereof. Such coupon warrants shall be payable to bearer, shall have interest coupons attached providing for the payment of interest semi-annually on the first day of January and of July, and the issuance thereof shall be recorded in the office of the County Treasurer in a book kept for that purpose. All outstanding district warrants of every kind shall outlaw and become void after six (6) years from the maturity date thereof where money shall be available in the proper fund of the district within that time for their payment. At no time shall the total indebtedness of the district exceed an amount that could be raised by a two (2) mill levy on the then existing valuation of the property of the district. It shall be the duty of the County Treasurer of the county in which any Rural County Library District is created under this act to receive and disburse all district revenues and to collect all taxes levied under this act.

Payable
in not
more than
six years.

Debt
limitation.

Duties of
County
Treasurer.

A Rural County Library District shall be a public corporation with such powers as are necessary to carry out its functions and for taxation purposes shall have the power vested in municipal corporations for such purposes.

Districts are
municipal
corporations.

SEC. 12. Section 8, chapter 119, Laws of 1935 as amended by section 7, chapter 65, Laws of 1941 (sec. 8226-8, Rem. Rev. Stat.; sec. 727-15, PPC) is amended to read as follows:

Section 8. The management and control of a library shall be vested in a board of five (5) trustees. In cities and towns the trustees shall be appointed by the mayor with the consent of the legislative body. In counties and rural county library

Trustees.

Appointment.

districts they shall be appointed by the Board of County Commissioners. In a regional library district they shall be appointed by the joint action of the legislative bodies concerned. In inter-county rural library districts they shall be appointed by the joint action of the Boards of County Commissioners of each of the counties included in a district. In school districts they shall be elected by the voters in the manner in which school directors are elected. The first appointments or elections shall be for terms of one (1), two (2), three (3), four (4), and five (5) years respectively, and thereafter a trustee shall be appointed or elected annually to serve for five (5) years. Vacancies shall be filled for unexpired terms as soon as possible in the manner in which members of the Board are regularly chosen: *Provided*, That where the library is a school district public library, the remaining members of the Board of Trustees shall fill such vacancies by appointment, for terms to expire at the next regular election of library trustees. A library trustee shall not receive a salary or other compensation for services as trustee, but necessary expenses actually incurred shall be paid from the library funds. A library trustee in the case of a city or town may be removed only by vote of the legislative body. A library trustee of a school district public library may be removed only by a majority vote of the other trustees. A trustee of a county library or a rural county library district library may be removed by the County Commissioners after a public hearing upon a written complaint stating the ground for removal, which complaint, with a notice of the time and place of hearing, shall have been served upon the trustee at least fifteen (15) days before the hearing. A trustee of an inter-county rural library district may be removed by the joint action of the Board of County Commissioners of the counties involved in the same manner as pro-

Terms of office.

Vacancies.

No compensation.

Expenses.

Removal.

vided herein for the removal of a trustee of a county library.

SEC. 13. Section 20, chapter 119, Laws of 1935 (sec. 8226-20, Rem. Rev. Stat.; sec. 727-39, PPC) is amended to read as follows:

Section 20. A library established or maintained under this act (except a regional or a rural county library district library or an inter-county rural library district library) may be abolished only in pursuance of a vote of the electors of the governmental unit in which the library is located, taken in the manner prescribed in section 4 for a vote upon the establishment of a library. If a library of a city, town, or school district be abolished, the books and other printed or written matter belonging to it shall go to the library of the county whereof the municipality is a part, if there be a county library, but if not, then to the state library. If a library of a county or region be abolished, the books and other printed matter belonging to it shall go to the state library. All other library property shall be disposed of as the legislative body of the governmental unit shall direct.

After a rural county library district or an inter-county rural library district has been in operation for three or more years, it may be dissolved pursuant to a majority vote of all of the qualified electors residing outside of incorporated cities and towns voting upon a proposition for its dissolution, at a general election, which proposition may be placed upon the ballot at any such election whenever a petition by ten per cent (10%) or more qualified voters residing outside of incorporated cities or towns within a rural county library district or an inter-county rural library district requesting such dissolution shall be filed with the Board of Trustees of such district not less than ninety days prior to the holding of any such election. If a rural county library district is dissolved, the books and other

Transfer
of books,
funds and
property.

printed matter belonging to it shall go to the state library. All other library property shall be disposed of as the legislative body of the governmental unit shall direct. When an inter-county rural library district is dissolved, the books, funds and other property thereof shall be divided among the participating counties in the most equitable manner possible as determined by the State Librarian, who shall give consideration to such items as the original source of property, the amount of funds raised from each county by the district, and the ability of the counties to make further use of such property or equipment for library purposes. Printed material which the State Librarian finds will not be used by any of the participating counties for further library purposes shall be turned over to the state library.

Passed the House February 27, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 76.

[H. B. 4.]

COMPENSATION OF DRAINAGE COMMISSIONERS.

AN ACT relating to drainage districts, the compensation of commissioners, amending section 38, chapter 115, Laws of 1895, as last amended by section 1, chapter 62, Laws of 1907 (sec. 4338, Rem. Rev. Stat.; sec. 511-109, PPC).

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

SECTION 1. Section 38, chapter 115, Laws of 1895, as amended by section 1, chapter 62, Laws of 1907 (sec. 4338, Rem. Rev. Stat.), is amended to read as follows:

Section 38. In performing their duties under the provisions of this act the board and the members of the board of drainage commissioners shall re-

ceive as compensation the sum of five dollars (\$5) per day for all necessary services actually performed, in connection with their duties, including the attendance at meetings: *Provided*, That such services and compensation are allowed and approved at a regular meeting of the board. Upon the submission of a copy, certified by the secretary, of the extracts of the relevant minutes of the board showing such approval, to the County Auditor, the same shall be paid as other claims against said district are paid.

Compensation.

Must be approved.

Payment.

Passed the House February 4, 1947.

Passed the Senate February 28, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 77.

[H. B. 86.]

ELECTION BALLOTS AND VOTING.

AN ACT relating to election ballots and voting, amending section 17, chapter 13, page 406, Laws of 1889-90 as last amended by section 3, chapter 20, Laws of 1935 (sec. 5274, Rem. Rev. Stat.; sec. 521-9, PPC) and section 23, chapter 13, page 409, Laws of 1890 as amended by section 8, chapter 156, Laws of 1895 (sec. 5288, Rem. Rev. Stat.; sec. 521-21, PPC).

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

SECTION 1. Section 17, chapter 13, page 406, Laws of 1889-90, as last amended by section 3, chapter 20, Laws of 1935 (sec. 5274, Rem. Rev. Stat.; sec. 521-9, PPC) is amended to read as follows:

Section 17. All ballots prepared under the provisions of this chapter shall conform to the following requirements:

Ballot requirements

1. Shall be of white and a good quality of paper, and the names shall be printed thereon in black ink.

White paper.

2. Every ballot shall contain the name of every candidate whose nomination for any office specified

All candidates.

in the ballot has been filed according to the provisions of this act and no other names.

Candidates listed by party and office.

3. All nominations of any party or group of petitioners shall be placed under the title of such party of petitioners as designated by them in their certificate of nomination or petition, and the name of each nominee shall be placed under the designation of the office for which he has been nominated.

Box at right of each name.

4. There shall be a at the right of the name of each of its nominees so that a voter may clearly indicate the candidate or the candidates for whom he wishes to cast his ballot. The square shall be one-fourth of an inch. The size of type for the designation of the office shall be nonpareil caps; that of the candidates not smaller than brevier or larger than small pica caps and shall be connected with squares by leaders.

Party columns.

5. The list of candidates of the party whose candidate for president of the United States received the highest number of votes from the electors of this state in the preceding presidential election shall be placed in the first column of the left-hand side of the ballot, the party whose candidates for presidential electors or candidates received the next highest number of votes from the electors of this state in the preceding presidential election the second column and of other parties in the order in which certificates of nomination have been filed.

How determined.

Candidate's name to appear only once.

6. No candidate's name shall appear more than once upon the ballot: *Provided*, That any candidate who has been nominated by two or more political parties may, upon a written notice filed with the clerk of the Board of County Commissioners at least twenty days before the election is to be held, designate the political party under whose title he desires to have his name placed.

When more than one candidate to be voted for.

7. Under the designation of the office if more than one candidate is to be voted for there shall be indicated the number of candidates to such office to

be voted for at such election. In such cases the names of the candidates of the various parties for that office shall be staggered so that the names of no two candidates for that office shall appear opposite each other upon the same line in adjacent party columns.

Names staggered.

8. Upon each official ballot a perforated line one-half inch from the left-hand edge of said ballot shall extend from the top of said ballot towards the bottom of the same two inches thence to the left-hand edge of the ballot and upon the space thus formed there shall be no printing except the number of such ballot which shall be upon the back of such space in such position that it shall appear on the outside when the ballot is folded. The County Auditor shall cause official ballots to be numbered consecutively beginning with number 1, for each separate voting precinct.

How ballots numbered.

9. Official ballots for a given precinct shall not contain the names of nominees for justices of the peace and constables of any other precinct except in cases of municipalities where a number of precincts vote for the same nominee for justices of the peace and constables and in the latter case the ballots shall contain only the names to be voted for by the electors of such precinct. Each party column shall be two and five-eighths inches wide.

Justices of the peace and constables.

Width of party column.

10. If the election be in a year in which a president of the United States is to be elected, in spaces separated from the balance of the party tickets by a heavy black line, shall be the names and spaces for voting for candidates for president and vice-president. The names of candidates for president and vice-president for each political party shall be grouped together, each group enclosed in brackets with one three-eighths inch square to the right in which the voter indicates his choice.

How names of presidential and vice-presidential candidates placed on ballot.

11. On the top of each of said ballots and extending across the party groups, there shall be printed

Where instructions placed.

Propositions to be voted on.

Arrangement of ballot

instructions directing the voters how to mark the ballot before the same shall be deposited with the judges of election. Next after the instructions and before the party group shall be placed the questions of adopting constitutional amendments or any other question authorized by law to be submitted to the voters of such election. The arrangement of the ballot shall in general conform as nearly as possible to the form hereinafter given.

Instructions: If you desire to vote for any candidate, place X in at the right of the name of such candidate.

(Here place any state or local questions to be voted on.)

REPUBLICAN PARTY	DEMOCRATIC PARTY	OTHER PARTY
<p>PRESIDENT AND VICE PRESIDENT</p> <p>Benjamin F. Harrison } <input type="checkbox"/></p> <p>Levy P. Morton } <input type="checkbox"/></p>	<p>PRESIDENT AND VICE PRESIDENT</p> <p>Grover Cleveland } <input type="checkbox"/></p> <p>A. G. Thurman } <input type="checkbox"/></p>	
<p>UNITED STATES SENATOR</p> <p>Watson C. Squire. <input type="checkbox"/></p>	<p>UNITED STATES SENATOR</p> <p>C. W. Griggs..... <input type="checkbox"/></p>	
<p>GOVERNOR</p> <p>Elisha P. Ferry.. <input type="checkbox"/></p>	<p>GOVERNOR</p> <p>Eugene Semple <input type="checkbox"/></p>	
<p>LIEUTENANT GOVERNOR</p> <p>Chas. E. Laughton <input type="checkbox"/></p>	<p>LIEUTENANT GOVERNOR</p> <p>L. H. Platter..... <input type="checkbox"/></p>	
<p>SECRETARY OF STATE</p> <p>Allen Weir <input type="checkbox"/></p>	<p>SECRETARY OF STATE</p> <p>W. H. Whittlesey..... <input type="checkbox"/></p>	

STATE REPRESENTATIVE

District No. 20

Vote for three only

Andrew Anderson <input type="checkbox"/>		Jane Doe <input type="checkbox"/>
	John Doe <input type="checkbox"/>	
John Brown <input type="checkbox"/>		B. H. Kilroy <input type="checkbox"/>
	Richard Roe <input type="checkbox"/>	
Henry Smith . . . <input type="checkbox"/>		Tilly Olson <input type="checkbox"/>
	Wm. Williams . . <input type="checkbox"/>	

County
Commissioner
First District

County
Commissioner
First District

County
Commissioner
First District

(Names of other candidates should follow on the ballot in same form)

SEC. 2. Section 23, chapter 13, page 409, Laws of 1890 as amended by section 3, chapter 156, Laws of 1895 (sec. 5288, Rem. Rev. Stat.; sec. 521-21 PPC) is amended to read as follows:

Section 23. On receipt of his ballot the elector shall forthwith and without leaving the polling place retire alone to one of the places, booths, or apartments provided to prepare his ballot. Each elector shall prepare his ballot by marking a cross "X" after the name of every person or candidate for whom he wishes to vote.

Elector votes for each candidate.

In case of a ballot containing a constitutional amendment or other question to be submitted to the vote of the people the voter shall mark a cross "X" after the question, for or against the amendment or proposition, as the case may be. Any elector may write in the blank spaces, or paste over any other name, the name of any person for whom he may wish to vote. Before leaving the booth or compartment the elector shall fold his ballot in such a

Voting on propositions.

Stickers, write-ins

Ballot folded.

manner that the number of the ballot shall appear on the outside thereof, without displaying the marks on the face thereof, and he shall keep it folded until he has voted. Having folded the ballot, the elector shall deliver it folded to the inspector, who shall, in audible tone of voice, repeat the name of the elector and the number of the ballot. The election clerks having the certified copies of the poll books or registration or poll books in charge, shall, if they find the number marked opposite the elector's name on the register or poll books to correspond with the number of the ballot handed to the inspector, mark opposite the name of such elector the word "voted," and one of the clerks shall call back, in an audible tone, the name of the elector and the number of his ballot. The inspector shall separate the slip containing the number of the ballot from the ballot and shall deposit the ballot in the ballot box. The numbers removed from ballots shall be immediately destroyed.

Number detached from ballot.

No straight party voting on voting machines.

SEC. 3. No voting machine shall be used at any election unless each party voting device thereon is locked against movement, and the machine has been prepared in such a way that the voter cannot by a single operation vote for all the candidates of one party.

How challenged voter votes.

SEC. 4. Whenever the right to vote of any person presenting himself as a voter at any polling place for any election has been challenged and the officers conducting the election at such polling place have refused to accept the vote of such person because of such challenge, or otherwise, a ballot shall be voted by such challenged person and placed in a sealed envelope. The sealed ballots of challenged voters shall be transmitted at the close of the election to the county election board or other authority charged by law with the conduct of the particular election. The county election board or such other authority shall upon request of the voter, at the time

the vote is canvassed, consider the case of each challenge and shall decide whether or not the ballot in each case shall be accepted or rejected. The decision of the county election board or such other authority shall be final. In precincts where voting machines are used, any person whose right to vote is properly challenged shall be furnished with a paper ballot, and such ballot after said person has marked it, shall be sealed and disposed of as hereinabove provided.

Decision
by county
election
board.

Passed the House February 27, 1947.

Passed the Senate February 26, 1947.

Approved by the Governor March 5, 1947.

CHAPTER 78.

[S. B. 88.]

DEPARTMENT OF CONSERVATION AND DEVELOPMENT —APPROPRIATION FOR ADVERTISING.

AN ACT making an appropriation allocated to the division of progress and industry development of the Department of Conservation and Development for the purpose of advertising the State of Washington for the year 1947 in national periodicals and by pamphlet distribution, and declaring an emergency.

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

SECTION 1. The sum of one hundred forty-five thousand dollars (\$145,000) is herewith appropriated for the purpose of advertising the State of Washington in national publications and by distribution of literature for the attraction of tourists and industry to this state: *Provided*, That none of the money herein appropriated shall be used for salaries or administrative expenses.

Appropriation.

SEC. 2. Supervision and expenditure of this fund shall be controlled by the division of progress and industry development of the Department of Conservation and Development: *Provided*, That not more

Supervision
of fund.

than twenty-five thousand dollars (\$25,000) shall be used to pay for special service charges or production charges for layout work on the advertising material herein authorized, and that the advertising agency handling the advertising herein authorized shall be limited to the usual standard fifteen per cent commission paid by the publications used.

Emergency.

SEC. 3. This act is necessary for support of the state government and existing public institutions, and it takes effect immediately.

Passed the Senate February 27, 1947.

Passed the House February 25, 1947.

Approved by the Governor March 6, 1947.

CHAPTER 79.

[S. B. 47.]

INSURANCE CODE.

AN ACT to provide an Insurance Code for the State of Washington; to regulate insurance companies and the insurance business; to provide for an Insurance Commissioner; to establish the office of State Fire Marshal; to provide penalties for the violation of the provisions of this act; to repeal certain existing laws and to amend section 73 of chapter 49, Laws of 1911 as last amended by section 1 of chapter 103, Laws of 1939.

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

ARTICLE ONE

INITIAL PROVISIONS

SECTION .01.01 *Short Title:* This act constitutes the insurance code. Short title.

SEC. .01.02 *Scope of Code:* All insurance and insurance transactions in this state, or affecting subjects located wholly or in part or to be performed within this state, and all persons having to do therewith are governed by this code. Scope of code.

SEC. .01.03 *Public Interest:* The business of insurance is one affected by the public interest, requiring that all persons be actuated by good faith, abstain from deception, and practice honesty and equity in all insurance matters. Upon the insurer, the insured, and their representatives rests the duty of preserving inviolate the integrity of insurance. Public interest.

SEC. .01.04 *"Insurance" Defined:* Insurance is a contract whereby one undertakes to indemnify another or pay a specified amount upon determinable contingencies. "Insurance" defined.

SEC. .01.05 *"Insurer" Defined:* "Insurer" as used in this code includes every person engaged in the business of making contracts of insurance, other than a fraternal benefit society. A reciprocal or inter-insurance exchange is an "insurer" as used in this code. "Insurer" defined.

- "Insurance Transaction." SEC. .01.06 *"Insurance Transaction" Defined:* "Insurance transaction" includes any:
- (1) Solicitation.
 - (2) Negotiations preliminary to execution.
 - (3) Execution of an insurance contract.
 - (4) Transaction of matters subsequent to execution of the contract and arising out of it.
 - (5) Insuring.
- "Person." SEC. .01.07 *"Person" Defined:* "Person" means any individual, company, insurer, association, organization, reciprocal or inter-insurance exchange, partnership, business trust, or corporation.
- Penalties. SEC. .01.08 *Penalties:* Violation of any provision of this code is punishable by a fine of not less than ten dollars (\$10) nor more than one thousand dollars (\$1,000), or by imprisonment for not more than one (1) year, or both fine and imprisonment, in addition to any other penalty or forfeiture provided herein or otherwise by law.
- Constitutionality. SEC. .01.09 *Constitutionality:* If any provision of this code or the application thereof to any circumstance is held invalid, the remainder of the code, or the application of the provision to other circumstances, is not affected thereby.
- Existing officers. SEC. .01.10 *Existing Officers:* Continuation by this code of any office existing under any act repealed herein preserves the tenure of the individual holding the office at the effective date of this code.
- Existing licenses. SEC. .01.11 *Existing Licenses:* Every license or certificate of authority in force immediately prior to the effective date of this code and existing under any act herein repealed is valid until its original expiration date, unless earlier terminated in accordance with this code.
- Existing insurance forms. SEC. .01.12 *Existing Insurance Forms:* Every form of insurance document in use at the effective date of this code in accordance with the Commissioner's ap-

proval pursuant to any act herein repealed, may continue to be so used unless the Commissioner otherwise prescribes in accordance with this code.

SEC. .01.13 *Existing Actions, Violations*: No action or proceeding commenced, and no violation of law existing, under any act herein repealed is affected by the repeal, but all procedure hereafter taken in reference thereto shall conform to this code as far as possible. Existing actions, violations.

SEC. .01.14 *Headings*: The meaning or scope of any provision is not affected by article, section, or paragraph headings. Headings.

SEC. .01.15 *Particular Provisions Prevail*: Provisions of this code relating to a particular kind of insurance or a particular type of insurer or to a particular matter prevail over provisions relating to insurance in general or insurers in general or to such matter in general. Particular provisions prevail.

SEC. .01.16 *Repealed Acts Not Revived*: Repeal by this code of any act shall not revive any law heretofore repealed or superseded. Repealed acts not revived.

SEC. .01.17 *Effective Date*: This code shall become effective on the first day of October, nineteen hundred and forty-seven. Effective date.

ARTICLE TWO

INSURANCE COMMISSIONER

SEC. .02.01 *Insurance Commissioner*: 1. There shall be an Insurance Commissioner of this state who shall be elected at the time and in the manner that other state officers are elected. Insurance Commissioner.

2. The Commissioner in office at the effective date of this code shall continue in office for the remainder of the term for which he was elected and until his successor is duly elected and qualified. Continues in office.

3. "Commissioner," where used in this code means the Insurance Commissioner of this state. Commissioner means Insurance Commissioner.

Term of office.

SEC. .02.02 *Term of Office*: The term of office of the Commissioner shall be four (4) years, commencing on the Wednesday after the second Monday in January after his election.

Bond.

SEC. .02.03 *Bond*: Before entering upon his duties the Commissioner shall execute a bond to the state in the sum of twenty-five thousand dollars (\$25,000), to be approved by the State Treasurer and the Attorney General, conditioned upon the faithful performance of the duties of his office.

Salary.

SEC. .02.04 *Salary*: The Commissioner shall receive an annual salary of seven thousand five hundred dollars (\$7,500).

Seal.

SEC. .02.05 *Seal*: The official seal of the Commissioner shall be a vignette of George Washington, with the words "Insurance Commissioner, State of Washington" surrounding the vignette.

General powers, duties.

SEC. .02.06 *General Powers, Duties*: 1. The Commissioner shall have the authority expressly conferred upon him by or reasonably implied from the provisions of this code.

Enforce this code.

2. The Commissioner shall execute his duties and shall enforce the provisions of this code.

3. The Commissioner may:

Make rules and regulations.

(1) Make reasonable rules and regulations for effectuating any provision of this code, except those relating to his election, qualifications, or compensation. No such rules and regulations shall be effective prior to their being filed for public inspection in the Commissioner's office.

Investigate.

(2) Conduct investigations to determine whether any person has violated any provision of this code.

Conduct hearings.

(3) Conduct examinations, investigations, hearings, in addition to those specifically provided for, useful and proper for the efficient administration of any provision of this code.

Orders to be in writing.

SEC. .02.07 *Order, Notice*: 1. Orders of the Commissioner shall not be effective unless made in writ-

ing and signed by him or by his authority. Every order shall contain a concise statement of the grounds upon which it is based.

2. Every notice required to be given by the Commissioner to any person shall: Notice in writing.

(1) Be in writing in detail sufficient reasonably to inform the person of the action taken or proposed; and

(2) Designate the provisions of this code pursuant to which action is so taken or proposed; and Refer to statute.

(3) State the grounds for such action. State grounds.

3. An order or a notice may be given by delivery to the person to be ordered or notified or by mailing it, postage prepaid, addressed to him at his residence or principal place of business as last of record in the Commissioner's office. Delivery.

SEC. .02.08 *Enforcement:* 1. The Commissioner may prosecute an action in any court of competent jurisdiction to enforce any order made by him pursuant to any provision of this code. Enforcement in courts.

2. If the Commissioner has cause to believe that any person has violated any penal provision of this code or of other laws relating to insurance he shall certify the facts of the violation to the public prosecutor of the jurisdiction in which the offense was committed. Prosecution.

3. If the Commissioner has cause to believe that any person is violating or is about to violate any provision of this code or any order of the Commissioner, he may bring an action in any court of competent jurisdiction to enjoin the person from continuing the violation or doing any action in furtherance thereof. Injunction.

4. The Attorney General and the several Prosecuting Attorneys throughout the state shall prosecute or defend all proceedings brought pursuant to the provisions of this code when requested by the Commissioner. Attorney General and Prosecuting Attorneys.

Deputies,
employees.

SEC. .02.09 *Deputies, Employees:* 1. The Commissioner may appoint a Chief Deputy Commissioner, who shall have power to perform any act or duty conferred upon the Commissioner. The Chief Deputy Commissioner shall take and subscribe the same oath of office as the Commissioner, which oath shall be endorsed upon the certificate of his appointment and filed in the office of the Secretary of State.

Additional
deputies.

2. The Commissioner may appoint additional Deputy Commissioners for such purposes as he may designate.

Commis-
sioner
responsible.

3. The Commissioner shall be responsible for the official acts of his deputies, and may revoke at will the appointment of any deputy.

May employ
assistants
and clerks.

4. The Commissioner may employ examiners, and such actuarial, technical, and administrative assistants and clerks as he may need for proper discharge of his duties.

No interest
in insurers.

5. The Commissioner, or any deputy or employee of the Commissioner, shall not be interested, directly or indirectly, in any insurer except as a policyholder.

Employees
may be
bonded.

6. The Commissioner may require any deputy or employee to be bonded as he shall deem proper but not to exceed in amount the sum of twenty-five thousand dollars (\$25,000). The cost of any such bond shall be borne by the state.

Delegation
of powers
and duties.

SEC. .02.10 *Commissioner May Delegate:* Any power or duty vested in the Commissioner by any provision of this code may be exercised or discharged by any deputy, assistant, examiner, or employee of the Commissioner acting in his name and by his authority.

Offices.

SEC. .02.11 *Offices:* The Commissioner shall have an office at the State Capitol, and may maintain such offices elsewhere in this state as he may deem necessary.

Records.

SEC. .02.12 *Records:* 1. The Commissioner shall preserve in permanent form records of his proceed-

ings, hearings, investigations, and examinations, and shall file such records in his office.

2. The records of the Commissioner and insurance filings in his office shall be open to public inspection, except as otherwise provided by this code.

Open for inspection.

3. Five (5) years after conclusion of transactions to which they relate, the Commissioner may destroy any correspondence, claim files, working papers of examinations of insurers, reports of examination of insurers by insurance supervisory officials of other states, void or obsolete filings relating to rates, license applications, cards, and records, expired bonds, records of hearings, investigations, and any similar records, documents, or memoranda now or hereafter in his possession.

Records which may be destroyed after five years.

4. Ten (10) years after the year to which they relate, the Commissioner may destroy any foreign or alien insurer's annual statements, valuation reports, tax reports, or similar records or reports now or hereafter in his possession.

Destruction after ten years.

5. The Commissioner shall concurrently execute and file in a separate, permanent office file a certificate listing and giving a summary description of the records, files, documents, memoranda, as they are destroyed.

Summary of destroyed records.

SEC. .02.13 *Certificates, As Evidence:* 1. Any certificate or license issued by the Commissioner shall bear the seal of his office.

Certificates, as evidence.

2. Copies of records or documents in his office certified to by the Commissioner shall be received as evidence in all courts in the same manner and to the same effect as if they were the originals.

Admissible as evidence.

3. When required for evidence in court, the Commissioner shall furnish his certificate as to the authority of an insurer or other licensee in this state on any particular date, and the court shall receive the certificate in lieu of the Commissioner's testimony.

In lieu of Commissioner's testimony.

Interstate
cooperation.

SEC. .02.14 *Interstate Cooperation*: 1. The Commissioner shall to the extent he deems useful for the proper discharge of his responsibilities under the provisions of this code:

Consult and
cooperate.

(1) Consult and cooperate with the public officials having supervision over insurance in other states.

Joint em-
ployment of
technicians.

(2) Share jointly with other states in the employment of actuaries, statisticians, and other insurance technicians whose services or the products thereof are made available and are useful to the participating states and to the Commissioner.

Joint estab-
lishment of
offices.

(3) Share jointly with other states in establishing and maintaining offices and clerical facilities for purposes useful to the participating states and to the Commissioner.

Arrange-
ments in
writing.

2. All arrangements made jointly with other states under items (2) and (3) of paragraph one of this section shall be in writing executed on behalf of this state by the Commissioner. Any such arrangement, as to participation of this state therein, shall be subject to termination by the Commissioner at any time upon reasonable notice.

"National
Association
of Insurance
Commis-
sioners."

3. For the purposes of this code "National Association of Insurance Commissioners" mean that voluntary organization of the public officials having supervision of insurance in the respective states, districts, and territories of the United States, whatever other name such organization may hereafter adopt, and in the affairs of which each of such public officials is entitled to participate subject to the constitution and by-laws of such organization.

Commis-
sioner to
purchase
supplies.

SEC. .02.15 *Supplies, "Convention Blanks"*: The Commissioner shall purchase at the expense of the state and in the manner provided by law:

Equipment
and supplies.

(1) Printing, books, reports, furniture, equipment, and supplies as he deems necessary to the proper discharge of his duties under this code.

(2) "Convention form" insurers' annual statement blanks, which he may purchase from any printer manufacturing the forms for the various states.

"Convention form."

SEC. .02.16 *Special Duties:* The Commissioner shall:

Special duties.

(1) Obtain and publish for the use of courts and appraisers throughout the state, tables showing the average expectancy of life and values of annuities and of life and term estates.

Publish tables.

(2) Disseminate information concerning the insurance laws of this state.

Give information.

SEC. .02.17 *Annual Report:* The Commissioner shall as early each year as accurate preparation enables, transmit to the legislature a report of his official transactions during the preceding calendar year, containing for the year reported:

Annual report.

(1) A list of all insurers authorized to transact insurance in this state, showing for each insurer its name, location, date of incorporation, date of admission into this state, capital funds, and kinds of insurance transacted.

Information concerning all insurers.

(2) Tabulated abstracts of the annual statements of all authorized insurers as filed with the Commissioner.

Abstracts of statements of insurers.

(3) A statement as to insurers whose authority to transact insurance in this state was terminated, the reasons for each termination, and if for insolvency the amount of the insurer's assets and liabilities as latest ascertained.

(4) A statement of his receipts and the sum of his expenditures.

Receipts and expenditures.

(5) His recommendations for amendment of this code, and additional information and recommendations relative to insurance as he deems proper.

Recommendation for amendment of code.

ARTICLE THREE
EXAMINATIONS

Examination of insurers.

SEC. .03.01 *Examination of Insurers, Bureaus:* 1. The Commissioner shall examine the affairs, transactions, accounts, records, documents, and assets of each authorized insurer as often as he deems advisable. He shall so examine each domestic insurer not less frequently than every three (3) years. Examination of an alien insurer may be limited to its insurance transactions in the United States.

Rating organizations.

2. As often as he deems advisable and at least once in five (5) years, the Commissioner shall fully examine each rating organization and examining bureau licensed in this state. As often as he deems it advisable he may examine each advisory organization and each joint underwriting or joint reinsurance group, association, or organization.

Examining bureaus.

Advisory organizations.

Joint reinsurance group.

Applicants.

3. The Commissioner shall in like manner examine each insurer or rating organization applying for authority to do business in this state.

Commissioner may accept other reports.

4. In lieu of making his own examination, the Commissioner may accept a full report of the last recent examination of a non-domestic insurer or rating or advisory organization, or joint underwriting or joint reinsurance group, association or organization, certified to by the insurance supervisory official of the state of domicile or of entry.

Purpose and frequency of examination.

SEC. .03.02 *Examination of Agents, Managers, Promoters:* For the purpose of ascertaining its condition, or compliance with this code, the Commissioner may as often as he deems advisable examine the accounts, records, documents, and transactions of:

Agents.

(1) Any insurance agent, solicitor, broker or adjuster.

Managers.

(2) Any person having a contract under which he enjoys in fact the exclusive or dominant right to manage or control a stock or mutual insurer.

(3) Any person holding the shares of capital stock or policyholder proxies of a domestic insurer for the purpose of control of its management either as voting trustee or otherwise.

Persons
owning
control.

(4) Any person engaged in or proposing to be engaged in or assisting in the promotion or formation of a domestic insurer, or an insurance holding corporation, or a stock corporation to finance a domestic mutual insurer or the production of its business, or a corporation to be attorney-in-fact for a domestic reciprocal insurer.

Promoters.

SEC. .03.03 *Accounts Open, Corrected*: 1. Every person being examined, its officers, employees, and representatives shall produce and make freely accessible to the Commissioner the accounts, records, documents, and files in his possession or control relating to the subject of the examination, and shall otherwise facilitate the examination.

Records to
be available.

2. If the Commissioner finds the accounts to be inadequate, or improperly kept or posted, he may employ experts to rewrite, post or balance them at the expense of the person being examined.

May be
balanced at
expense of
examinee.

SEC. .03.04 *Examination Reports*: 1. The Commissioner shall make a full written report of each examination made by him containing only facts ascertained from the accounts, records, and documents examined and from the sworn testimony of individuals.

Report
of each
examination.

2. The report shall be certified by the Commissioner or by his examiner in charge of the examination, and shall be filed in the Commissioner's office subject to paragraph three of this section.

Certified
and filed.

3. The Commissioner shall furnish a copy of the examination report to the person examined not less than ten (10) days prior to the filing of the report for public inspection in the Commissioner's office. If such person so requests in writing within such ten-day period, the Commissioner shall hold a hearing to

Copy to
examinee.

Hearing on
report.

consider objections of such person to the report as proposed, and shall not so file the report until after such hearing and until after any modifications in the report deemed necessary by the Commissioner have been made.

Reports withheld.

SEC. .03.05 *Reports Withheld*: The Commissioner may withhold from public inspection any examination or investigation report for so long as he deems it advisable.

Examination expense.

SEC. .03.06 *Examination Expense*: 1. Examinations within this state of any insurer domiciled or having its home offices in this state, other than a title insurer, made by the Commissioner or his examiners and employees shall, except as to fees, mileage, and expense incurred as to witnesses, be at the expense of the state.

Examination in state.

Examination outside state.

2. Every other examination, whatsoever, or any part of the examination of any person domiciled or having its home offices in this state requiring travel and services outside this state, shall be made by the Commissioner or by examiners designated by him and shall be at the expense of the person examined; but a domestic insurer shall not be liable for the compensation of examiners employed by the Commissioner for such services outside this state.

Payment of expenses.

3. The person examined and liable therefor shall pay to the Commissioner's examiners upon presentation of itemized statement thereof, their actual travel expenses, their reasonable living expense allowance, and their per diem compensation at a reasonable rate approved by the Commissioner, incurred on account of the examination. Except, that a domestic title insurer shall pay the examination expense and costs to the Commissioner as itemized and billed by him.

No additional emoluments for examination.

The Commissioner or his examiners shall not receive or accept any additional emolument on account of any examination.

SEC. .03.07 *Witnesses Subpoenaed:* 1. The Commissioner may take depositions, may subpoena witnesses or documentary evidence, administer oaths, and examine under oath any individual relative to the affairs of any person being examined, or relative to the subject of any hearing or investigation.

Witnesses and documents subpoenaed.

2. The subpoena shall have the same force and effect and shall be served in the same manner as if issued from a court of record.

Effect of subpoena.

3. Witness fees and mileage, if claimed, shall be allowed the same as for testimony in a court of record. Witness fees, mileage, and the actual expense necessarily incurred in securing attendance of witnesses and their testimony shall be itemized, and shall be paid by the person as to whom the examination is being made, or by the person if other than the Commissioner, at whose request the hearing is held.

Witness fees and mileage.

Payment.

4. If any individual fails to obey the subpoena, or obeys the subpoena but refuses to testify when required concerning any matter under examination or investigation of the subject of the hearing, the Commissioner shall file his written report thereof and proof of service of his subpoena, in any court of competent jurisdiction in the county where the examination, hearing, or investigation is being conducted. Thereupon the court shall forthwith cause the individual to be brought before it and shall punish him as if the failure or refusal related to a subpoena from or testimony in that court.

Failure to appear or testify.

Contempt proceedings.

SEC. .03.08 *Testimony Compelled:* A person shall not be excused from attending and testifying or producing any evidence upon any examination, hearing, or investigation conducted by or under authority of the Commissioner, on the ground that his testimony or the evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. No person shall be prosecuted or punished in any criminal action or proceeding for or on account of any act, transaction, matter or thing concerning which he is

Self incrimination no excuse.

No punishment for offenses admitted.

Perjury is exception.

so compelled to produce evidence or to testify under oath, except for perjury committed in such testimony.

ARTICLE FOUR

HEARINGS AND APPEALS

Hearings.

SEC. .04.01 *Hearings*: 1. The Commissioner may hold a hearing for any purpose within the scope of this code as he may deem necessary. He shall hold a hearing:

If required by law. Upon demand.

- (1) if required by any provision of this code, or
- (2) upon written demand for a hearing made by any person aggrieved by any act, threatened act, or failure of the Commissioner to act, if such failure is deemed an act under any provision of this code, or by any report, promulgation, or order of the Commissioner other than an order on a hearing of which such person was given actual notice or at which such person appeared as a party, or order pursuant to the order on such hearing.

Demand must state grounds.

2. Any such demand for a hearing shall specify in what respects such person is so aggrieved and the grounds to be relied upon as basis for the relief to be demanded at the hearing.

Within thirty days.

3. The Commissioner shall hold such hearing demanded within thirty (30) days after his receipt of the demand, unless postponed by mutual consent.

Action stayed automatically.

SEC. .04.02 *Stay of Action*: 1. Such demand for a hearing received by the Commissioner prior to the effective date of action taken or proposed to be taken by him shall stay such action pending the hearing, except as to action taken or proposed:

Exceptions.

- (1) under an order on hearing, or
- (2) under an order pursuant to an order on hearing, or
- (3) under an order to make good an impairment of the capital funds of an insurer.

2. In any case where an automatic stay is not provided for, and if the Commissioner after written

request therefor fails to grant a stay, the person aggrieved thereby may apply to the Superior Court for Thurston County for a stay of the Commissioner's action.

Court may grant stay.

SEC. .04.03 *Hearing Place, Public*: The hearing shall be held at the place designated by the Commissioner, and at his discretion it may be open to the public.

Hearing place, public.

SEC. .04.04 *Notice of Hearing*: 1. The Commissioner shall, not less than ten (10) days in advance, give notice to each person to be affected by the hearing, of the time and place thereof and specifying the matters to be considered at the hearing.

Notice of hearing.

Ten days.

2. If under paragraph one of this section notice of a hearing would be required to be given to more than one hundred (100) persons, in lieu of the notice provided for in such paragraph and for the purposes of section .30.01 only, the Commissioner may give notice of the hearing by publishing the notice in five (5) daily newspapers at least once each week during the four (4) weeks immediately preceding the week in which the hearing is to be held. One of such newspapers must be published in the eastern part of this state; one of such newspapers must be published in the general central or south-central portion of this state; one of such newspapers must be published in the general northwestern portion of this state; one of such newspapers must be published in the general west-central portion of this state, and one of such newspapers must be published in the general southwestern portion of this state.

Notice by publication in certain cases.

Published in five daily newspapers.

Any such published notice shall state the time and place of the hearing and shall specify the matters to be considered thereat.

Contents of notice.

SEC. .04.05 *Show Cause Notice*: If any person is entitled to a hearing by any provision of this code before any proposed action is taken, the notice of the

Show cause notice.

proposed action may be in the form of a notice to show cause stating that the proposed action may be taken unless such person shows cause at a hearing to be held as specified in the notice, why the proposed action should not be taken, and stating the basis of the proposed action.

Adjourned hearing.

SEC. .04.06 *Adjourned Hearing*: The Commissioner may adjourn any hearing from time to time and from place to place without other notice of the adjourned hearing than announcement thereof at the hearing.

Non-attendance.

SEC. .04.07 *Non-attendance*: The validity of any hearing held in accordance with the notice thereof shall not be affected by failure of any person to attend or to remain in attendance.

Procedure.

SEC. .04.08 *Procedure*: 1. The Commissioner shall preside at the hearing and shall keep a true and concise record of the proceedings thereat. Formal rules of pleading or evidence need not be observed in the hearing.

Stenographic record.

2. At the expense of and at the written request seasonably made by any person affected by the hearing, the Commissioner shall cause a full stenographic record of the proceedings to be made by a competent stenographic reporter and if transcribed such record shall be made a part of the Commissioner's record of the hearing.

Who may testify.

3. The Commissioner shall allow any person affected by the hearing to be present during the giving of all testimony and shall allow him a reasonable opportunity to inspect all documentary evidence, to examine witnesses, and to present evidence in support of his interest. Upon good cause shown, the Commissioner may permit any person to intervene, appear, and be heard at the hearing.

Intervention.

Full disclosure.

4. Any person heard shall make full disclosure of facts pertinent to the subject of inquiry as requested

by the Commissioner or by any person affected by the hearing.

SEC. .04.09 *Order on Hearing*: 1. Within thirty (30) days after the termination of a hearing the Commissioner shall make his order thereon and shall, subject to paragraph four of this section, give a copy of the order to each person to whom notice of the hearing was given or required to be given.

Order on hearing.

2. The order shall contain:

Contents of order.

(1) A concise statement of the action taken.

(2) The effective date of such action.

(3) A designation of the provisions of this code pursuant to which the action is taken.

(4) A concise statement of the findings of the Commissioner in support of the action.

3. An order on hearing may confirm, modify, or nullify action taken under an existing order, or may constitute the taking of any new action coming within the scope of the notice of such hearing.

Scope of order.

4. If notice of such hearing was given by publication as provided for in section .04.04, the Commissioner may publish the order on hearing once each week for four (4) successive weeks in the same newspapers in which such notice was published, the first such publication to be made on the date of the order. Such publication of the order on hearing shall be in lieu of the requirement that a copy of such order be given to each person as provided in paragraph one of this section.

Publication of order.

SEC. .04.10 *Appeal from Commissioner's Order*:

Appeal from Commissioner's order.

1. Any person aggrieved on account of any official action or threatened action of the Commissioner, or of his failure to act if such failure is deemed to constitute an act under any provision of this code, may demand a hearing thereon as provided in section .04.01, and may appeal from the Commissioner's order made pursuant thereto. Such appeal shall be taken only to the superior court for Thurston County

To Superior Court for Thurston County.

and only from an order refusing a hearing or an order on hearing. An appeal may be so taken by any person aggrieved by such order refusing a hearing or by such order on hearing.

Time for appeal.

2. The appeal must be taken within thirty (30) days after the order complained of was given by the Commissioner, or, if the order was published as provided in section .04.09, within thirty (30) days after the date of the last such publication. If not so taken, the right to appeal from or restrain action under the order shall conclusively be deemed to have been waived.

How appeal taken.

SEC. .04.11 *How Appeal Taken:* The appeal shall be taken by filing with the clerk of the superior court for Thurston County a petition for a review of the Commissioner's order, containing a copy of the order and a statement of the particulars in which it is claimed that the order is in error and a statement of the relief prayed for, and by serving upon the Commissioner a copy of the petition, certified by the clerk of the court to be a true copy.

Record to court.

SEC. .04.12 *Record to Court:* Upon being served with a copy of the petition for review of an order on hearing, the Commissioner shall forthwith prepare and file with the clerk of the court a true and complete transcript of his record of the hearing on which the order appealed from was made. The cost of the transcript may be included in the costs allowed by the court.

Hearing the appeal.

SEC. .04.13 *Hearing the Appeal:* The court shall give precedence to and may summarily hear and determine the appeal. The court shall hear the appeal upon the transcript of the record of the Commissioner's hearing and on such additional proper evidence as may be offered by any party. After considering the evidence the court may affirm, modify, or set aside the order appealed from. Costs shall be awarded as in civil cases.

SEC. .04.14 *Stay of Action on Appeal*: 1. The taking of an appeal shall not stay any action taken or proposed to be taken by the Commissioner under the order appealed from unless a stay is granted by the court at a hearing held as part of the proceedings on appeal.

Stay of
action on
appeal.

2. A stay shall not be granted by the court in any case where the granting of a stay would tend to injure the public interest. In granting a stay, the court may require of the person taking the appeal such security or other conditions as it deems proper.

No stay if
public
interest
injured.

3. If the order appealed from is one suspending, revoking, or refusing to renew an agent's, broker's, solicitor's or adjuster's license, the appellant by filing a bond with the clerk of the court, subject to approval of the court, in the sum of five hundred dollars (\$500), conditioned to pay all costs that may be awarded against him, may, if filed prior to the effective date of such order, supersede the order appealed from until the final determination of the appeal.

When order
affects
licenses.

SEC. .04.15 *Appeals to Supreme Court*: An appeal may be taken to the Supreme Court of this state as in civil actions from a judgment of the Superior Court made pursuant to any provision of this article. Such appeals shall be advanced upon the trial calendar of the Supreme Court and be heard at the earliest convenient date.

Appeals to
Supreme
Court.

ARTICLE FIVE

INSURERS—GENERAL REQUIREMENTS

SEC. .05.01 *"Domestic"—"Foreign"—"Alien" Insurers*: 1. A "domestic" insurer is one formed under the laws of this state.

"Domestic"
insurer.

2. A "foreign" insurer is one formed under the laws of the United States, of a state or territory of the United States other than this state, or of the District of Columbia.

"Foreign"
insurer.

3. An "alien" insurer is one formed under the laws of a nation other than the United States.

"Alien"
insurer.

"United States."

4. For the purposes of this code, "United States," when used to signify place, means only the states of the United States, the Territories of Alaska and Hawaii, the government of Puerto Rico and the District of Columbia.

Certificate of authority required.

SEC. .05.03 *Must Have Authority:* 1. No person shall act as an insurer and no insurer shall transact insurance in this state other than as authorized by a certificate of authority issued to it by the Commissioner and then in force; except, as to such transactions as are expressly otherwise provided for in this code.

Contents of certificate.

2. Every certificate of authority shall specify the name of the insurer, the location of its principal office, the name of and location of the principal office of its attorney-in-fact if a reciprocal insurer, and the kind or kinds of insurance it is authorized to transact in this state.

Adjusting not deemed transacting insurance.

3. The investigation and adjustment of any claim in this state arising under an insurance contract issued by an unauthorized insurer, shall not be deemed to constitute the transacting of insurance in this state.

Qualifications for authority.

SEC. .05.04 *Qualifications for Authority:* To qualify for and hold a certificate of authority an insurer must:

Nature of organization.

(1) Be a stock, mutual, or reciprocal insurer of the same general type as may be formed as a domestic insurer under the provisions of article six of this code; and

Capital funds.

(2) Have capital funds as required by this code, based upon the type and domicile of the insurer and the kinds of insurance proposed to be transacted; and

Nature of transactions.

(3) Transact or propose to transact in this state insurances authorized by its charter, and only such insurance as meets the standards and requirements of this code; and

Comply with code.

(4) Fully comply with, and qualify according to, the other provisions of this code.

SEC. .05.05 *"Charter" Defined:* "Charter" means articles of incorporation, articles of agreement, articles of association of a corporation, or other basic constituent document of a corporation, or subscribers' agreement and attorney-in-fact agreement of a reciprocal insurer. "Charter."

SEC. .05.06 *"Capital Funds" defined:* "Capital funds" means the excess of the assets of an insurer over its liabilities. Capital stock, if any, shall not be deemed to be a liability for the purposes of this section. "Capital Funds."

SEC. .05.07 *Application for Authority:* To apply for an original certificate of authority an insurer shall: Application for authority.

(1) File with the Commissioner its request therefor showing: Contents of request.

(a) Its name, home office location, type of insurer, organization date, and state or country of its domicile.

(b) The kinds of insurance it proposes to transact.

(c) Additional information as the Commissioner may reasonably require. Additional information.

(2) File with the Commissioner:

(a) A copy of its charter as amended, certified, if a foreign or alien insurer, by the proper public officer of the state or country of domicile. Charter.

(b) A copy of its by-laws, certified by its proper officer. By-laws.

(c) A statement of its financial condition, management, and affairs on a form satisfactory to or furnished by the Commissioner. Financial statement.

(d) If a foreign or alien insurer, or a domestic reciprocal insurer, an appointment of the Commissioner as its attorney to receive service of legal process. Appointment of attorney.

(e) If an alien insurer, a copy of the appointment

Appointment
of United
States
manager.

and authority of its United States manager, certified by its proper officer.

Proof of
organization.

(f) If a foreign or alien insurer, a certificate from the proper public official of its state or country of domicile showing that it is duly organized and is authorized to transact the kinds of insurance proposed to be transacted.

Declaration.

(g) If a domestic reciprocal insurer, the declaration required by section .10.09 of this code.

Other
documents.

(h) Other documents or stipulations as the Commissioner may reasonably require to evidence compliance with the provisions of this code.

Fees.

(3) Deposit with the Commissioner the fees required by this code to be paid for filing the accompanying documents, and for the certificate of authority, if granted.

Foreign
insurers—
deposit.

SEC. .05.08 *Foreign Insurers—Deposit:* 1. Prior to the issuance of a certificate of authority to a foreign insurer, it shall make a deposit of assets with the State Treasurer through the Commissioner for the protection of all its policyholders, or of all of its policyholders and obligees or its policyholders and obligees within the United States, in amount and kind, subject to section .14.04, the same as is required of a like domestic insurer transacting like kinds of insurance.

Certificate
in lieu of
deposit.

2. In lieu of such deposit or part thereof the Commissioner may accept the certificate of the public official having supervision over insurers in any other state to the effect that a like deposit by such insurer or like part thereof in equal or greater amount is held in public custody in such state.

Alien
insurers—
assets
required.

SEC. .05.09 *Alien Insurers—Assets Required:* 1. An alien insurer shall not be authorized to transact insurance in this state unless it maintains within the United States assets in amount not less than its outstanding liabilities arising out of its insurance transactions in the United States, of which assets there

is deposited in trust an amount not less than the required reserves under its policies in force in the United States after deducting, in the case of a life insurer, the amount of outstanding policy loans on such policies, and which assets shall be in addition to the larger of the following sums:

(1) The largest amount of deposit required by this code to be made in this state by any type of domestic insurer transacting like kinds of insurance; or

Amount of deposit required of domestic insurer or

(2) Two hundred thousand dollars (\$200,000).

\$200,000, whichever is larger.

2. The trust deposit shall be for the security of all policyholders or policyholders and obligees of the insurer in the United States. It shall not be subject to diminution below the amount currently determined in accordance with paragraph one of this section so long as the insurer has outstanding any liabilities arising out of its business transacted in the United States.

3. The trust deposit shall be maintained with public depositaries or trust institutions within the United States approved by the Commissioner.

Maintenance of trust deposit.

SEC. .05.10 *Deposit Resolution*: An alien insurer shall file with the Commissioner a certified copy of the resolution of its governing board by which the trust deposit was established, together with a certified copy of any trust agreement under which the deposit is held.

Deposit resolution.

SEC. .05.11 *Authority Issued*: If the Commissioner finds that an insurer has met the requirements for and is fully entitled thereto under this code, he shall issue to it a proper certificate of authority. If the Commissioner does not so find, the authority shall be refused within a reasonable length of time following completion by the insurer of the application therefor.

Authority issued.

SEC. .05.12 *Expiration, Renewal, Amendment*:
1. All certificates of authority shall expire on the

Expiration.

Annual renewal. thirty-first day of March next succeeding date of issue or renewal, and if the insurer qualifies therefor its certificate shall be renewed annually for a period of not more than one (1) year.

Amendment. 2. The Commissioner may amend a certificate of authority at any time in accordance with changes in the insurer's charter or insuring powers.

Refusal or revocation. **Mandatory grounds.** SEC. .05.13 *Refusal or Revocation—Mandatory Provisions:* The Commissioner shall refuse to renew or shall revoke or suspend an insurer's certificate of authority, in addition to other grounds therefor in this code, if the insurer:

Foreign or alien insurer. (1) Is a foreign or alien insurer and no longer qualifies or meets the requirements for the authority; or, is a domestic mutual or domestic reciprocal insurer, and fails to make good a deficiency of assets as required by the Commissioner.

Domestic stock insurer. (2) Is a domestic stock insurer and has assets less in amount than its liabilities, including its capital stock as a liability, and has failed to make good such deficiency as required by the Commissioner.

Exceeds its authority. (3) Knowingly exceeds its charter powers or its certificate of authority.

Refusal, suspension, revocation. **Discretionary grounds.** SEC. .05.14 *Refusal, Suspension, Revocation—Discretionary Provisions:* The Commissioner may refuse, suspend, or revoke an insurer's certificate of authority, in addition to other grounds therefor in this code, if the insurer:

Falls to comply with code or orders. (1) Fails to comply with any provision of this code other than those for violation of which refusal, suspension, or revocation is mandatory, or fails to comply with any proper order of the Commissioner.

Hazardous condition. (2) Is found by the Commissioner to be in such condition that its further transaction of insurance in this state would be hazardous to policyholders and the people in this state.

(3) Refuses to remove or discharge a director or officer who has been convicted of any crime involving fraud, dishonesty, or like moral turpitude.

Officer or director convicted of crime not removed.

(4) Usually compels claimants under policies either to accept less than the amount due them or to bring suit against it to secure full payment of the amount due.

Poor settlements.

(5) Is affiliated with and under the same general management, or interlocking directorate, or ownership as another insurer which transacts insurance in this state without having a certificate of authority therefor, except as is permitted by this code.

No certificate of authority.

(6) Refuses to be examined, or if its directors, officers, employees or representatives refuse to submit to examination or to produce its accounts, records, and files for examination by the Commissioner when required, or refuse to perform any legal obligation relative to the examination.

Refuses to be examined.

(7) Fails to pay any final judgment rendered against it in this state upon any policy, bond, recognition, or undertaking issued or guaranteed by it, within thirty (30) days after the judgment became final or within thirty (30) days after time for taking an appeal has expired, or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

Fails to pay final judgment.

SEC. .05.15 *Notice of Intent*: The Commissioner shall give an insurer notice of his intention to suspend, revoke, or refuse to renew its certificate of authority not less than ten (10) days before the order of suspension, revocation or refusal is to become effective; except that no advance notice of intention is required where the order results from a domestic insurer's failure to make good a deficiency of assets as required by the Commissioner.

Notice of intent.

SEC. .05.16 *Suspension Period*: The Commissioner shall not suspend an insurer's certificate of authority for a period in excess of one (1) year, and

Suspension period.

he shall state in his order of suspension the period during which it shall be effective.

Revival.

SEC. .05.17 *Revival*: No insurer whose certificate of authority has been suspended, revoked, or refused shall subsequently be authorized unless the grounds for such suspension, revocation, or refusal no longer exist and the insurer is otherwise fully qualified.

Notice, agent's licenses.

SEC. .05.18 *Notice, Agent's Licenses*: Upon the suspension, revocation or refusal of an insurer's certificate of authority, the Commissioner shall give notice thereof to the insurer and shall likewise suspend, revoke or refuse the authority of its agents to represent it in this state and give notice thereof to the agents.

Insurer's name.

SEC. .05.19 *Insurer's Name*: 1. Every insurer shall conduct its business in its own legal name.

Similar names not permitted.

2. No insurer shall assume or use a name deceptively similar to that of any other authorized insurer.

Commissioner appointed attorney.

SEC. .05.20 *Commissioner Appointed Attorney*: 1. Each authorized foreign or alien insurer shall appoint the Commissioner as its attorney to receive service of, and upon whom shall be served, all legal process issued against it in this state upon causes of action arising within this state. Service upon the Commissioner as attorney shall constitute service upon the insurer. Service of legal process against such an insurer can be had only by service upon the Commissioner.

Service of legal process.

Designation of person to whom process forwarded.

2. With the appointment the insurer shall designate by name and address the person to whom the Commissioner shall forward legal process so served upon him. The insurer may change such person by filing a new designation.

Appointment irrevocable.

3. The appointment of the Commissioner as attorney shall be irrevocable, shall bind any successor in interest or to the assets or liabilities of

the insurer, and shall remain in effect as long as there is in force in this state any contract made by the insurer or liabilities or duties arising therefrom.

SEC. .05.21 *How Service Made:* 1. Duplicate copies of legal process against an insurer for whom the Commissioner is attorney shall be served upon him either by a person competent to serve a summons, or by registered mail. At the time of service the plaintiff shall pay to the Commissioner two dollars (\$2), taxable as costs in the action.

How service made.

2. The Commissioner shall forthwith send one of the copies of the process, by registered mail with return receipt requested, to the person designated for the purpose by the insurer in its most recent such designation filed with the Commissioner.

Commissioner forwards copy of process.

3. The Commissioner shall keep a record of the day and hour of service upon him of all legal process. No proceedings shall be had against the insurer, and the insurer shall not be required to appear, plead, or answer until the expiration of forty (40) days after the date of service upon the Commissioner.

Commissioner to keep records.

Insurer has forty days to plead.

SEC. .05.22 *Venue:* Suit upon causes of action arising within this state against an insurer upon an insurance contract shall be brought in the county where the cause of action arose.

Venue.

SEC. .05.23 *Agents Required, Countersignature:* 1. No insurer shall issue an insurance contract covering a subject of insurance resident, located, or to be performed in this state unless the insurance contract or countersignature endorsement is countersigned by its licensed agent, or manager or general agent, resident in this state, except as provided in section .05.24. The Commissioner may suspend or revoke the certificate of authority of any insurer violating this provision.

Agents required, countersignature.

2. An agent, general agent, or manager shall not sign or countersign any insurance contract or

No countersignature in blank.

countersignature endorsement in blank. The Commissioner may suspend or revoke the license of any agent or general agent violating this provision.

Insurance policies not invalidated.

3. Such violations shall not invalidate any insurance contract.

Exceptions.

SEC. .05.24 *Exceptions:* The provisions of section .05.23 shall not apply to reinsurance contracts between insurers, to life or disability insurances, or to insurance contracts:

Surplus line exempted.

(1) Issued as a surplus line under section .15.04, or exempted under section .15.16.

Certain carriers.

(2) Covering the rolling stock, vessels, or aircraft of any common carrier in interstate or foreign commerce, or any vehicle principally garaged and used in another state, or covering any liability or other risks incident to the ownership, maintenance, or operation thereof.

Interstate or foreign trade.

(3) Covering any property in course of transportation interstate or in foreign trade, or any liability or risk incident thereto.

Insurers not using agents.

(4) Issued by insurers not using agents in the general solicitation of business.

Annual statement.

SEC. .05.25 *Annual Statement:* 1. Each authorized insurer shall annually before the first day of March, file with the Commissioner a true statement of its financial condition, transactions, and affairs as at the thirty-first day of December preceding. The statement shall be on forms and shall contain information as required by this code and by the Commissioner, and shall be verified by the oaths of at least two (2) of the insurer's principal officers

Commissioner to furnish forms.

2. The Commissioner shall annually during November and December furnish each such insurer duplicate copies of annual statement forms as next required to be filed. The statement forms shall be in general form and context as approved by the National Association of Insurance Commissioners for

the kinds of insurance to be reported upon, and as supplemented for additional information required by the Commissioner.

3. The annual statement of an alien insurer shall relate only to its transactions and affairs in the United States unless the Commissioner requires otherwise. The statement shall be verified by the insurer's United States manager or by its officers duly authorized.

Alien
insurers.

4. The Commissioner shall suspend or revoke the certificate of authority of any insurer failing to file its annual statement when due or during any extension of time therefor which the Commissioner, for good cause, may grant.

Penalty.

SEC. .05.27 *Determination of Capital Funds of Alien Insurer:* 1. The capital funds of an alien insurer shall be deemed to be the amount by which its assets, deposited and otherwise held as provided in section .05.09 exceed its liabilities with respect to its business transacted in the United States.

Amount
assets
exceeds
liabilities
in United
States.

2. Assets of such insurer held in any state for the special protection of policyholders and obligees in such state shall not constitute assets of the insurer for the purposes of this code. Liabilities of the insurer so secured by such assets, but not exceeding the amount of such assets, may be deducted in computing the insurer's liabilities for the purpose of this section.

Computation.

SEC. .05.28 *Accounts, Records:* Every insurer shall keep full and adequate accounts and records of its assets, obligations, transactions, and affairs.

Accounts,
records.

SEC. .05.29 *Reinsurance Upon Withdrawal:* 1. No insurer shall withdraw from this state until its direct liability to its policyholders and obligees under all its insurance contracts then in force in this state has been assumed by another authorized insurer under an agreement approved by the Commissioner.

Reinsurance
upon
withdrawal.

In the case of a life insurer, its liability pursuant to contracts issued in this state in settlement of proceeds under its policies shall likewise be so assumed.

Commissioner may waive.

2. The Commissioner may waive this requirement if he finds upon examination that a withdrawing insurer is then fully solvent and that the protection to be given its policyholders in this state will not be impaired by the waiver.

Assuming insurer.

3. The assuming insurer shall within a reasonable time replace the assumed insurance contracts with its own, or by endorsement thereon acknowledge its liability thereunder.

Alien reinsurers.

SEC. .05.30 *Alien Reinsurers*: 1. No credit shall be allowed to any insurer, as an asset or as a deduction from liability for reinsurance ceded to an alien insurer, other than under a contract of ocean marine insurance, covering a subject of insurance resident, located, or to be performed in this state unless the alien insurer:

Requirements.

Authorized to do business in United States.

(1) Is authorized to transact insurance in a state of the United States, and

Adequate guaranty deposit.

(2) maintains an adequate guaranty deposit in a state of the United States for the protection of its insurance obligees in the United States, or

Attorney in fact.

(3) has an attorney-in-fact resident in the United States upon whom service of legal process may be made.

General agents and managers.

SEC. .05.31 *General Agents and Managers*: 1. An insurer appointing any person as its general agent or manager to represent it as such in this state shall file notice of the appointment with the Commissioner on forms prescribed and furnished by the Commissioner.

Authority.

2. Any such general agent or manager shall have such authority, consistent with this code, as may be conferred by the insurer. A general agent

resident in this state and licensed, as in this section provided, may exercise the powers conferred by this code upon agents licensed for the kinds of insurance which the general agent is authorized to transact for the insurer so appointing him.

3. The appointment of a resident general agent shall not be effective unless the person so appointed is licensed as the general agent of such insurer by the Commissioner upon application and payment of the fee therefor as provided in section .14.01.

Must be licensed.

4. Every such license shall expire as at close of business on the thirty-first day of March next following the date of issue, and may be renewed for an additional year upon application and payment of the fee therefor.

Annual licenses.

5. The Commissioner may deny, suspend, or revoke any such license for any cause specified in section .17.53 and in the manner provided in section .17.54.

Denial, suspension, or revocation.

SEC. .05.32. *Report of Losses:* 1. Each authorized insurer shall promptly report to the Commissioner, upon forms as prescribed and furnished by him, each fire loss of property in this state reported to it and of undetermined or suspected criminal origin.

Report of losses.

2. As may be requested by the Commissioner, each such insurer shall likewise report to him upon claims paid by it for loss or damage by fire in this state.

Report of claims paid.

ARTICLE SIX

ORGANIZATION OF DOMESTIC INSURERS

SEC. .06.01 *Types of Insurers Permitted:* An insurer formed in this state shall be either

Types of insurers permitted.

- (1) an incorporated stock insurer, or
- (2) an incorporated mutual insurer, or
- (3) an incorporated specific risks mutual property insurer, or

Stock.

Mutual.

Specific risks.

Mutual-
assessment.

(4) an incorporated mutual-assessment prop-
erty insurer only, or

Farm
mutual-
assessment

(5) an incorporated farm mutual-assessment
property insurer only, or

reciprocal.

(6) a reciprocal insurer,
with respective powers, duties, and restrictions as
provided in this code.

Assessment
mutuals
prohibited.

SEC. .06.02 *Assessment Mutuals Prohibited, Ex-
ceptions:* No insurer shall be formed or be author-
ized in this state to issue contracts of insurance the
performance of which is contingent upon the pay-
ment of assessments, assessment-premiums, or calls
made upon its members. Mutual assessment prop-
erty insurers and farm mutual assessment property
insurers shall be the only exceptions to this pro-
vision.

Exceptions.

Solicitation
permit.

SEC. .06.03 *Solicitation Permit:* 1. No person
forming or proposing to form in this state an insurer,
or insurance holding corporation, or stock corpora-
tion to finance an insurer or insurance production
therefor, or corporation to manage an insurer, or
corporation to be attorney-in-fact for a reciprocal
insurer, or a syndicate for any of such purposes,
shall advertise, or solicit or receive any funds, agree-
ment, stock subscription, or membership on account
thereof unless he has applied for and has received
from the Commissioner a solicitation permit.

Penalty.

2. Any person violating this section shall be
subject to a fine of not more than ten thousand dol-
lars (\$10,000) or imprisonment for not more than
ten (10) years, or by both fine and imprisonment.

Application
for sollicita-
tion permit.

SEC. .06.04 *Application for Solicitation Permit:*
To apply for a solicitation permit the person shall:

Contents.

(1) File with the Commissioner a request
therefor showing,

Name, type
and purpose.

(a) name, type, and purpose of insurer, cor-
poration or syndicate proposed to be formed;

(b) names, addresses, and business records of each person associated or to be associated in the formation of the proposed insurer, corporation, or syndicate;

Persons in syndicate.

(c) full disclosure of the terms of all understandings and agreements existing or proposed among persons so associated relative to the proposed insurer, corporation, or syndicate, or the formation thereof;

Terms of agreements.

(d) the plan according to which solicitations are to be made;

Plan.

(e) such additional information as the Commissioner may reasonably require.

Additional information.

(2) File with the Commissioner,

(a) original and copies in triplicate of proposed articles of incorporation, or syndicate agreement; or, if the proposed insurer is a reciprocal, original and duplicate of the proposed subscribers' agreement and attorney-in-fact agreement;

Additional papers to be filed with request.

(b) original and duplicate copy of any proposed by-laws;

(c) copy of any security proposed to be issued and copy of application or subscription agreement therefor;

(d) copy of any insurance contract proposed to be offered and copy of application therefor;

(e) copy of any prospectus, advertising, or literature proposed to be used;

(f) copy of proposed form of any escrow agreement required.

(3) Deposit with the Commissioner the fees required by law to be paid for the application, for filing of the articles of incorporation of an insurer, for filing the subscribers' agreement and attorney-in-fact agreement if the proposed insurer is a reciprocal, for the solicitation permit, if granted, and for filing articles of incorporation with the Secretary of State.

Deposit fees.

Application examined.

SEC. .06.05 *Application Examined:* The Commissioner shall expeditiously examine the application for a solicitation permit and make any investigation relative thereto deemed necessary. If the Commissioner finds that

- (1) the application is complete; and
- (2) the documents therewith filed are equitable in terms and proper in form; and

Notice of issuance of permit.

(3) the agreements made or proposed are equitable to present and future shareholders, subscribers, members or policyholders, he shall give notice to the applicant that he will issue a solicitation permit, stating the terms to be contained therein, upon the filing of the bond required by section .06.11 of this code.

Denial of application.

If the Commissioner does not so find, or if he finds that any of the persons named in the application as being associated or to be associated in the formation of the insurer, corporation or syndicate are untrustworthy, he shall give notice to the applicant that the permit will not be granted, stating the grounds therefor, and shall refund to the applicant all sums so deposited except the application fee.

Bond filed.

SEC. .06.06 *Permit Issued:* Upon the filing of the bond required by section .06.11 after notice by the Commissioner, the Commissioner shall

Articles filed.

(1) file the articles of incorporation of the proposed incorporated insurer or other corporation with the Secretary of State, and

Permit issued.

(2) issue to the applicant a solicitation permit.

SEC. .06.07 *Expiration and Contents:* Every solicitation permit issued by the Commissioner shall:

Expiration.

(1) Expire two (2) years from its date, unless earlier terminated by the Commissioner, and shall so state.

Identify securities or contract.

(2) State the securities for which subscriptions are to be solicited, the number, classes, par value, and selling price thereof, or identify the insurance

contract for which applications and advance premiums or deposits are to be solicited.

(3) Limit the portion of funds received on account of stock or syndicate subscriptions, if any are proposed to be taken, which may be used for promotion and organization expenses to such amount as he deems adequate, but in no event to exceed fifteen per cent (15%) of such funds as and when actually received.

Limit promotion and organization expense for stock or syndicate subscriptions.

(4) If to be a mutual or reciprocal insurer, limit the portion of funds received on account of applications for insurance which may be used for promotion or organization expenses to a reasonable commission upon such funds, giving consideration to the kind of insurance and policy involved and to the costs incurred by insurers generally in the production of similar business, and provide that no such commission shall be deemed to be earned nor be paid until the insurer has received its certificate of authority and the policies applied for and upon which such commission is to be based, have been actually issued and delivered.

Limit promotion and organization expense of mutual or reciprocal insurers.

(5) Contain such other information required by this article or reasonable conditions relative to accounting and reports or otherwise as the Commissioner deems necessary.

Other information.

SEC. .06.08 *Permit as Inducement:* The granting of a solicitation permit is permissive only and shall not constitute an endorsement by the Commissioner of any person or thing related to the proposed insurer, corporation, or syndicate and the existence of the permit shall not be advertised or used as an inducement in any solicitation. The substance of this section in bold faced type not less than ten point shall be printed at the top of each solicitation permit.

Permit as inducement.

SEC. .06.09 *Organization Solicitor's License:* Solicitations under a solicitation permit shall be made

Organization solicitor's license.

only by individuals licensed by the Director of Licenses of this state pursuant to the provisions of the Securities Act.

Revocation
for cause.

SEC. .06.10 *Revocation:* 1. The Commissioner may, for cause, modify a solicitation permit, or may, after a hearing, revoke any solicitation permit for violation of any provision of this code, or of the terms of the permit, or of any proper order of the Commissioner, or for misrepresentation.

Revocation
by request.

2. The Commissioner shall revoke a solicitation permit if requested in writing by a majority of the syndicate members, or by a majority of the incorporators and two-thirds of the subscribers to stock or applicants for insurance in the proposed incorporated insurer or corporation, or if he is so requested by a majority of the subscribers of a proposed reciprocal insurer.

Bond.

SEC. .06.11 *Bond or Cash Deposit:* 1. The Commissioner shall not issue a solicitation permit until the person applying therefor files with him a corporate surety bond in the penalty of ten thousand dollars (\$10,000), in favor of the state and for the use and benefit of the state and of subscribers and creditors of the proposed organization.

Conditions.

The bond shall be conditioned upon the payment of costs incurred by the state in event of any legal proceedings for liquidation or dissolution of the proposed organization before completion of organization or in event a certificate of authority is not granted; and upon a full accounting for funds received until the proposed insurer has been granted its certificate of authority, or until the proposed corporation or syndicate has completed its organization as defined in the solicitation permit.

Deposit
of cash or
Government
bonds.

2. In lieu of filing such bond, the person may deposit with the State Treasurer through the Commissioner ten thousand dollars (\$10,000) in cash or in United States Government bonds at par value,

to be held in trust upon the same conditions as required for the bond.

3. The Commissioner may waive the requirement for a bond or deposit in lieu thereof if the permit provides that: Waiver.

(1) The proposed securities are to be distributed solely and finally to those few persons who are the active promoters intimate to the formation of the insurer, or other corporation or syndicate, or Grounds for waiver.

(2) the securities are to be issued in connection with subsequent financing as provided in section .06.18, and distribution thereof is not to be made to the general public.

4. Any bond filed or deposit or remaining portion thereof held under this section shall be released and discharged upon settlement or termination of all liabilities against it. Release.

SEC. .06.12 *Escrow of Funds*: 1. All funds received pursuant to a solicitation permit shall be deposited and held in escrow in a bank or trust company under an agreement approved by the Commissioner. No part of any such deposit shall be withdrawn, except: Escrow of funds.

(1) For the payment of promotion and organization expenses as authorized by the solicitation permit; or Withdrawal.

(2) for the purpose of making any deposit with the Commissioner required for the issuance of a certificate of authority to an insurer; or Payment of expense.

(3) if the proposed organization is not to be an insurer, upon completion of payments on stock or syndicate subscriptions made under the solicitation permit and deposit or appropriation of such funds to the purposes specified in the solicitation permit; or Making a deposit.

(4) for making of refunds as provided in section .06.17. When organization not an insurer.

2. When the Commissioner has issued a cer- Making refunds.

Release to
an insurer.

tificate of authority to an insurer any such funds remaining in escrow for its account shall be released to the insurer.

Joint and
several
liability.

SEC. .06.13 *Expense Pending Completion:* 1. The incorporators of any insurer or other corporation, or the persons proposing to form a reciprocal insurer, or a syndicate, shall be jointly and severally liable for its debts or liabilities until it has secured a certificate of authority, if an insurer, or has completed its organization if a corporation other than an insurer or a syndicate.

Concurrent
payment of
expense.

2. Any portion of funds received on account of stock or syndicate subscriptions which is allowed therefor under the solicitation permit, may be applied concurrently toward the payment of promotion and organization expense theretofore incurred.

Stock
issued.

SEC. .06.15 *Stock Issued — Forfeiture:* 1. No such proposed stock insurer, corporation, or syndicate shall issue any share of stock or participation agreement except for payment in cash or in securities eligible for investment of funds of insurers. No such shares or agreement shall be issued until all subscriptions received under the solicitation permit have been so fully paid, nor, if an insurer, until a certificate of authority has been issued to it.

Forfeiture.

2. Every subscription contract to shares of a stock insurer or other corporation calling for payment in installments, together with all amounts paid thereon may be forfeited at the option of the corporation, upon failure to make good a delinquency in any installment upon not less than forty-five (45) days' notice in writing, and every such contract shall so provide.

Insurance
applications.

SEC. .06.16 *Insurance Applications:* All applications for insurance obtained in forming a mutual or reciprocal insurer shall provide that:

(1) Issuance of the policy is contingent upon

completion of organization of the insurer and issuance to it of a certificate of authority; and

Completion of organization.

(2) the prepaid premium or deposit will be refunded in full to the applicant if the organization is not completed and certificate of authority issued prior to the solicitation permit's date of expiration; and

Refund.

(3) the agreement for insurance is not effective until a policy has been issued under it.

No insurance until policy issued.

SEC. .06.17 *Failure to Complete or Qualify:* The Commissioner shall withdraw all funds held in escrow and refund to subscribers or applicants all sums paid in on stock or syndicate subscriptions, less that part of such sums paid in on subscriptions as has been allowed and used for promotion and organization expenses, and all sums paid in on insurance applications, and shall dissolve the proposed insurer, corporation, or syndicate if

Failure to complete or qualify.

(1) the proposed insurer, corporation or syndicate fails to complete its organization and obtain full payment for subscriptions and applications, and, if an insurer, it fails to secure its certificate of authority, all before expiration of the solicitation permit; or

Failure to secure certificate of authority.

(2) the Commissioner revokes the solicitation permit.

Revocation.

SEC. .06.18 *Subsequent Financing:* 1. No domestic insurer, or insurance holding corporation, or stock corporation for financing operations of a mutual insurer, or attorney-in-fact corporation of a reciprocal insurer, after

Subsequent financing.

(1) it has received a certificate of authority, if an insurer; or

Solicitation permit necessary.

(2) it has completed its initial organization and financing if a corporation other than an insurer, shall solicit or receive funds in exchange for any new issue of its corporate securities, other than through a stock dividend, until it has applied to the

Commissioner for, and has been granted, a solicitation permit.

Issuance of permit.

2. The Commissioner shall issue such a permit unless he finds that:

Grounds for not issuing.

(1) the funds proposed to be secured are excessive in amount for the purpose intended, or

(2) the proposed securities or the manner of their distribution are inequitable, or

(3) the issuance of the securities would jeopardize the interests of policyholders or the holders of other securities of the insurer or corporation.

Duration and terms.

3. Any such solicitation permit granted by the Commissioner shall be for such duration, and shall contain such terms and be issued upon such conditions as the Commissioner may reasonably specify or require.

False exhibits.

SEC. .06.19 *False Exhibits:* Every person who, with intent to deceive, knowingly exhibits any false account, or document, or advertisement, relative to the affairs of any insurer, or of any corporation or syndicate of the kind enumerated in section .06.03, formed or proposed to be formed, shall be guilty of a felony.

Section not retroactive.

SEC. .06.20 *Articles of incorporation:* 1. This section applies to insurers hereafter incorporated in this state.

Incorporators.

2. The incorporators shall be individuals who are United States citizens, of whom two-thirds shall be residents of this state. The number of incorporators shall be not less than five (5) if a stock insurer, nor less than ten (10) if a mutual insurer.

Execution of articles.

3. The incorporators shall execute articles of incorporation in quadruplicate and acknowledge their signatures thereunto before an officer authorized to take acknowledgments of deeds.

Filing of articles.

4. After approval of the articles by the Commissioner, one copy shall be filed in the office of the Secretary of State, another in the office of the

Commissioner, another in the office of the County Auditor of the county in which the insurer's principal offices are to be located, and the fourth copy shall be retained by the insurer.

5. The articles of incorporation shall state:

Contents of articles. Incorporators.

First: The names and addresses of the incorporators.

Second: The name of the insurer. If a mutual insurer the name shall include the word "mutual".

Name.

Third: (1) The objects for which the insurer is formed;

Objects.

(2) whether it is a stock or mutual insurer, and if a mutual property insurer only, whether it will insure on the cash premium or assessment plan;

Stock or mutual company.

(3) the kinds of insurance it will issue, according to the designations made in this code.

Kinds of insurance.

Fourth: If a stock insurer, the amount of its capital, the aggregate number of shares, and the par value of each share, which par value shall be not less than ten dollars (\$10). If a mutual insurer, the minimum and maximum contingent liability of its policyholders for the payment of losses occurring under its policies.

If stock insurer.

If mutual insurer.

Fifth: The duration of its existence, which may be perpetual.

Duration.

Sixth: The names and addresses of the directors, not less than five (5) in number, who shall constitute the board of directors of the insurer for the initial term, not less than two (2) nor more than six (6) months, as designated in the articles of incorporation.

Directors.

Seventh: The name of the city or town of this state in which the insurer's principal place of business is to be located.

Principal place of business.

Eighth: Other provisions not inconsistent with law as may be deemed proper by the incorporators.

Other provisions.

ARTICLE SEVEN

DOMESTIC INSURERS—POWERS

Existing
insurers.

SEC. .07.01 *Existing Insurers:* Existing authorized domestic insurers shall continue to insure only in accordance with the provisions of this code.

Principal
offices.

SEC. .07.02 *Principal Offices:* Every domestic insurer shall establish and maintain in this state its principal office and place of business.

Corporation
law applies
in general.

SEC. .07.03 *Corporation Law Applies in General:* The laws of this state relating to private corporations, except where inconsistent with the express provisions of this code, shall govern the corporate powers, duties, and relationships of incorporated domestic insurers.

Annual
meeting.

SEC. .07.04 *Annual Meeting:* Each incorporated domestic insurer shall, in the month of January, or February, or March, hold the annual meeting of its shareholders or members for the purpose of receiving reports of its affairs and to elect directors.

Directors
citizens.

SEC. .07.05 *Directors Citizens:* Not less than three-fourths of the directors of an incorporated domestic insurer shall be United States citizens, and a majority of the board of directors shall be residents of this state.

Corrupt
practices.

SEC. .07.06 *Corrupt Practices:* No person shall buy or sell or barter a vote or proxy, relative to any meeting of shareholders or members of an incorporated domestic insurer, or engage in any corrupt or dishonest practice in or relative to the conduct of any such meeting. Violation of this section shall constitute a gross misdemeanor.

Amendments
to articles
of incor-
poration.Vote
necessary.

SEC. .07.07 *Amendments to Articles of Incorporation:* 1. Amendments to the articles of incorporation of a domestic insurer shall be made by a majority vote of its board of directors and the vote or written assent of two-thirds of its voting capital stock, or

two-thirds of the members (if a mutual insurer) voting at a valid meeting of members.

2. The president and secretary of the insurer shall, under the corporate seal, certify the amendment in quadruplicate, and file it in the offices of the Secretary of State, the Commissioner, the County Auditor, and the insurer, as required under this code for original articles of incorporation. Thereupon, subject to the requirements of section .08.01 relative to increase of capital stock of a stock insurer, the amendment shall become effective.

Execution
and filing.

SEC. .07.08 *Prohibited Guaranty*: No domestic insurer or its affiliates or subsidiaries shall guarantee the financial obligation of any director or officer of such insurer or affiliate or subsidiary in his personal capacity, and any such guaranty attempted shall be void.

Prohibited
guaranty.

This prohibition shall not apply to obligations of the insurer under surety bonds or insurance contracts issued in the regular course of business.

SEC. .07.09 *Management and Exclusive Agency Contracts*: 1. No incorporated domestic insurer shall enter into any contract the effect of which would be to grant or surrender the control and management of the insurer to any person.

Management
may not be
surrendered.

2. No incorporated domestic insurer shall make any contract whereby any person is granted or is to enjoy in fact the controlling or preemptive right to produce substantially all insurance business for the insurer unless such contract is filed with and approved by the Commissioner. The contract shall be deemed approved unless disapproved by the Commissioner within thirty (30) days after date of filing. Any disapproval shall be delivered to the insurer in writing, stating the grounds therefor.

Exclusive
agency
contracts.

Approval
required.

3. The Commissioner shall not approve any contract referred to in paragraph two of this section which:

Grounds for disapproval.

- (1) Subjects the insurer to excessive charges for expenses or commissions; or,
- (2) vests in any person any control over the general affairs of the insurer tantamount to the exclusion of control by its board of directors or officers; or,
- (3) is to extend for an unreasonable length of time; or,
- (4) contains other inequitable provisions or provisions which may jeopardize the security of policy-holders.

Vouchers for expenditures.

SEC. .07.10 *Vouchers for Expenditures*: 1. No domestic insurer shall make any disbursement of twenty-five dollars (\$25) or more, unless evidenced by a voucher correctly describing the consideration for the payment and supported by a cheque or receipt endorsed or signed by or on behalf of the person receiving the money.

For services.

2. If the disbursement is for services and reimbursement, the voucher shall describe the services and itemize the expenditures.

Matters before public bodies.

3. If the disbursement is in connection with any matter pending before any legislature or public body or before any public official, the voucher shall also correctly describe the nature of the matter and of the insurer's interest therein.

Depositaries.

SEC. .07.11 *Depositaries*: The funds of a domestic insurer shall not be deposited in any bank or banking institution which has not first been approved as a depositary by the insurer's board of directors or by a committee thereof designated for the purpose.

No fees to individuals.

SEC. .07.13 *Fees on Use of Funds*: 1. No person having any authority in the investment or disposition of the funds of a domestic insurer shall accept, except for the insurer, or be the beneficiary of any fee, brokerage, gift, or other emolument because of any investment, loan, deposit, purchase, sale, payment, or exchange made by or for the insurer, or be pecuniarily interested therein in any capacity; except, that

such a person may procure a loan from the insurer direct upon approval by two-thirds of its directors and upon the pledge of securities eligible for the investment of the insurer's funds under this code.

2. This section does not prohibit a life insurer from making a policy loan to such person on a life insurance contract issued by it and in accordance with the terms thereof.

Policy loans permitted.

3. The Commissioner may, by regulations from time to time, define and permit additional exceptions to the prohibition contained in paragraph one of this section solely to enable payment of reasonable compensation to a director who is not otherwise an officer or employee of the insurer, or to a corporation or firm in which the director is interested, for necessary services performed or sales or purchases made to or for the insurer in the ordinary course of the insurer's business and in the usual private professional or business capacity of such director or such corporation or firm.

Commissioner may prescribe exceptions.

SEC. .07.14 *Comply With Foreign Laws:* Any domestic insurer doing business in another state, territory or sovereignty may design and issue insurance contracts and transact insurance in such state, territory or sovereignty as required or permitted by the laws thereof, any provision of the insurer's articles of incorporation or by-laws notwithstanding.

Comply with foreign laws.

SEC. .07.15 *Solicitation in Other States:* 1. No domestic insurer shall knowingly solicit insurance business in any reciprocating state in which it is not then licensed as an authorized insurer.

Must be licensed in reciprocating state.

2. This section shall not prohibit advertising through publications and radio broadcasts originating outside such reciprocating state, if the insurer is licensed in a majority of the states in which such advertising is disseminated, and if such advertising is not specifically directed to residents of such reciprocating state.

When advertising permitted.

What insurance permitted.

3. This section shall not prohibit insurance, covering persons or risks located in a reciprocating state, under contracts solicited and issued in states in which the insurer is then licensed. Nor shall it prohibit insurance effectuated by the insurer as an unauthorized insurer in accordance with the laws of the reciprocating state.

"Reciprocating state."

4. A "reciprocating" state, as used herein, is one under the laws of which a similar prohibition is imposed upon and is enforced against insurers domiciled in that state.

Penalty.

5. The Commissioner shall suspend or revoke the certificate of authority of a domestic insurer found by him, after a hearing, to have violated this section.

ARTICLE EIGHT

DOMESTIC STOCK INSURERS

Increase of capital.

SEC. .08.01 *Increase of Capital:* 1. Increase of the capital stock of a domestic stock insurer shall be by amendment to its articles of incorporation. The increase shall not be effective unless and until within six (6) months after filing such amendment with the Secretary of State, as required by section .07.07,

When increase effective.

(1) the increased capital has been fully paid in, in cash, and

(2) a certificate verifying such payments has been made in quadruplicate under oath and the corporate seal by the insurer's president and secretary and filed in the public offices named in section .07.07.

Extension of time for payment.

2. If the entire increase of the capital stock is purchased in good faith by employees, directors, and agents of the insurer or of its affiliated corporations under an installment purchase plan approved by the Commissioner in advance of the amendment, the Commissioner may extend to a period not exceeding twelve (12) months the time

within which such increase of capital must be so fully paid in and such certificate so filed.

3. If the increased capital stock is to be distributed as a stock dividend, such increased capital stock may be fully paid in out of any available surplus funds as is provided in section .08.03, and such payment shall be effected by a transfer on the insurer's books from its surplus account to its capital account.

When increase given by stock dividend.

SEC. .08.02 *Reduction of Capital:* 1. Reduction of the capital stock of a domestic stock insurer shall be by amendment of its articles of incorporation. No such reduction shall be made which results in capital stock less in amount than the minimum required by this code for the kinds of insurance thereafter to be transacted by the insurer.

Reduction of capital.

Limitation.

2. No surplus funds of the insurer resulting from a reduction of its capital stock shall be distributed to stockholders, except as a stock dividend on a subsequent increase of capital stock, or upon dissolution of the insurer, or upon approval of the Commissioner of a distribution upon proof satisfactory to him that the distribution will not impair the interests of policyholders or the insurer's solvency.

Distribution of surplus.

3. Upon such reduction of capital stock, the insurer's directors shall call in any outstanding stock certificates required to be changed pursuant thereto, and issue proper certificates in their stead.

New certificates.

SEC. .08.03 *Dividends to Stockholders:* 1. No domestic stock insurer shall pay any cash dividend to stockholders except out of that part of its available surplus funds which is derived from any realized net profits on its business.

Dividends to stockholders.

2. Such an insurer may pay a stock dividend out of any available surplus funds.

From surplus.

3. Payment of any dividend to stockholders of a domestic stock insurer shall also be subject to all

Private corporation law governs.

the limitations and requirements governing the payment of dividends by other private corporations.

Limitation.

4. No dividend shall be declared or paid which would reduce the insurer's surplus to an amount less than the minimum required for the kinds of insurance thereafter to be transacted.

"Surplus funds."

5. For the purposes of this article "surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

"Available surplus."

6. Available surplus means the excess over the minimum amount of surplus required for the kinds of insurance the insurer is authorized to transact.

Illegal dividends, reductions.

SEC. .08.04 *Illegal Dividends, Reductions:* Any director of a domestic stock insurer who votes for or concurs in the declaration or payment of any dividend to stockholders or a reduction of capital stock not authorized by law shall in addition to any other liability imposed by law, be guilty of a gross misdemeanor.

Capital impaired.

SEC. .08.05 *Capital Impaired:* 1. If the capital stock of a domestic stock insurer becomes impaired, the Commissioner shall at once determine the amount of the deficiency and serve notice upon the insurer to require its stockholders to make good the deficiency within ninety (90) days after service of such notice.

Demand on shareholders.

Mode of payment.

2. The deficiency shall be made good in cash, or in assets eligible under this code for the investment of the insurer's funds, or by reduction of the insurer's capital stock to an amount not below the minimum required for the kinds of insurance to be thereafter transacted.

Insolvency.

3. If the deficiency is not made good and proof thereof filed with the Commissioner within such ninety-day period, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

4. If the deficiency is not made good the insurer shall not issue or deliver any policy after the expiration of such ninety-day period. Any officer or director who violates or knowingly permits the violation of this provision shall be subject to a fine of from fifty dollars (\$50) to one thousand dollars (\$1,000) for each violation.

No policies to be issued.

Penalty.

SEC. .08.06 *Repayment of Contributed Surplus:* Contributions to the surplus of a domestic stock insurer other than resulting from sale of its capital stock, shall not be subject to repayment except out of surplus in excess of the minimum surplus initially required of such an insurer transacting like kinds of insurance.

Repayment of contributed surplus.

SEC. .08.07 *Participating Policies:* 1. Any domestic stock insurer may, if its charter so provides, issue policies entitled to participate from time to time in the earnings of the insurer through dividends.

Participating policies.

Authorized.

2. Any classification of its participating policies and of risks assumed thereunder which the insurer may make shall be reasonable. No dividend shall be paid which is inequitable or which unfairly discriminates as between such classifications or as between policies within the same classification.

Classification.

3. No such insurer shall issue in this state both participating and non-participating policies for the same class of risks; except, that both participating and non-participating life insurance policies may be issued if the right or absence of the right to participate is reasonably related to the premium charged.

Both type policies may not be issued.

Exception.

4. Dividends to participating life insurance policies issued by such insurer shall be paid only out of its surplus funds as defined in paragraph five of section .08.03. Dividends to participating policies for other kinds of insurance shall be paid only out

Dividends.

of that part of such surplus funds which is derived from any realized net profits from the insurer's business.

Not to be contingent on renewal.

5. No dividend, otherwise earned, shall be made contingent upon the payment of renewal premium on any policy.

Mutualization of stock insurers.

SEC. .08.08 *Mutualization of Stock Insurers:* 1. Any domestic stock insurer may become a domestic mutual insurer pursuant to such plan and procedure as are approved by the Commissioner in advance of such mutualization.

Approval by commissioner.

2. The Commissioner shall not approve any such plan, procedure, or mutualization unless:

Equitable.

(1) It is equitable to both shareholders and policyholders.

Approval by shareholders and policy holders.

(2) It is approved by vote of the holders of not less than three-fourths of the insurer's capital stock having voting rights, and by vote of not less than two-thirds of the insurer's policyholders who vote on such plan, pursuant to such notice and procedure as may be approved by the Commissioner. Such vote may be registered in person, by proxy, or by mail.

Limitation of voting rights.

(3) If a life insurer, the right to vote thereon is limited to those policyholders whose policies have face amounts of not less than one thousand dollars (\$1,000) and have been in force one (1) year or more.

Retirement of stock.

(4) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair value thereof as determined by competent disinterested appraisers.

Appraisal of shares.

(5) The plan provides for appraisal and purchase of the shares of any non-consenting stockholder in accordance with the laws of this state relating to the sale or exchange of all the assets of a private corporation.

Time schedules.

(6) The plan provides for definite conditions to

be fulfilled by a designated early date upon which such mutualization will be deemed effective.

(7) The mutualization leaves the insurer with surplus funds reasonably adequate to preserve the security of its policyholders and its ability to continue successfully in business in the states in which it is then authorized, and in the kinds of insurance it is then authorized to transact.

Surplus to remain.

ARTICLE NINE
MUTUAL INSURERS

SEC. .09.01 *Initial Qualification, Mutual Insurers:*

Qualifications.

1. The Commissioner shall not issue a certificate of authority to a domestic mutual insurer unless it has fully qualified therefor under this code, and unless it has met the minimum requirements for the kind of insurance it proposes to transact as provided in this article.

2. All applications for insurance submitted by such an insurer as fulfilling qualification requirements shall be bona fide applications from persons resident in this state covering lives, property, or risks resident or located in this state.

Applications.

3. All qualifying premiums collected and initial surplus funds of such an insurer shall be in cash. Any deposit made by such an insurer in lieu of applications, premiums, and initial surplus funds, shall be in cash or in securities eligible for the investment of the capital of a domestic stock insurer transacting the same kind of insurance.

Premiums or deposits in cash.

SEC. .09.02 *Mutual Property Insurer:* When applying for a certificate of authority a domestic mutual property insurer on the cash premium plan must:

Mutual property insurer.

(1) Have applications from at least one hundred (100) persons for insurance covering at least two hundred and fifty (250) nonadjacent properties, with a maximum of two thousand dollars (\$2,000) of insurance on each property; and

Applications.

Premiums collected.

(2) have collected from each applicant the proper premium at a rate then charged by stock property insurers, for a term of at least one (1) year; and

Surplus.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least five thousand dollars (\$5,000).

Surplus fund.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of fifty thousand dollars (\$50,000).

Specific risks, mutual property insurer.

SEC. .09.03 *Specific Risks, Mutual Property Insurer*: When applying for a certificate of authority, a domestic mutual property insurer formed to insure on the cash premium plan, one stated specific kind or class of manufacturing, mercantile, or other business or industrial property, or to insure property meeting designated standards of protection against fire and other hazards must:

Applications.

(1) Have applications from at least fifty (50) persons for insurance covering at least one hundred and fifty (150) nonadjacent properties, with a maximum of two thousand dollars (\$2,000) of insurance on each property; and

Premiums collected.

(2) have collected from each applicant the proper premium, at a rate then charged by stock property insurers, for a term of at least one (1) year; and

Surplus.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least five thousand dollars (\$5,000).

Surplus fund.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of twenty-five thousand dollars (\$25,000).

SEC. .09.04 *Mutual Assessment Property Insurer:* Mutual assessment property insurer.
 When applying for a certificate of authority, a domestic mutual property insurer on the assessment premium plan must:

(1) Have applications from at least three hundred (300) persons for insurance covering at least four hundred (400) nonadjacent properties, with a maximum of twelve hundred and fifty dollars (\$1,250) of insurance on each property; and Applications.

(2) have collected from each applicant the proper premium at a rate then charged by stock property insurers, for a term of at least one (1) year; and Premiums collected.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least two thousand five hundred dollars (\$2,500). Surplus.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of fifty thousand dollars (\$50,000). Surplus fund.

SEC. .09.05 *Mutual Assessment Farm Property Insurer:* Mutual assessment farm property insurer.
 When applying for a certificate of authority, a domestic mutual property insurer formed to insure only properties lying outside incorporated towns and cities on the assessment premium plan must:

(1) Have applications from at least fifty (50) persons for insurance covering at least one hundred (100) nonadjacent properties, with a maximum of fifteen hundred dollars (\$1,500) of insurance on each property; and Applications.

(2) have collected from each applicant the proper premium deposit for one (1) year at the rate of not less than forty cents (\$.40) for each one hundred dollars (\$100) of insurance; and Premium deposit.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts Surplus.

so applied for, amounting to at least one thousand dollars (\$1,000).

Surplus fund.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of ten thousand dollars (\$10,000).

Mutual vehicle insurer.

SEC. .09.06 *Mutual Vehicle Insurer*: When applying for a certificate of authority, a domestic mutual insurer formed to transact vehicle insurance must:

Applications.

(1) Have applications from at least two hundred (200) persons for insurance covering at least five hundred (500) separate vehicles, for a maximum of retained liability not in excess of ten thousand dollars (\$10,000) for any one accident or other liability; and

Premiums collected.

(2) have collected from each applicant the proper premium for insurance for one (1) year according to its schedule of premium rates approved by the Commissioner; and

Surplus.

(3) have a surplus over all liabilities as at completion of issuance of the insurance contracts so applied for, amounting to not less than one hundred and fifty thousand dollars (\$150,000), and of which surplus one hundred and fifty thousand dollars (\$150,000) shall be deposited and maintained on deposit with the Commissioner.

Surplus fund.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of two hundred thousand dollars (\$200,000).

Mutual life insurer.

SEC. .09.07 *Mutual Life Insurer*: When applying for a certificate of authority a domestic mutual life insurer must:

Applications.

(1) Have at least five hundred (500) applications for life insurance, other than on term plan for term of ten (10) years or less, covering at least five hundred (500) separate insurable lives on an indi-

vidual basis for a maximum of one thousand dollars (\$1,000) each; and

(2) have collected from each applicant the proper annual premium for one (1) year, and have so received from all applicants premiums aggregating at least seven thousand five hundred dollars (\$7,500); and

Premiums collected.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least five thousand dollars (\$5,000).

Surplus.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of fifty thousand dollars (\$50,000).

Surplus fund.

Sec. .09.08 *Mutual Disability Insurer*: When applying for a certificate of authority a domestic mutual disability insurer must:

Mutual disability insurer.

(1) Have at least five hundred (500) applications from at least five hundred (500) persons for individual disability insurance providing not more than one thousand dollars (\$1,000) of accidental death benefit and not more than twenty-five dollars (\$25) of weekly indemnity for each applicant; and

Applications.

(2) have collected from each applicant the proper premium for one quarter of a year or more, and have so received from all applicants premiums aggregating at least five thousand dollars (\$5,000); and

Premiums collected.

(3) have a surplus over all liabilities, as at completion of issuance of the insurance contracts so applied for, amounting to at least five thousand dollars (\$5,000).

Surplus.

In lieu of such applications, premiums, and surplus, it may deposit and maintain on deposit with the Commissioner a surplus fund of fifty thousand dollars (\$50,000).

Surplus fund.

Additional kinds of insurance.

SEC. .09.09 *Additional Kinds of Insurance:* A domestic mutual insurer may be authorized to transact kinds of insurance in addition to that for which it was originally authorized, if it has otherwise complied with the provisions of this code therefor, and possesses surplus funds in aggregate amount not less than

Surplus.

(1) the surplus required for its existing certificate of authority, or if solely a disability or property insurer a surplus of not less than fifty thousand dollars (\$50,000), as provided in paragraph five of section .11.11, and

(2) additional surplus as required under section .11.12.

Minimum surplus.

SEC. .09.10 *Minimum Surplus:* A domestic mutual insurer on the cash premium plan shall at all times have and maintain surplus funds, representing the excess of its assets over its liabilities, in amount not less than the aggregate of

(1) the amount of any surplus funds deposited by it with the Commissioner to qualify for its original certificate of authority, and

Amount required.

(2) the amount of any additional surplus required of it pursuant to sections .09.09, .11.11, and .11.12 for authority to transact additional kinds of insurance.

Membership.

SEC. .09.11 *Membership:* 1. Each holder of one or more insurance contracts issued by a domestic mutual insurer, other than a contract of reinsurance, is a member of the insurer, with the rights and obligations of such membership, and each insurance contract so issued shall effectively so stipulate.

Who may be member.

2. Any person, government or governmental agency, state or political subdivision thereof, public or private corporation, board, association, estate, trustee or fiduciary, may be a member of a mutual insurer.

SEC. .09.12 *Rights of Members:* 1. A domestic mutual insurer is owned by and shall be operated in the interest of its members. Rights of members.

2. Each member is entitled to one (1) vote in the election of directors and on matters coming before corporate meetings of members, subject to such reasonable minimum requirements as to duration of membership and amount of insurance held as may be made in the insurer's by-laws. The person named as the policyholder in any group insurance policy issued by such insurer shall be deemed the member, and shall have but one such vote regardless of the number of individuals insured by such policy. Voting.

3. With respect to the management, records, and affairs of the insurer, a member shall have the same character of rights and relationship as a stockholder has toward a domestic stock insurer. Similar to stockholders' rights.

SEC. .09.13 *By-Laws:* A domestic mutual insurer shall adopt by-laws for the conduct of its affairs. Such by-laws, or any modification thereof, shall forthwith be filed with the Commissioner. The Commissioner shall disapprove any such by-laws, or as so modified, if he finds after a hearing thereon, that it is not in compliance with the laws of this state, and he shall forthwith communicate such disapproval to the insurer. No such by-law, or modification, so disapproved shall be effective during the existence of such disapproval. By-laws.

SEC. .09.14 *Notice of Annual Meetings:* 1. Notice of the time and place of the annual meeting of members of a domestic mutual insurer shall be given by imprinting such notice plainly on the policies issued by the insurer. Notice of annual meetings.

2. Any change of the date or place of the annual meeting shall be made only by an annual meeting of members. Notice of such change may be given: Change of date

(1) By imprinting such new date or place on on policies

all policies which will be in effect as of the date of such changed meeting; or

or on new policies and premium notices and renewal certificates.

(2) unless the Commissioner otherwise orders, notice of the new date or place need be given only through policies issued after the date of the annual meeting at which such change was made and in premium notices and renewal certificates issued during the twenty-four (24) months immediately following such meeting.

Proxies authorized.

SEC. .09.15 *Members' Proxies:* 1. A member of a domestic mutual insurer may vote in person or by proxy given another member on any matter coming before a corporate meeting of members.

Officer may not hold proxy.

2. An officer of the insurer shall not hold or vote the proxy of any member.

Duration of proxy.

3. No such proxy shall be valid beyond the earlier of the following dates:

(1) The date of expiration set forth in the proxy; or

(2) the date of termination of membership; or

(3) five (5) years from the date of execution of the proxy.

When new proxy required.

4. No member's vote upon any proposal to divest the insurer of its business and assets, or the major part thereof, shall be registered or taken except in person or by a proxy newly executed and specific as to the matter to be voted upon.

Directors.

SEC. .09.16 *Directors:* No individual shall be a director of a domestic mutual insurer by reason of his holding public office. Adjudication as a bankrupt or taking the benefit of any insolvency law or making a general assignment for the benefit of creditors disqualifies an individual from being or acting as a director.

Expenses, property and casualty.

SEC. .09.18 *Expenses, Property and Casualty:* 1. For any calendar year after its first two (2) full calendar years of operation, no domestic mutual in-

surer on the cash premium plan, other than one issuing nonassessable policies, shall incur any costs or expense in the writing or administration of property and casualty insurances (other than boiler and machinery or elevator) transacted by it which, exclusive of losses paid, loss adjustment expenses, investment expenses, dividends, and taxes, exceeds the sum of

Limitation of expenses.

(1) forty per cent (40%) of the net premium income during that year after deducting therefrom net earned reinsurance premiums for such year, plus

(2) all of the reinsurance commissions received on reinsurance ceded by it.

2. The by-laws of every domestic mutual property insurer on the assessment premium plan shall impose a reasonable limitation upon its expenses.

What by-laws shall provide.

SEC. .09.19 *Violation of Expense Limitations:* The officers and directors of an insurer violating section .09.18 shall be jointly and severally liable to the insurer for any excess of expenses incurred. If the insurer fails to exercise reasonable diligence or refuses to enforce such liability, the Commissioner may prosecute action thereon for the benefit of the insurer. Such failure or refusal constitutes grounds for revocation of the insurer's certificate of authority.

Violation of expense limitations

SEC. .09.21 *Actions on Officers' Salaries:* No action to recover, or on account of, any salary or other compensation due or claimed to be due any officer or director of a domestic mutual insurer, or on any note or agreement relative thereto, shall be brought against such insurer after twelve (12) months after the date on which such salary or compensation, or any installment thereof, first accrued.

Actions on officers' salaries.

SEC. .09.22 *Contingent Liability of Members:* 1. Each member of a domestic mutual insurer, except as otherwise provided in this article, shall have a

Contingent liability of members.

contingent liability, pro rata and not one for another, for the discharge of its obligations. The contingent liability shall be in such maximum amount as is stated in the insurer's articles of incorporation, but shall be not less than one (1), nor more than five (5), additional premiums for the member's policy at the annual premium rate and for a term of one (1) year.

Policy to contain statement.

2. Every policy issued by the insurer shall contain a statement of the contingent liability.

Liability remains after cancellation of policy.

3. Except as to life insurance, cancellation of the policy of any such member shall not relieve the member of contingent liability for his proportion of the obligations of the insurer which accrued while the policy was in force.

Accrual of liability.

SEC. .09.23 *Accrual of Liability*: 1. If at any time the assets of a domestic mutual insurer doing business on the cash premium plan are less than its liabilities and the minimum surplus required of it by this code as prerequisite for continuance of its certificate of authority, and the deficiency is not cured from other sources, its directors may make an assessment only on its members who at any time within the twelve (12) months immediately preceding the date such assessment was authorized by its directors held policies providing for contingent liability.

Computation of individual liability.

2. A member's proportionate part of any deficiency shall be computed by applying to the premium earned within such twelve-month period on his contingently liable policy or policies the ratio of the total deficiency to the total premium earned during such period on all contingently liable policies.

No offset for losses or unearned premium.

3. No member shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable.

SEC. .09.24 *Mutual-Assessment Liability*: The contingent liability of members of a domestic mutual insurer doing business on the assessment premium plan shall be called upon and enforced by its directors as provided in its by-laws.

Mutual-assessment liability.

SEC. .09.25 *Contingent Liability as Asset*: Any contingent liability of members of a domestic mutual insurer to assessment does not constitute an asset of the insurer in any determination of its financial condition, except that as to life insurance the actual recoverable contingent liability of policyholders may, in the discretion of the Commissioner, be allowed to the extent of the excess of liabilities over other assets.

Contingent liability as asset.

SEC. .09.26 *Lien on Reserves*: As to life insurance, any contingent liability of policyholders shall first be asserted by placing a lien on the reserves held by the insurer to the credit of such policyholders.

Lien on reserves.

SEC. .09.27 *Non-Assessable Policies*: 1. A domestic mutual insurer on the cash premium plan, after it has established a surplus not less in amount than the minimum capital funds required of a domestic stock insurer to transact like kinds of insurance, and for so long as it maintains such surplus, may extinguish the contingent liability of its members to assessment and omit provisions imposing contingent liability in all policies currently issued.

Contingent liability of members may be extinguished.

2. Any deposit made with the Commissioner as a prerequisite to the insurer's certificate of authority may be included as part of the surplus required in this section.

Deposit included in surplus.

3. When the surplus has been so established and the Commissioner has so ascertained, he shall issue to the insurer, at its request, his certificate authorizing the extinguishment of the contingent liability of its members and the issuance of policies free therefrom.

Certificate of authority.

Non-assess-
able policies
may be
issued.

4. While it maintains surplus funds in amount not less than the minimum capital required of a domestic stock insurer authorized to transact like kinds of insurance, and subject to the requirements of paragraph three of section .11.12 as to special surplus, a foreign or alien mutual insurer on the cash premium plan may, if consistent with its charter and the laws of its domicile, issue non-assessable policies covering subjects located, resident, or to be performed in this state.

Applies to
all policies.

SEC. .09.28 *Applies to All Policies:* The Commissioner shall not authorize a domestic mutual insurer so to extinguish the contingent liability of any of its members or in any of its policies to be issued, unless it qualifies to and does extinguish such liability of all its members and in all such policies for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which such an insurer is transacting insurance as an authorized insurer, the insurer may issue policies providing for the contingent liability of such of its members as may acquire such policies in such state, and need not extinguish the contingent liability applicable to policies theretofore in force in such state.

Revocation
of authority.

SEC. .09.29 *Revocation of Authority:* 1. The Commissioner shall revoke the authority of a domestic mutual insurer so to extinguish the contingent liability of its members if

(1) At any time the insurer's assets are less than the sum of its liabilities and the surplus required for such authority, or

When
revoked.

(2) the insurer, by resolution of its directors approved by its members, requests that the authority be revoked.

New or
renewed
policies.

2. Upon revocation of such authority for any cause, the insurer shall not thereafter issue any policies without contingent liability, nor renew any

policies then in force without written endorsement thereon providing for contingent liability.

SEC. .09.30 *Dividends*: 1. The directors of a domestic mutual insurer on the cash premium plan may from time to time apportion and pay to its members as entitled thereto, dividends only out of that part of its surplus funds which are in excess of its required minimum surplus and which represent net realized savings and net realized earnings from its business. Dividends.

2. Any classification of its participating policies and of risks assumed thereunder which the insurer may make shall be reasonable. No dividend shall be paid which is inequitable, or which unfairly discriminates as between such classifications or as between policies within the same classification. Classification.

3. No dividend, otherwise earned, shall be made contingent upon the payment of renewal premium on any policy. Dividend not contingent on renewal premium.

SEC. .09.31 *Non-Participating Policies*: 1. If its articles of incorporation so provide, a domestic mutual insurer on the cash premium plan may, while it is authorized to issue policies without contingent liability to assessment, issue policies not entitled to participate in the insurer's savings and earnings. Non-participating policies.

2. Such insurer shall not issue in this state both participating and non-participating policies for the same class of risks; except, that both participating and non-participating life insurance policies may be issued if the right or absence of the right to participate is reasonably related to the premium charged. May not issue both.

Exception.

SEC. .09.32 *Borrowed Capital*: 1. A domestic mutual insurer on the cash premium plan may, with the Commissioner's advance approval and without the pledge of any of its assets, borrow money to defray the expenses of its organization or for any purpose required by its business, upon an agreement that Borrowed capital.

such money and such interest thereon as may be agreed upon, but not exceeding six per cent (6%) per annum, shall be repaid only out of the insurer's earned surplus in excess of its required minimum surplus.

To show in financial statement.

2. Any money so borrowed shall not form a part of the insurer's legal liabilities or be the basis of any set-off; but until repaid, financial statements filed or published by the insurer shall show as a footnote thereto the amount thereof then unpaid together with interest thereon accrued but unpaid.

Commissioner's approval.

3. The Commissioner's approval of such loan, if granted, shall specify the amount to be borrowed, the purpose for which the money is to be used, the terms and form of the loan agreement, the date by which the loan must be completed, and such other related matters as the Commissioner shall deem proper. If the money is to be borrowed upon multiple agreements, the agreements shall be serially numbered. No loan agreement or series thereof shall have or be given any preferential rights over any other such loan agreement or series. No commission or promotional expense shall be incurred or be paid on account of any such loan.

Repayment of borrowed capital.

SEC. .09.33 *Repayment of Borrowed Capital:* 1. The insurer may repay any loan made pursuant to section .09.32, only out of its realized net earned surplus in excess of the minimum surplus required for the kinds of insurance transacted. No such loan shall be repaid out of borrowed money.

When repayable.

2. The insurer shall repay any such loan or a part thereof when its realized net earned surplus has become adequate to so repay without unreasonable impairment of the insurer's operations.

When more than one loan.

3. If there is more than one loan, or if the loan is represented by multiple agreements, the loan agreement shall provide, in addition to any other time of repayment specified thereon, that any part of the loan may be so repaid at any time by selec-

tion by lot, under supervision of the Commissioner, of those loan agreements, out of all similar agreements then outstanding, to be then repaid in part or in whole.

4. No repayment of such loan shall be made unless approved by the Commissioner. The insurer shall notify the Commissioner in writing not less than sixty (60) days in advance of its intention to repay such loan or any part thereof, and the Commissioner shall forthwith ascertain whether the insurer's financial condition is such that the repayment can properly be made.

Commissioner to approve repayment.

5. Upon dissolution and liquidation of the insurer, after the retirement of all its other outstanding obligations the holders of any such loan agreements then remaining unpaid shall be entitled to payment before any distribution to the insurer's members.

Repayment upon dissolution.

SEC. .09.34 *Impairment of Surplus*: 1. If the surplus of a domestic mutual insurer on the cash premium plan falls below the amount required by this code for the kinds of insurance authorized to be transacted, the Commissioner shall at once ascertain the amount of the deficiency and serve notice upon the insurer to cure the deficiency within ninety [ninety] days after such service of notice.

Impairment of surplus.

2. If the deficiency is not made good in cash or in assets eligible under this code for the investment of the insurer's funds, and proof thereof filed with the Commissioner within such ninety-day period, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

When deemed insolvent.

3. If the deficiency is not made good the insurer shall not issue or deliver any policy after the expiration of such ninety-day period. Any officer or director who violates or knowingly permits the violating of this provision shall be subject to a fine of from fifty dollars (\$50) to one thousand dollars (\$1,000) for each violation.

No more policies issued.

Penalty.

Cannot change from mutual to stock.

SEC. .09.35 *Conversion or Reinsurance:* 1. No domestic mutual insurer shall hereafter be converted, changed, or reorganized as a stock corporation.

May be wholly reinsured.

2. Such an insurer may be wholly reinsured in and its assets transferred to and its liabilities assumed by another mutual or stock insurer under such terms and conditions as are approved by the Commissioner in advance of such reinsurance.

Commissioner to approve.

3. The Commissioner shall not approve any such reinsurance agreement which does not determine the amount of and make adequate provision for paying to policyholders of such mutual insurer, reasonable compensation for their equities as owners of such insurer, such compensation to be apportioned to policyholders as identified and in the manner prescribed in section .09.36.

Members' share of assets.

SEC. .09.36 *Members' Share of Assets:* 1. Upon the liquidation of a domestic mutual insurer, its assets remaining after discharge of its indebtedness and policy obligations shall be distributed to its members who were such within the thirty-six (36) months prior to the last termination of its certificate of authority.

Proportionate share.

2. The distributive share of each such member shall be in the proportion that the aggregate premiums earned by the insurer on the policies of the member during the combined periods of his membership, bear to the aggregate of all premiums so earned on the policies of all such members. If a life insurer, the insurer shall make a reasonable classification of its life insurance policies so held by such members and a formula based upon such classification for determining the equitable distributive share of each such member. Such classification and formula shall be subject to the Commissioner's approval.

ARTICLE TEN
RECIPROCAL INSURERS

SEC. .10.01 *"Reciprocal" Insurance Defined:* "Reciprocal" insurance is that resulting from an inter-exchange among persons, known as "subscribers," of reciprocal agreements of indemnity, the inter-exchange being effectuated through an "attorney-in-fact" common to all such persons. "Reciprocal" insurance.

SEC. .10.02 *"Reciprocal Insurer" Defined:* A "reciprocal insurer" means an unincorporated aggregation of subscribers operating individually and collectively through an attorney-in-fact to provide reciprocal insurance among themselves. "Reciprocal Insurer."

SEC. .10.03 *Scope of Article:* All authorized reciprocal insurers shall be governed by those sections of this article not expressly made applicable to domestic reciprocal insurers. Scope of article.

SEC. .10.05 *Insuring Powers of Reciprocals:* 1. A reciprocal insurer may, upon qualifying therefor as provided by this code, transact any kind or kinds of insurance defined by this code, other than life or title insurances. Insuring powers of reciprocals.

2. A reciprocal insurer may purchase reinsurance upon the risk of any subscriber, and may grant reinsurance as to any kind of insurance which it is authorized to transact direct. Reinsurance.

SEC. .10.06 *Name, Suits:* A reciprocal insurer shall:

(1) Have and use a business name. The name shall include the word "reciprocal," or "inter-insurer," or "inter-insurance," or "exchange," or "underwriters," or "underwriting." Name.

(2) Sue and be sued in its own name. Suits.

SEC. .10.07 *Surplus Funds Required:* 1. A domestic reciprocal insurer hereafter formed, if it has otherwise complied with the provisions of this code, may be authorized to transact insurance if it de- Surplus funds required.

posits and maintains on deposit with the Commissioner surplus funds as follows:

Property insurance.

(1) To transact property insurance, surplus funds of not less than one hundred thousand dollars (\$100,000).

Vehicle insurance.

(2) To transact vehicle insurance, surplus funds of not less than two hundred thousand dollars (\$200,000).

Other kinds.

2. A domestic reciprocal insurer may be authorized to transact other kinds of insurance in addition to that for which it was originally authorized, if it has otherwise complied with the provisions of this code therefor and possesses and maintains additional surplus funds in amount as required under section .11.12. Such additional surplus funds need not be deposited with the Commissioner.

Deposit.

3. A domestic reciprocal insurer heretofore formed shall maintain on deposit with the Commissioner surplus funds of not less than the sum of one hundred thousand dollars (\$100,000), and shall have additional surplus in the amount of any additional surplus funds required by this code for authority to transact kinds of insurance transacted by it in addition to that authorized by its original certificate of authority. Such additional surplus funds need not be deposited with the Commissioner.

"Attorney."

SEC. .10.08 "Attorney": "Attorney" as used in this article refers to the attorney-in-fact of a reciprocal insurer.

Twenty-five persons.

SEC. .10.09 *Organization of Reciprocal Insurer*:
1. Twenty-five (25) or more persons domiciled in this state may organize a domestic reciprocal insurer and in compliance with this code make application to the Commissioner for a certificate of authority to transact insurance.

Declaration.

2. When applying for a certificate of authority, the original subscribers and the proposed attorney shall fulfill the requirements of and shall execute

and file with the Commissioner a declaration setting forth:

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|--|-------------------------|
| (1) the name of the insurer; | Name. |
| (2) the location of the insurer's principal office, which shall be the same as that of the attorney and shall be maintained within this state; | Office. |
| (3) the kinds of insurance proposed to be transacted; | Insurance. |
| (4) the names and addresses of the original subscribers; | Subscribers. |
| (5) the designation and appointment of the proposed attorney and a copy of the power of attorney; | Attorney. |
| (6) the names and addresses of the officers and directors of the attorney, if a corporation, or of its members, if a firm; | Officers and directors. |
| (7) the powers of the subscribers' advisory committee and the names and terms of office of the members thereof; | Advisory committee. |
| (8) that all monies paid to the reciprocal, after deducting therefrom any sum payable to the attorney, shall be held in the name of the insurer and for the purposes specified in the subscriber's agreement; | Holding money. |
| (9) a copy of the subscriber's agreement; | Agreement. |
| (10) a statement that each of the original subscribers has in good faith applied for insurance of the kind proposed to be transacted, and that the insurer has received from each such subscriber the full premium or premium deposit required for the policy applied for, for a term of not less than six (6) months at the rate theretofore filed with and approved by the Commissioner; | Premiums received. |
| (11) a statement of the financial condition of the insurer, a schedule of its assets, and a statement that the surplus as required by section .10.07 is on hand; | Financial statement. |
| (12) a copy of each policy, endorsement, and application form it then proposes to issue or use. | Forms. |

Such declaration shall be acknowledged by each such subscriber and by the attorney in the manner

required for the acknowledgment of deeds to real estate.

Policies effective.

SEC. .10.10 *Policies Effective*: Any policy applied for by an original subscriber shall become effective coincidentally with the issuance of a certificate of authority to the reciprocal insurer.

Issuance.

SEC. .10.11 *Certificate of Authority*: 1. The certificate of authority of a reciprocal insurer shall be issued to its attorney in the name of the insurer.

Refusal. Suspension. Revocation.

2. The Commissioner may refuse, suspend, or revoke the certificate of authority, in addition to other grounds therefor, for failure of its attorney to comply with any provision of this code.

Power of Attorney.

SEC. .10.12 *Power of Attorney*: 1. The rights and powers of the attorney of a reciprocal insurer shall be as provided in the power of attorney given it by the subscribers.

Contents.

2. The power of attorney must set forth:

Powers.

(1) The powers of the attorney;

Service of process.

(2) that the attorney is empowered to accept service of process on behalf of the insurer and to authorize the Commissioner to receive service of process in actions against the insurer upon contracts exchanged;

Services.

(3) the services to be performed by the attorney in general;

Deduction.

(4) the maximum amount to be deducted from advance premiums or deposits to be paid to the attorney;

Liability of subscribers.

(5) except as to nonassessable policies, a provision for a contingent several liability of each subscriber in a specified amount which amount shall be not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy;

Optional provisions.

3. The power of attorney may:

(1) Provide for the right of substitution of the

attorney and revocation of the power of attorney and rights thereunder; Substitution.

(2) impose such restrictions upon the exercise of the power as are agreed upon by the subscribers; Restrictions.

(3) provide for the exercise of any right reserved to the subscribers directly or through their advisory committee; Exercise rights of subscribers.

(4) contain other lawful provisions deemed advisable. Other provisions.

4. The terms of any power of attorney or agreement collateral thereto shall be reasonable and equitable, and no such power or agreement or any amendment thereof, shall be used or be effective in this state until approved by the Commissioner. Reasonable and equitable.

SEC. .10.13 *Modifications*: Modification of the terms of the subscriber's agreement or of the power of attorney of a domestic reciprocal insurer shall be made jointly by the attorney and the subscribers' advisory committee. No such modification shall be effective retroactively, nor as to any insurance contract issued prior thereto. Modifications.

SEC. .10.14 *Attorney's Bond*: 1. Concurrently with the filing of the declaration provided for in section .10.09, (or, if an existing domestic reciprocal insurer, within ninety (90) days after the effective date of this code) the attorney of a domestic reciprocal shall file with the Commissioner a bond running to the State of Washington. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the Commissioner's approval. Attorney's bond.

2. The bond shall be in the penal sum of twenty-five thousand dollars (\$25,000), conditioned that the attorney will faithfully account for all monies and other property of the insurer coming into his hands, and that he will not withdraw or appropriate for his own use from the funds of the insurer any monies Amount.

or property to which he is not entitled under the power of attorney.

Cancellation. 3. The bond shall provide that it is not subject to cancellation unless thirty (30) days advance notice in writing of intent to cancel is given to both the attorney and the Commissioner.

Deposit in lieu. SEC. .10.15 *Deposit in Lieu:* In lieu of such bond, the attorney may maintain on deposit with the Commissioner a like amount in cash or in value of securities qualified under this code as insurers' investments, and subject to the same conditions as the bond.

Actions on bond. SEC. .10.16 *Actions on Bond:* Action on the attorney's bond or to recover against any such deposit made in lieu thereof may be brought at any one time by one (1) or more subscribers suffering loss through a violation of the conditions thereof or by a receiver or liquidator of the insurer. Amounts so recovered shall be deposited in and become part of the insurer's funds.

Legal process. SEC. .10.17 *Legal Process:* 1. A certificate of authority shall not be issued to a domestic reciprocal insurer unless prior thereto the attorney has executed and filed with the Commissioner the insurer's irrevocable authorization of the Commissioner to receive legal process issued in this state against the insurer upon any cause of action arising within this state.

Service on Commissioner. 2. The provisions of section .05.21 shall apply to service of such process upon the Commissioner.

Service on Attorney. 3. In lieu of service on the Commissioner, legal process may be served upon a domestic reciprocal insurer by serving the insurer's attorney at his principal offices.

Effect of judgment. 4. Any judgment against the insurer based upon legal process so served shall be binding upon each of the insurer's subscribers as their respective interests

may appear and in an amount not exceeding their respective contingent liabilities.

SEC. .10.18 *Annual Statement*: The annual statement of a reciprocal insurer shall be made and filed by the attorney. Annual statement.

SEC. .10.19 *Repayment of Contribution*: No contribution to a domestic reciprocal insurer's surplus by the attorney shall be retrievable by the attorney except under such terms and in such circumstances as the Commissioner approves. Repayment of contribution.

SEC. .10.20 *Determining Financial Condition*: In determining the financial condition of a reciprocal insurer the Commissioner shall apply the following rules: Determining financial condition.

1. He shall charge as liabilities the same reserves as are required of incorporated insurers issuing nonassessable policies on a reserve basis. Rules. Reserves as liabilities.

2. The surplus deposits of subscribers shall be allowed as assets, except that any premium deposit delinquent for ninety (90) days shall first be charged against such surplus deposit. Surplus deposits as assets.

3. The surplus deposits of subscribers shall not be charged as a liability. Not a liability.

4. All premium deposits delinquent less than ninety (90) days shall be allowed as assets. Premium deposits.

5. An assessment levied upon subscribers, and not collected, shall not be allowed as an asset. Assessments.

6. The contingent liability of subscribers shall not be allowed as an asset. Contingent liability.

7. The computation of reserves shall be based upon premium deposits other than membership fees and without any deduction for the compensation of the attorney. Computation of reserves.

SEC. .10.22 *Subscribers*: Any person, government or governmental agency, state or political subdivision thereof, public or private corporation, board, association, estate, trustee, or fiduciary may be a subscriber of a reciprocal insurer. Subscribers.

Subscribers' advisory committee.

SEC. .10.23 *Subscribers' Advisory Committee:*

Selection.

1. The advisory committee of a domestic reciprocal insurer exercising the subscribers' rights shall be selected under such rules as the subscribers adopt.

Membership.

2. Not less than three-fourths of such committee shall be composed of subscribers other than the attorney, or any person employed by, representing, or having a financial interest in the attorney.

Duties.

3. The committee shall:

Finances.

(1) Supervise the finances of the insurer;

Operations.

(2) supervise the insurer's operations to such extent as to assure their conformity with the subscribers' agreement and power of attorney;

Audit.

(3) procure the audit of the accounts and records of the insurer and of the attorney at the expense of the insurer;

Other duties.

(4) have such additional powers and functions as may be conferred by the subscribers' agreement.

Subscriber's liability.

SEC. .10.25 *Subscriber's Liability:* 1. The liability of each subscriber subject to assessment for the obligations of the reciprocal insurer shall not be joint, but shall be individual and several.

Several.

Contingent assessment liability.

2. Each subscriber who is subject to assessment shall have a contingent assessment liability, in the amount provided for in the power of attorney or in the subscribers' agreement, for payment of actual losses and expenses incurred while his policy was in force. Such contingent liability may be at the rate of not less than one (1) nor more than ten (10) times the premium or premium deposit stated in the policy, and the maximum aggregate thereof shall be computed in the manner set forth in section .10.29.

Statement in policy.

3. Each assessable policy issued by the insurer shall plainly set forth a statement of the contingent liability.

Subscriber's liability on judgments.

SEC. .10.26 *Subscriber's Liability on Judgments:*

1. No action shall lie against any subscriber upon any obligation claimed against the insurer until a

final judgment has been obtained against the insurer and remains unsatisfied for thirty (30) days. Judgment against insurer.

2. Any such judgment shall be binding upon each subscriber only in such proportion as his interests may appear and in an amount not exceeding his contingent liability, if any. Binds subscribers proportionately.

SEC. .10.27 *Assessments:* 1. Assessments may be levied from time to time upon the subscribers of a domestic reciprocal insurer, other than as to non-assessable policies, by the attorney upon approval in advance by the subscribers' advisory committee and the Commissioner; or by the Commissioner in liquidation of the insurer. Assessments.
Levy.

2. Each such subscriber's share of a deficiency for which an assessment is made, not exceeding in any event his aggregate contingent liability as computed in accordance with section .10.29, shall be computed by applying to the premium earned on the subscriber's policy or policies during the period to be covered by the assessment, the ratio of the total deficiency to the total premiums earned during such period upon all policies subject to the assessment. Computation of deficiency.

3. In computing the earned premiums for the purposes of this section, the gross premium received by the insurer for the policy shall be used as a base, deducting therefrom solely charges not recurring upon the renewal or extension of the policy. Computation of earned premium.

4. No subscriber shall have an offset against any assessment for which he is liable, on account of any claim for unearned premium or losses payable. No offset.

SEC. .10.28 *Time Limit for Assessment:* Every subscriber of a domestic reciprocal insurer having contingent liability shall be liable for, and shall pay his share of any assessment, as computed and limited in accordance with this article, if, Time limit for assessment.

(1) while his policy is in force or within one (1) year after its termination, he is notified by either the Notice of intention to levy.

attorney or the Commissioner of his intentions to levy such assessment, or

Show cause order issued.

(2) if an order to show cause why a receiver, conservator, rehabilitator, or liquidator of the insurer should not be appointed is issued pursuant to section .31.19 while his policy is in force or within one (1) year after its termination.

Aggregate liability.

SEC. .10.29 *Aggregate Liability*: No one policy or subscriber as to such policy, shall be assessed or be charged with an aggregate of contingent liability as to obligations incurred by a domestic reciprocal insurer in any one (1) calendar year, in excess of the number of times the premium as stated in the policy as computed solely upon premium earned on such policy during that year.

Nonassessable policies.

SEC. .10.30 *Nonassessable Policies*: 1. Subject to the special surplus requirements of paragraph three of section .11.12, if a reciprocal insurer has a surplus of assets over all liabilities at least equal to the minimum capital stock required of a domestic stock insurer authorized to transact like kinds of insurance, upon application of the attorney and as approved by the subscribers' advisory committee the Commissioner shall issue his certificate authorizing the insurer to extinguish the contingent liability of subscribers under its policies then in force in this state, and to omit provisions imposing contingent liability in all policies delivered or issued for delivery in this state for so long as all such surplus remains unimpaired.

Extinguishment of contingent liability.

Revocation.

2. Upon impairment of such surplus, the Commissioner shall forthwith revoke the certificate. No policy shall thereafter be issued or renewed without providing for the contingent assessment liability of subscribers.

Extinguished to all policies.

3. The Commissioner shall not authorize a domestic reciprocal insurer so to extinguish the contingent liability of any of its subscribers or in any

of its policies to be issued, unless it qualifies to and does extinguish such liability of all its subscribers and in all such policies for all kinds of insurance transacted by it. Except, that if required by the laws of another state in which the insurer is trans-

Exception.

SEC. .10.31 *Share in Savings:* A reciprocal insurer may from time to time return to its subscribers any savings or credits accruing to their accounts. Any such distribution shall not unfairly discriminate between classes of risks, or policies, or between subscribers.

Share in savings.

SEC. .10.32 *Subscriber's Share of Assets:* Upon the liquidation of a domestic reciprocal insurer, its assets remaining after discharge of its indebtedness and policy obligations, the return of any contribution of the attorney to its surplus made as provided in section .10.19, and the return of any unused deposits, savings, or credits, shall be distributed to its subscribers who were such within the twelve (12) months prior to the last termination of its certificate of authority according to such formula as may have been approved by the Commissioner.

Subscriber's share of assets.

SEC. .10.33 *Merger or Conversion:* 1. A domestic reciprocal insurer, upon affirmative vote of not less than two-thirds of the subscribers who vote upon such merger pursuant to such notice as may be approved by the Commissioner and with the approval of the Commissioner of the terms therefor, may merge with another reciprocal insurer or be converted to a stock or mutual insurer.

Merger or conversion.

2. Such a stock or mutual insurer shall be subject to the same capital requirements and shall have

Same requirements as domestic insurer.

the same rights as a like domestic insurer transacting like kinds of insurance.

Plan must be equitable.

3. The Commissioner shall not approve any plan for such merger or conversion which is inequitable to subscribers, or which, if for conversion to a stock insurer, does not give each subscriber preferential right to acquire stock of the proposed insurer proportionate to his interest in the reciprocal insurer as determined in accordance with section .10.32 and a reasonable length of time within which to exercise such right.

Impaired reciprocals.

SEC. .10.34 *Impaired Reciprocals*: 1. If the assets of a domestic reciprocal insurer are at any time insufficient to discharge its liabilities other than any liability on account of funds contributed by the attorney, and to maintain the surplus required for the kinds of insurance it is authorized to transact, its attorney shall forthwith levy an assessment upon subscribers made subject to assessment by the terms of their policies for the amount needed to make up the deficiency.

Failure to make assessment or pay deficiency.

2. If the attorney fails to make the assessment within thirty (30) days after the Commissioner orders him to do so, or if the deficiency is not fully made up within sixty (60) days after the date the assessment was made, the insurer shall be deemed insolvent and shall be proceeded against as authorized by this code.

Liquidation.

3. If liquidation of such an insurer is ordered, an assessment shall be levied upon the subscribers for such an amount, subject to limits as provided by this article, as the Commissioner determines to be necessary to discharge all liabilities of the insurer, exclusive of any funds contributed by the attorney, but including the reasonable cost of the liquidation.

ARTICLE ELEVEN
INSURING POWERS

SEC. .11.01 *Kinds of Insurance and Capital Required:* 1. Domestic stock insurers may transact kinds of insurance in this state upon qualifying therefor and by having paid-in capital and surplus represented by assets, all as follows:

Kinds of insurance and capital required.

	<i>Minimum Capital Required</i>	<i>Minimum Surplus Initially Required</i>	
(1) Life insurance	\$100,000.00	\$50,000.00	
(2) Disability insurance . . .	\$100,000.00	\$25,000.00	
(a) Life and Disability in- surance	\$125,000.00	\$75,000.00	
(3) Property insurance . . .	\$200,000.00	\$50,000.00	
(4) Marine and Transpor- tation insurance	\$250,000.00	\$150,000.00	
(5) Casualty insurances:			
(a) Vehicle only	\$200,000.00	\$100,000.00	
(b) General casualty	\$300,000.00	\$150,000.00	
(6) Surety insurances			
(a) Surety	\$300,000.00	\$100,000.00	
(b) Bail bonds only	\$50,000.00	\$25,000.00	
(7) Title insurance: In accordance with the provisions of article twenty-nine of this code.			
(8) All insurances, except life and title insurances	\$450,000.00	\$250,000.00	

Minimum capital and surplus required.

SEC. .11.02 *Life Insurance Defined:* Life insurance is insurance on human lives and insurances appertaining thereto or connected therewith. For the purposes of this code the transacting of life insurance includes the granting of annuities and endowment benefits; additional benefits in event of death by accident; additional benefits in event of the total and permanent disability of the insured; and optional modes of settlement of proceeds.

Life insurance

SEC. .11.03 *Disability Insurance Defined:* Disability insurance is insurance against bodily injury, disablement or death by accident, against disablement resulting from sickness, and every insurance appertaining thereto.

Disability insurance.

Property insurance.

SEC. .11.04 *Property Insurance Defined:* Property insurance is insurance against loss of or damage to real or personal property of every kind and any interest therein, from any or all hazard or cause, and against loss consequential upon such loss or damage.

Marine and transportation insurance.

SEC. .11.05 *Marine and Transportation Insurance Defined:* Marine and transportation insurance is:

(1) Insurance against loss of or damage to:

Vessels, vehicles, goods, choses in action, bottomry, etc.

(a) Vessels, craft, aircraft, vehicles, goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, securities, choses in action, evidences of debt, valuable papers, bottomry, and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit or transportation, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting shipment, or during any delays, storage, transshipment, or reshipment incident thereto, including war risks, marine builder's risks, and all person [personal] property floater risks.

Person or property appertaining to such insurance.

(b) Person or property in connection with or appertaining to a marine, transit or transportation insurance, including liability for loss of or damage to either incident to the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds nor insurance against loss by reason of bodily injury to any person arising out of the ownership, maintenance, or use of automobiles).

Precious stones.

(c) Precious stones, jewels, jewelry, precious metals, whether in course of transportation or otherwise.

Bridges, tunnels.

(d) Bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed con-

tents and supplies held in storage); piers, wharves, docks and slips, and other aids to navigation and transportation, including dry docks and marine railways, dams and appurtenant facilities for the control of waterways.

Aids to navigation.

(2) "Marine protection and indemnity insurance," meaning insurance against, or against legal liability of the insured for, loss, damage, or expense incident to ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.

"Marine protection and indemnity insurance."

SEC. .11.06 *Vehicle Insurance Defined:* 1. Vehicle insurance is insurance against loss or damage to any land vehicle or aircraft or any draft or riding animal or to property while contained therein or thereon or being loaded or unloaded therein or therefrom, and against any loss or liability resulting from or incident to ownership, maintenance, or use of any such vehicle or aircraft or animal.

Vehicle insurance defined.

2. Insurance against accidental death or accidental injury to individuals while in, entering, alighting from, adjusting, repairing, cranking, or caused by being struck by a vehicle, aircraft, or draft or riding animal, if such insurance is issued as part of insurance on the vehicle, aircraft, or draft or riding animal, shall be deemed to be vehicle insurance.

When death or accident insurance included.

SEC. .11.07 *General Casualty Insurance Defined:* General casualty insurance includes vehicle insurance as defined in section .11.06, and in addition is insurance:

General casualty insurance.

Vehicle insurance.

(1) Against legal liability for the death, injury, or disability of any human being, or for damage to property.

Legal liability.

(2) Of medical, hospital, surgical and funeral benefits to persons other than the insured, injured,

Medical expenses.

irrespective of legal liability of the insured, when issued with or supplemental to insurance against legal liability for the death, injury or disability of human beings.

Workmen's compensation.

(3) Of the obligations accepted by, imposed upon, or assumed by employers under law for workmen's compensation.

Burglary, theft, conversion, etc.

(4) Against loss or damage by burglary, theft, larceny, robbery, forgery, fraud, vandalism, malicious mischief, confiscation or wrongful conversion, disposal or concealment, or from any attempt of any of the foregoing; also insurance against loss of or damage to moneys, coins, bullion, securities, notes, drafts, acceptances or any other valuable papers or documents, resulting from any cause, except while in the custody or possession of and being transported by any carrier for hire or in the mail.

Personal effects.

(5) Upon personal effects against loss or damage from any cause.

Glass.

(6) Against loss or damage to glass, including its lettering, ornamentation and fittings.

Accidents or explosions of boilers, etc.

(7) Against any liability and loss or damage to property resulting from accidents to or explosions of boilers, pipes, pressure containers, machinery, or apparatus and to make inspection of and issue certificates of inspection upon elevators, boilers, machinery, and apparatus of any kind.

Water damage.

(8) Against loss or damage to any property caused by the breakage or leakage of sprinklers, water pipes and containers, or by water entering through leaks or openings in buildings.

Credit insurance.

(9) Against loss or damage resulting from failure of debtors to pay their obligations to the insured (credit insurance).

Other kinds.

(10) Against any other kind of loss, damage, or liability properly the subject of insurance and not within any other kind or kinds of insurance as defined in this article, if such insurance is not contrary to law or public policy.

SEC. .11.08 *Surety Insurance Defined:* Surety insurance includes: Surety insurance.

(1) Credit insurance as defined in item (9) of section .11.07. Credit.

(2) Bail bond insurance as defined in section .11.09. Bail-bond.

(3) Fidelity insurance, which is insurance guaranteeing the fidelity of persons holding positions of public or private trust. Fidelity.

(4) Guaranteeing the performance of contracts, other than insurance policies, and guaranteeing and executing bonds, undertakings, and contracts of suretyship. Performance and suretyship.

(5) Indemnifying banks, bankers, brokers, financial or moneyed corporations or associations against loss resulting from any cause of bills of exchange, notes, bonds, securities, evidence of debts, deeds, mortgages, warehouse receipts, or other valuable papers, documents, money, precious metals and articles made therefrom, jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones, including any loss while the same are being transported in armored motor vehicles, or by messenger, but not including any other risks of transportation or navigation; also against loss or damage to such an insured's premises, or to his furnishings, fixtures, equipment, safes and vaults therein, caused by burglary, robbery, theft, vandalism or malicious mischief, or any attempt thereat. Loss of negotiable instruments, gems, etc., by financial institutions.

Damage to premises by burglary, etc.

SEC. .11.09 *Bail Bond Insurance Defined:* Bail bond insurance is the guaranteeing that any person, in or in connection with any proceedings in any court, will Bail bond.

(1) attend in court when required, or Attend court.

(2) will obey the orders or judgment of the court, as a condition to the release of such person from confinement, and the execution of bail bonds for any such purpose. The making of property or Obey orders of court.

cash bail does not constitute the transacting of bail bond insurance.

Title insurance defined.

SEC. .11.10 *Title Insurance Defined:* Title insurance is insurance of owners of property or others having an interest therein, against loss by encumbrance, or defective titles, or adverse claim to title, and services connected therewith.

Authority for additional powers.

SEC. .11.11 *Authority for Additional Powers:* Authority shall be granted or denied insurers, already authorized to transact one kind of insurance, to transact additional kinds of insurance as follows:

Life insurer.

(1) An insurer authorized to transact life insurance shall not be authorized to transact any additional kind of insurance other than disability insurance; except, that any life insurer which immediately prior to the effective date of this code, held a certificate of authority to transact in this state certain kinds of insurance in addition to life and disability insurance, may continue to be so authorized by the Commissioner.

Exception.

Title insurance only.

(2) An insurer authorized to transact title insurance shall not be authorized to transact any additional kind of insurance.

Mutual insurers—property insurance only.

(3) Mutual insurers on the assessment premium plan shall not be authorized to transact any kind of insurance other than property insurance.

Domestic mutual insurers—specific property insurance only.

(4) Domestic mutual insurers formed under section .09.03 to insure a stated specific kind or class of property or property meeting designated standards of protection, shall not be authorized to transact insurance other than property insurance, and that only within the specific kind or class so stated or meeting such designated standards.

Domestic mutual disability or general property insurer may transact other insurance business—when.

(5) A domestic mutual disability or general property insurer shall not be authorized to transact any additional kinds of insurance unless it has and maintains surplus in the amount of fifty thousand dollars (\$50,000) in addition to the surplus required for such additional kinds of insurance.

(6) An insurer authorized to transact general casualty insurance shall be authorized to transact disability insurance and fidelity insurance without requiring additional financial qualifications.

Casualty-insurer may transact disability and fidelity insurance.

SEC. .11.12 *Capital, Surplus, for Additional Insuring Powers:* 1. Insurers, except as provided in section .11.11, shall be authorized to transact kinds of insurance in addition to kinds already authorized upon otherwise qualifying therefor and, subject to special surplus requirements set forth in paragraph three of this section, possessing capital stock, if a stock insurer, or surplus, if a mutual or reciprocal insurer, in addition to that required under this code to be maintained to qualify for the kinds of insurance theretofore authorized, in amount as required under the following schedule "A".

Capital, surplus, for additional insuring powers.

2. Schedule "A":

Schedule
A.

CAPITAL, SURPLUS, FOR ADDITIONAL INSURING POWERS

If Authorized to transact:	Additional minimum paid-in capital stock required (if a stock insurer) or surplus required (if a mutual or reciprocal insurer) for authority to transact additional kinds of insurance:							
	Disability	Property	Vehicle	General Casualty	Marine and Transport.	Surety	Bail Bond	Fidelity
Disability insurance .....	.....	\$150,000	\$150,000	\$200,000	\$200,000	\$250,000	\$50,500	\$50,000
Property insurance	\$50,000	.....	100,000	150,000	100,000	150,000	50,000	50,000
Vehicle insurance	50,000	100,000	.....	100,000	100,000	150,000	50,000	50,000
General Casualty insurance	None	50,000	None	.....	50,000	50,000	25,000	None
Marine and Transportation insurance	50,000	50,000	50,000	100,000	.....	100,000	25,000	50,000
Surety insurance	50,000	50,000	50,000	50,000	50,000	.....	None	None
Bail Bond insurance	100,000	200,000	200,000	275,000	225,000	250,000	.....	50,000

A Domestic Mutual Life or Disability Insurer may be authorized to transact both life and disability insurances when it has acquired and while it maintains surplus funds in amount not less than one hundred thousand dollars (\$100,000).

3. Special surplus shall be possessed as follows:

(1) An insurer shall not be authorized to transact any one of the following insurances,—vehicle, or general casualty (other than disability and fidelity), or marine and transportation, or surety (other than bail bond and fidelity),—with any additional kind of insurance unless it maintains at all times a special surplus of not less than one hundred thousand dollars (\$100,000) in addition to the capital stock (if a stock insurer) or surplus (if a mutual or reciprocal insurer) otherwise required.

Special surplus.

Vehicle, general casualty. Marine and transportation. Surety.

(2) An insurer shall not be authorized to transact all kinds of insurance exclusive of life, title, and disability insurance, unless it possesses when first so authorized, a special surplus of not less than two hundred and fifty thousand dollars (\$250,000) in addition to the capital stock (if a stock insurer) or surplus (if a mutual or reciprocal insurer) otherwise required. Such special surplus shall be inclusive of the special surplus required pursuant to item one of this paragraph. For the purpose of this paragraph, general casualty insurances as defined in section .11.07, and surety insurances as defined in section .11.08, shall not be subdivided. The insurer after being so authorized, may use in the development of its business that part of such special surplus which exceeds the amount required pursuant to item one of this paragraph.

All kinds except life, title and disability.

4. In applying the schedule set forth in paragraph two of this section to a domestic reciprocal insurer or to a domestic mutual insurer, the additional surplus required is the lesser amount thereof as determined by using either property or vehicle insurance, if a reciprocal insurer, or property or disability insurance, if a mutual insurer, if such insurance is to be included in the kinds proposed to be transacted, as the initial kind authorized; and to which such lesser amount shall be added any additional surplus required pursuant to paragraph three of this section.

Applying schedule to domestic reciprocal or mutual insurer.

Reinsurance. SEC. .11.13 *Reinsurance:* A domestic mutual assessment insurer shall not have authority to accept reinsurance. Any other domestic insurer may accept reinsurance only of such kinds of insurance as it is authorized to transact direct.

Limit of risk. SEC. .11.14 *Limit of Risk:* 1. No insurer shall retain any fire or surety risk on any one subject of insurance, whether located or to be performed in this state or elsewhere, in an amount exceeding ten per cent (10%) of its surplus to policyholders, except that:

Domestic mutual insurers. (1) Domestic mutual insurers on the cash premium plan may insure up to the applicable limits provided by sections .09.02, .09.03, or .09.06, if greater.

Domestic mutual property insurer. (2) A domestic mutual property insurer on the assessment premium plan may retain fire risk on any one subject in an amount not in excess of the applicable limit provided in section .09.04 or section .09.05, or ten per cent (10%) of its surplus, whichever is the greater.

Fire risks. (3) In the case of fire risks adequately protected by automatic sprinklers or fire risks principally of non-combustible construction and occupancy, an insurer may retain fire risks as to any one subject in an amount not exceeding twenty-five per cent (25%) of the sum of (a) its unearned premium reserve and (b) its surplus to policyholders.

"Subject of insurance." 2. For the purposes of this section, a "subject of insurance" as to insurance against fire includes all properties insured by the same insurer which are reasonably subject to loss or damage from the same fire.

Reinsurance in an alien reinsurer. 3. Reinsurance in an alien reinsurer not qualified under section .05.30 may not be deducted in determining risk retained for the purposes of this section.

4. In the case of surety insurance, the net retention shall be computed after deduction of reinsurances, the amount assumed by any co-surety, the value of any security deposited, pledged, or held subject to the consent of the surety and for the protection of the surety.

Surety insurance.

5. This section shall not apply to insurance of marine risks or marine protection and indemnity risks.

Where section not applicable.

SEC. .11.17 *Use of Surplus*: After qualifying for authority to transact a kind of insurance, a domestic stock insurer may make use of its surplus for the development of its business, subject to paragraph three of section .11.12, to the extent that such use does not result in impairment of its capital stock. The amount of the largest minimum surplus required under section .11.01 for any one of the kinds of insurance such an insurer is authorized to transact shall not be diminished by conversion into capital stock.

Use of surplus.

SEC. .11.18 *Capital Funds Required of Foreign, Alien Insurers*: 1. Subject to the special surplus requirements of paragraph three of section .11.12, foreign stock insurers may be authorized to transact insurance in this state upon otherwise qualifying therefor and while possessing capital stock in amount not less than the minimum capital required of a domestic insurer authorized to transact like kinds of insurance.

Capital funds required of foreign, alien insurers.

Foreign stock insurers.

2. Subject to special surplus requirements provided by paragraph three of section .11.12, alien insurers and foreign mutual insurers and foreign reciprocal insurers may be authorized to transact insurance in this state upon otherwise qualifying therefor and while possessing capital funds in amount not less than the minimum capital required of a domestic stock insurer authorized to transact like kinds of insurance.

Alien insurers, foreign mutual insurers, foreign reciprocal insurers.

Additional requirements for insurers less than five years old.

3. Except, that a foreign or alien insurer which as an authorized insurer has transacted insurance in the state or country of its domicile for less than five (5) years shall not be authorized to transact insurance in this state unless it possesses, when first so authorized in this state:

Foreign stock insurer.

(1) Capital stock and surplus, if a foreign stock insurer in amounts not less than that required under section .11.01 of a newly formed domestic stock insurer to transact like kinds of insurance; or

Alien insurer.

(2) Surplus or capital funds, if an alien insurer or foreign mutual or reciprocal insurer, in amount not less than the aggregate of the capital stock and surplus required under section .11.01 of a newly formed domestic stock insurer to transact like kinds of insurance.

ARTICLE TWELVE
ASSETS AND LIABILITIES

"Assets "

SEC. .12.01 "Assets" Defined: In any determination of the financial condition of any insurer there shall be allowed as assets only such assets as belong wholly and exclusively to the insurer, which are registered, recorded, or held under the insurer's name, and which consist of:

Cash.

(1) Cash in the possession of the insurer or in transit under its control, and the true balance of any deposit of the insurer in a solvent bank or trust company;

Investments, securities, properties, and loans.

(2) Investments, securities, properties, and loans acquired or held in accordance with this code, and in connection therewith the following items:

Interest on bonds.

(a) Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.

Unpaid dividends.

(b) Declared and unpaid dividends on stocks and shares unless such amount has otherwise been allowed as an asset.

(c) Interest due or accrued upon a collateral loan in an amount not to exceed one (1) year's interest thereon. Interest on collateral loans.

(d) Interest due or accrued on deposits in solvent banks and trust companies, and interest due or accrued on other assets if such interest is in the judgment of the Commissioner a collectible asset. Interest on deposits.

(e) Interest due or accrued on a mortgage loan, in amount not exceeding in any event the amount, if any, of the difference between the unpaid principal and the value of the property less delinquent taxes thereon; but if any interest on the loan is in default more than eighteen (18) months, or if any interest on the loan is in default and any taxes or any installment thereof on the property are and have been due and unpaid for more than eighteen (18) months, no allowance shall be made for any interest on the loan. Interest on mortgage loans.

(f) Rent due or accrued on real property if such rent is not in arrears for more than three (3) months. Rent.

(3) Premium notes, policy loans, and other policy assets and liens on policies of life insurance, in amount not exceeding the legal reserve and other policy liabilities carried on each individual policy; Policy assets.

(4) The net amount of uncollected and deferred premiums in the case of a life insurer which carries the full annual mean tabular reserve liability; Uncollected life insurance premiums.

(5) Premiums in the course of collection, other than for life insurance, not more than ninety (90) days past due, less commissions payable thereon. The foregoing limitation shall not apply to premiums payable directly or indirectly by the United States government or any of its instrumentalities; Other uncollected premiums.

(6) Installment premiums other than life insurance premiums, in accordance with regulations prescribed by the Commissioner consistent with practice formulated or adopted by the National Association of Insurance Commissioners. Installment premiums other than life.

Notes for premiums other than life.

(7) Notes and like written obligations not past due, taken for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the unearned premium reserves carried thereon and unless otherwise required by regulation prescribed by the Commissioner;

Reinsurance recoverable.

(8) The full amount of reinsurance recoverable by a ceding insurer from a solvent reinsurer not disqualified to take such reinsurance under this code; or, in the case of reinsurers disqualified under this code, so much of reinsurance recoverable from such reinsurer as does not exceed the liabilities carried by the ceding insurer for amounts withheld under a reinsurance treaty with such reinsurer as security for the payment of obligations thereunder if such funds are held subject to withdrawal by, and under the control of, the ceding insurer;

Amounts receivable by an assuming insurer.

(9) Amounts receivable by an assuming insurer representing funds withheld by a solvent ceding insurer under a reinsurance treaty;

Equities recoverable from underwriting associations.

(10) Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended banking institution, to the extent deemed by the Commissioner available for the payment of losses and claims and at values to be determined by him; and,

Other assets.

(11) other assets, not inconsistent with the foregoing provisions, deemed by the Commissioner available for the payment of losses and claims, at values to be determined by him.

"Assets" not allowed.

SEC. .12.02 "Assets" Not Allowed: In addition to assets impliedly excluded under section .12.01, the following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

Certain intangible assets.

(1) Goodwill, trade names, agency plants and other like intangible assets.

(2) Prepaid or deferred charges for expenses and commissions paid by the insurer. Prepaid expenses.

(3) Advances to officers (other than policy loans or loans made pursuant to section .07.13), whether secured or not, and advances to employees, agents and other persons on personal security only. Unsecured advances to officers and employees.

(4) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock through the ownership by such insurer of an interest in another firm, corporation or business unit. Stock of insurer.

(5) Furniture, furnishings, fixtures, safes, equipment, vehicles, library, stationery, literature, and supplies; except, such personal property as the insurer is permitted to hold pursuant to item five of paragraph two of section .13.16, or which is acquired through foreclosure of chattel mortgages acquired pursuant to section .13.15, or which is reasonably necessary for the maintenance and operation of real estate lawfully acquired and held by the insurer other than real estate used by it for home office, branch office, and similar purposes. Furniture, fixtures, supplies, etc.

(6) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this code. Investments.

SEC. .12.03 Liabilities: In any determination of financial condition of an insurer, liabilities to be charged against its assets shall include: Liabilities.

(1) The amount of its capital stock outstanding, if any; and, Capital stock.

(2) the amount, estimated consistent with the provisions of this article, necessary to pay all of its unpaid losses and claims incurred on or prior to the date of statement, whether reported or unreported, together with the expense of adjustment or settlement thereof; and, Unpaid losses.

(3) with reference to life and disability insurances, and annuity contracts, Life, disability and annuities.

Reserves on life insurance and annuity contracts.

(a) the amount of reserves on life insurance policies and annuity contracts in force, valued according to the tables of mortality, rates of interest, and methods adopted pursuant to this article which are applicable thereto;

Reserves for disability benefits.

(b) reserves for disability benefits, for both active and disabled lives;

Reserves for death benefits.

(c) reserves for accidental death benefits, and

Other reserves required by commissioner.

(d) any additional reserves which may be required by the Commissioner, consistent with practice formulated or approved by the National Association of Insurance Commissioners, on account of such insurances; and

Reserves for certain other insurances.

(4) with reference to insurances other than those specified in item three of this section, and other than title insurance, the amount of reserves equal to the unearned portions of the gross premiums charged on policies in force, computed in accordance with this article; and

Taxes, expenses.

(5) taxes, expenses, and other obligations accrued at the date of the statement; and

Reserve for specific liability.

(6) any additional reserve set up by the insurer for a specific liability purpose or required by the Commissioner consistent with practices adopted or approved by the National Association of Insurance Commissioners.

Unearned premium reserve.

SEC. .12.04 *Unearned Premium Reserve*: 1. With reference to insurances against loss or damage to property, except as provided in section .12.05, and with reference to all general casualty insurances, disability insurance except as provided in section .12.06, and surety insurances, every insurer shall maintain an unearned premium reserve on all policies in force.

Maintained on all policies of certain kinds.

Power of commissioner.

2. The Commissioner may require that such reserve shall be equal to the unearned portions of the gross premiums in force after deducting authorized reinsurance, as computed on each respective

risk from the policy's date of issue. If the Commissioner does not so require, the portions of the gross premiums in force, less authorized reinsurance, to be held as a premium reserve, shall be computed according to the following table:

If not required by Commissioner.

<i>Term for Which Policy Was Written</i>	<i>Reserve for Unearned Premium</i>	
One year, or less.....		1/2
Two years	First year	3/4
	Second year	1/4
Three years	First year	5/6
	Second year	1/2
	Third year	1/6
Four years	First year	7/8
	Second year	5/8
	Third year	3/8
	Fourth year	1/8
Five years	First year	9/10
	Second year	7/10
	Third year	1/2
	Fourth year	3/10
	Fifth year	1/10
Over five years.....	Pro rata	

Computed according to table.

3. In lieu of computation according to such table, all of such reserves may be computed, at the insurer's option, on a monthly pro-rata basis.

May be computed on monthly pro-rata basis.

4. After adopting any one of the methods for computing such reserve an insurer shall not change methods without the Commissioner's approval.

SEC. .12.05 *Unearned Premium Reserve—Marine and Transportation:* With reference to marine and transportation insurances, premiums on trip risks not terminated shall be deemed unearned and the Commissioner may require the insurer to carry a reserve thereon equal to one hundred per cent (100%) on trip risks written during the month ended as of the date of statement; and computed upon a pro rata basis or, with the Commissioner's consent, in accordance with the alternative methods provided in section .12.04 for all other risks.

Unearned premium reserve—marine and transportation.

SEC. .12.06 *Reserves—Noncancellable Disability Insurance:* 1. The legal minimum standard for computing the active life reserve, including the unearned

Reserves—noncancellable disability insurance.

Legal minimum standard.

premium reserve, of noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience with interest at not to exceed three and one-half per cent (3½%) per annum on the full preliminary term basis.

When tables extended on basis approved by commissioner.

2. For policies with a waiting period of less than three (3) months or providing benefits at ages beyond the limits of Conference Modification of Class III Disability Experience, the tables shall be extended to cover the provisions of such policies on such basis as the Commissioner may approve.

Basis.

3. The reserve for losses under noncancellable disability policies shall be based on Conference Modification of Class III Disability Experience, except that for claims of less than twenty-seven (27) months duration the reserve may be taken as equivalent to the prospective claim payments for three and one-half (3½) times the elapsed period of disability; but in no case shall the reserve be less than the equivalent of seven (7) weeks claim payments.

Exception.

When commissioner modifies tables.

4. The Commissioner shall modify the application of the tables and requirements prescribed in this section to policies or to claims arising under policies in accordance with the waiting period contained in such policies and in accordance with any limitation as to the time for which indemnity is payable.

Loss records.

SEC. .12.07 *Loss Records:* An insurer shall maintain a complete and itemized record showing all losses and claims as to which it has received notice, including with regard to property, casualty, surety, and marine and transportation insurances, all notices received of the occurrence of any event which may result in a loss.

Increased reserves.

SEC. .12.08 *Increased Reserves:* 1. If the Commissioner determines that an insurer's unearned premium reserves, however computed, are inadequate, he may require the insurer to compute such reserves

Commissioner may require re-computation.

or any part thereof according to such other method or methods as are prescribed in this article.

2. If the loss experience of an insurer shows that its loss reserves, however estimated, are inadequate, the Commissioner shall require the insurer to maintain loss reserves in such increased amount as is needed to make them adequate.

Increased loss reserves required.

SEC. .12.09 *Loss Reserve—Liability Insurances:* The reserves for outstanding losses and loss expenses under policies of personal injury liability insurance and under policies of employer's liability insurance shall be computed as follows:

Loss reserve—liability insurance, s.

Computation of loss reserves.

(1) For all liability suits being defended under policies written:

Liability suits defended.

(a) Ten (10) years or more prior to the date of determination, one thousand five hundred dollars (\$1,500) for each suit;

Policies written ten years or more.

(b) Five (5) or more and less than ten (10) years prior to the date of determination, one thousand dollars (\$1,000) for each suit;

Policies written five to ten years.

(c) Three (3) or more and less than five (5) years prior to the date of determination, eight hundred fifty dollars (\$850) for each suit.

Policies written three to five years.

In any event the total loss and loss expense reserves for all such liability policies written more than three (3) years prior to the date of determination shall be not less than the aggregate of the estimated unpaid losses and loss expenses under such policies computed on an individual case basis.

Minimum loss reserves on policies written three years or more.

(2) For all liability policies written during the three (3) years immediately preceding the date of determination, such reserves shall be the sum of the reserves for each such year, which shall be sixty per cent (60%) of the earned premiums on liability policies written during such year less all loss and loss expense payments made under such policies written in such year. In any event such reserves for each of such three (3) years shall be not less

Policies written less than three years and minimum loss reserves.

than the aggregate of the estimated unpaid losses and loss expenses for claims incurred under liability policies written in the corresponding year computed on an individual case basis.

Distribution of unallocated liability loss expense.

SEC. .12.10 *Unallocated Liability Loss Expense:*

1. All unallocated liability loss expense payments shall be distributed as follows:

Distribution made after first four years.

(1) If made in a given calendar year subsequent to the first four (4) years in which an insurer has been issuing liability policies, thirty-five per cent (35%) shall be charged to the policies written that year, forty per cent (40%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding, ten per cent (10%) to the policies written in the third year preceding and five per cent (5%) to the policies written in the fourth year preceding.

Distribution made during first four years.

(2) If made in each of the first four (4) calendar years in which an insurer issues liability policies, in the first calendar year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty per cent (40%) shall be charged to the policies written in that year, forty per cent (40%) to the policies written in the preceding year, and twenty per cent (20%) to the policies written in the second year preceding; and in the fourth calendar year thirty-five per cent (35%) shall be charged to the policies written in that year, forty per cent (40%) to the policies written in the preceding year, fifteen per cent (15%) to the policies written in the second year preceding and ten per cent (10%) to the policies written in the third year preceding.

2. A schedule showing such distribution shall be included in the annual statement.

Schedule of distribution required.

SEC. .12.11 *Schedule of Experience*: Any insurer transacting any liability or Workmen's Compensation insurances shall include in its annual statement filed with the Commissioner, a schedule of its experience thereunder in such form as the Commissioner may prescribe.

Schedule of experience required.

SEC. .12.12 *Loss Reserve—Workmen's Compensation Insurance*: The loss reserve for Workmen's Compensation insurance shall be as follows:

Loss reserve—Workmen's Compensation insurance.

(1) For all compensation claims under policies of compensation insurance written more than three (3) years prior to the date as of which the statement is made, the loss reserve shall be the present values at four per cent (4%) interest of the determined and the estimated future payments.

Claims under policies written more than three years.

(2) For all compensation claims under policies of compensation insurance written in the three (3) years immediately preceding the date as of which the statement is made, the loss reserve shall be sixty-five per cent (65%) of the earned compensation premiums of each of such three (3) years, less all loss and loss expense payments made in connection with such claims under policies written in the corresponding years; but in any event such reserve shall be not less than the present value at three and one-half per cent (3½%) interest of the determined and the estimated unpaid compensation claims under policies written during each of such years.

Claims under policies written up to three years.

Minimum loss reserve

SEC. .12.13 *Unallocated Workmen's Compensation Loss Expense*: 1. All unallocated Workmen's Compensation loss expense payments shall be distributed as follows:

Distribution of unallocated Workmen's Compensation loss expense.

(1) If made in a given calendar year subsequent to the first three (3) years in which an insurer has been issuing such compensation policies, forty per cent (40%) shall be charged to the policies

Distribution made after first three years.

written in that year, forty-five per cent (45%) to the policies written in the preceding year, ten per cent (10%) to the policies written in the second year preceding and five per cent (5%) to the policies written in the third year preceding.

Distribution made in first three years.

(2) If made in each of the first three (3) calendar years in which an insurer issues compensation policies, in the first calendar year one hundred per cent (100%) shall be charged to the policies written in that year; in the second calendar year fifty per cent (50%) shall be charged to the policies written in that year, and fifty per cent (50%) to the policies written in the preceding year; in the third calendar year forty-five per cent (45%) shall be charged to the policies written in that year, forty-five per cent (45%) to the policies written in the preceding year and ten per cent (10%) to the policies written in the second year preceding.

Schedule of distribution required.

2. A schedule showing such distribution shall be included in the annual statement.

"Loss Payments"—
"Loss Expense" defined.

SEC. .12.14 "Loss Payments"—"Loss Expense" Defined: "Loss payments" and "loss expense payments" as used with reference to liability and Workmen's Compensation insurances shall include all payments to claimants, payments for medical and surgical attendance, legal expenses, salaries and expenses of investigators, adjusters and claims field men, rents, stationery, telegraph and telephone charges, postage, salaries and expenses of office employees, home office expenses and all other payments made on account of claims, whether such payments are allocated to specific claims or are unallocated.

Standard valuation law—life.

SEC. .12.15 *Standard Valuation Law—Life*: 1. This section shall be known as the Standard Valuation Law.

Commissioner annually to value reserve liabilities.

2. Annual Valuation: The Commissioner shall annually value, or cause to be valued, the reserve

liabilities (hereinafter called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this state, except that in the case of an alien insurer such valuation shall be limited to its insurance transactions in the United States, and may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods (net level premium method or other) used in the calculation of such reserves. In calculating such reserves, the Commissioner may use group methods and approximate averages for fractions of a year or otherwise. He may accept, in his discretion, the insurer's calculation of such reserves. In lieu of the valuation of the reserves herein required of any foreign or alien insurer, he may accept any valuation made, or caused to be made, by the insurance supervisory official of any state or other jurisdiction when such valuation complies with the minimum standard herein provided and if the official of such state or jurisdiction accepts as sufficient and valid for all legal purposes the certificate of valuation of the Commissioner when such certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.

Limited to transactions in the United States.

Commissioner may certify the amount of reserves.

Methods of calculation which may be used by the Commissioner.

Commissioner may accept valuation made by official of another state.

3. Minimum Valuation Standard:

(1) The minimum standard for the valuation of all such policies and contracts issued prior to the operative date of section .23.35 shall be as follows:

Minimum valuation standard.

Policies and contracts issued prior to operative date of § .23.35.

For policies issued prior to the operative date no standard of valuation for ordinary policies, whether on the net level premium, preliminary term, or select and ultimate reserve basis, shall be less than that determined upon such basis according

Ordinary policies.

American Experience Table of Mortality.

to the American Experience Table of Mortality with three and one-half per cent (3½%) interest; except, that when the preliminary term basis is used it shall not exceed one (1) year. The Commissioner may vary the standard of valuation in particular cases of invalid lives and other extra hazards, provided, that the interest rate used is not greater than three and one-half per cent (3½%).

Commissioner may vary standard.

Annuities.

The legal minimum standard for the valuation of annuities issued on or after January first, nineteen hundred and twelve and prior to the operative date of section .23.35, shall be "McClintock's Table of Mortality Among Annuitants," with interest at three and one-half per cent (3½%) per annum, but annuities deferred ten (10) or more years and written in connection with Life or Term insurance may be valued on the same mortality table from which the consideration or premiums were computed, with interest not higher than three and one-half per cent (3½%) per annum.

McClintock's Table of Mortality Among Annuitants.

Industrial policies.

The legal minimum standard for the valuation of industrial policies issued on or after the first day of January, nineteen hundred and twelve, and prior to the operative date of section .23.35, shall be the American Experience Table of Mortality with interest at three and one-half per cent (3½%) per annum; except, that any life insurer may voluntarily value such industrial policies according to the "Standard Industrial Mortality Table" or the "Sub-standard Industrial Mortality Table."

Standard and Sub-standard Industrial Mortality Tables.

Group life insurance policies.

The legal minimum standard for the valuation of group life insurance policies under which premium rates are not guaranteed for a period in excess of five (5) years shall be, at the option of the life insurer issuing such policies, either the American Men Ultimate Table of Mortality, the Commissioners 1941 Standard Ordinary Mortality Table, or any other

American Men Ultimate Table of Mortality. Commissioners 1941 Standard Ordinary Mortality Table.

table approved by the Commissioner, with interest at three and one-half per cent (3½%) per annum.

Other tables permitted if approved.

(2) The minimum standard for the valuation of all such policies and contracts issued on or after the operative date of section .23.35 shall be the Commissioners Reserve Valuation Method defined in paragraph four of this section, three and one-half per cent (3½%) interest, and the following tables:

Policies and contracts issued on or after operative date of § .23.35.

(a) For all Ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies,—the Commissioners 1941 Standard Ordinary Mortality Table.

Ordinary policies.

(b) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies,—the 1941 Standard Industrial Mortality Table.

Industrial life policies.

(c) For Annuity and Pure Endowment contracts, excluding any disability and accidental death benefits in such policies,—the 1937 Standard Annuity Mortality Table.

Annuity and Pure Endowment contracts.

(d) For Total and Permanent Disability benefits in or supplementary to Ordinary policies or contracts,—Class (3) Disability Table (1926) which, for active lives, shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

Total and Permanent Disability under Ordinary policies.

(e) For Accidental Death benefits in or supplementary to policies—the Inter-Company Double Indemnity Mortality Table combined with a mortality table permitted for calculating the reserves for life insurance policies.

Accidental Death supplementary to policies.

(f) For Group Life insurance, life insurance issued on the substandard basis and other special benefits,—such tables as may be approved by the Commissioner.

Group Life Insurance.

4. Commissioners Reserve Valuation Method: Reserves according to the Commissioners Reserve

Commissioners Reserve Valuation Method.

Life insurance and endowment benefits of policies providing for uniform insurance and requiring uniform premiums.

Valuation Method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits (excluding extra premiums on a substandard policy) that the present value, at the date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (1) over (2) as follows:

(1) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due; provided, however, that such net level annual premium shall not exceed the net level annual premium on the nineteen-year premium whole life plan for insurance of the same amount at an age one (1) year higher than the age at issue of such policy.

(2) A net one-year term premium for such benefits provided for in the first policy year.

Life insurance policies providing varying amounts of insurance and requiring payment of varying premiums.

Reserves according to the Commissioners Reserve Valuation Method for (1) life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, (2) annuity and pure endowment contracts, (3) disability and accidental death benefits in all policies and contracts, and (4) all other benefits, except life insurance and endowment benefits in life insurance

Annuity and pure endowment contracts. Disability and accidental death benefits. Other benefits.

policies, shall be calculated by a method consistent with the principles of this paragraph.

5. Minimum Aggregate Reserves: In no event shall an insurer's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after the operative date of section .23.35, be less than the aggregate reserves calculated in accordance with the method set forth in paragraph four and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

Minimum
aggregate
reserves.

6. Optional Reserve Bases: Reserves for all policies and contracts issued prior to the operative date of section .23.35 may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by the laws in effect immediately prior to such date.

Optional
reserve
bases.
For policies
and contracts
used prior
to operative
date of
§ .23.35.

For any category of policies, contracts or benefits specified in paragraph three of this section, issued on or after the operative date of section .23.35, reserves may be calculated, at the option of the insurer, according to any standard or standards which produce greater aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for therein. *Provided, however,* That reserves for participating life insurance policies issued on or after the operative date of section .23.35 may, with the consent of the Commissioner, be calculated according to a rate of interest lower than the rate of interest used in calculating the nonforfeiture benefits in such policies, with the further proviso that if such lower rate differs from the rate used in the calculation of the

For policies,
contracts or
benefits
issued on or
after operative
date of
§ .23.35.

Maximum
interest rate.

Participating
life insur-
ance policies.

nonforfeiture benefits by more than one-half per cent ($1\frac{1}{2}\%$) the insurer issuing such policies shall file with the Commissioner a plan providing for such equitable increases, if any, in the cash surrender values and nonforfeiture benefits in such policies as the Commissioner shall approve.

Insurer may adopt lower standard of valuation with approval of Commissioner.

Any such insurer which at any time had adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the Commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided.

Deficiency reserve.

7. Deficiency Reserve: If the gross premium charged by any life insurer on any policy or contract is less than the net premium for the policy or contract according to the mortality table, rate of interest and method used in calculating the reserve thereon, there shall be maintained on such policy or contract a deficiency reserve in addition to all other reserves required by law. For each such policy or contract the deficiency reserve shall be the present value, according to such standard, of an annuity of the difference between such net premium and the premium charged for such policy or contract, running for the remainder of the premium-paying period.

Reserve credit for reinsurance.

SEC. .12.16 *Reserve Credit for Reinsurance:* An insurer may take credit for reserves on risks ceded to a reinsurer to the extent reinsured, except that:

Insurer may take credit for reserves: Exception. Reinsurance in alien reinsurer.

(1) No credit shall be taken on account of reinsurance in an alien reinsurer not qualified under section .05.30, and

Ceding insurer.

(2) no credit shall be allowed, as an asset or as a deduction from liability, to any ceding insurer for reinsurance unless the reinsurance is payable by the assuming insurer on the basis of the liability of the ceding insurer under the contracts reinsured without diminution because of the insolvency of the

ceding insurer nor unless under the contract of reinsurance the liability for such reinsurance is assumed by the assuming insurer or insurers as of the same effective date.

A reinsurance agreement may provide that the liquidator or receiver or statutory successor of an insolvent ceding insurer shall give written notice of the pendency of a claim against the insolvent ceding insurer on the policy or bond reinsured within a reasonable time after such claim is filed in the insolvency proceeding and that during the pendency of such claim any assuming insurer may investigate such claim and interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defense or defenses which it may deem available to the ceding insurer or its liquidator or receiver or statutory successor.

Under reinsurance agreement successor to insolvent ceding insurer may interpose certain defenses.

The expense thus incurred by the assuming insurer shall be chargeable subject to court approval against the insolvent ceding insurer as a part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the ceding insurer solely as a result of the defense undertaken by the assuming insurer.

Expenses chargeable to ceding insurer.

Where two or more assuming insurers are involved in the same claim and a majority in interest elect to interpose to such claim, the expense shall be apportioned in accordance with the terms of the reinsurance agreement as though such expense had been incurred by the ceding insurer.

Expenses may be apportioned.

SEC. 12.17 *Valuation of Bonds:* 1. All bonds or other evidences of debt having a fixed term and rate held by any insurer may, if amply secured and not in default as to principal or interest, be valued as follows:

Valuation of bonds. Amply secured and not in default.

- (1) If purchased at par, at the par value.
- (2) If purchased above or below par, on the basis of the purchase price adjusted so as to bring

Par value. Adjusted par value or as approved by Commissioner.

the value to par at the earliest date callable at par or maturing at par and so as to yield in the meantime the effective rate of interest at which the purchase was made; or in lieu of such method, according to such accepted method of valuation as is approved by the Commissioner.

Market value at time of purchase.

(3) Purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase.

Call price of entire issue.

(4) Unless otherwise provided by a valuation established or approved by the National Association of Insurance Commissioners, no such security shall be carried at above call price for the entire issue during any period within which the security may be so called.

Market value for securities not amply secured.

2. Such securities not amply secured or in default as to principal or interest shall be carried at market value.

Full discretion in Commissioner.

3. The Commissioner shall have full discretion in determining the method of calculating values according to the rules set forth in this section, and not inconsistent with any such methods than currently formulated or approved by the National Association of Insurance Commissioners.

Valuation of stocks.

SEC. .12.18 *Valuation of Stocks:* 1. Securities, other than those referred to in section .12.17 held by an insurer shall be valued, in the discretion of the commissioner, at their market value, or at their appraised value, or at prices determined by him as representing their fair market value, all consistent with any current method for the valuation of any such security formulated or approved by the National Association of Insurance Commissioners.

Securities other than those mentioned in § .12.17.

Discretion of Commissioner.

Preferred or guaranteed stocks.

2. Preferred or guaranteed stocks or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the Commissioner and in accordance with such method of computation as he may approve.

3. The stock of a subsidiary of an insurer shall be valued on the basis of the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer.

Stock of subsidiary of an insurer.

SEC. .12.19 *Valuation of Property*: 1. Real property acquired pursuant to a mortgage loan or a contract for a deed, in the absence of a recent appraisal deemed by the Commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquisition, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

Valuation of property.

Real property acquired through mortgage.

2. Other real property held by an insurer shall not be valued at any amount in excess of fair value.

Other real property.

3. Personal property acquired pursuant to chattel mortgages made under section .13.15 shall not be valued at an amount greater than the unpaid balance of principal on the defaulted loan at date of acquisition together with taxes and expenses incurred in connection with such acquisition, or the fair value of such property, whichever amount is the lesser.

Personal property acquired under chattel mortgages.

SEC. .12.20 *Valuation of Purchase Money Mortgages*: Purchase money mortgages shall be valued in an amount not exceeding the acquisition cost of the real property covered thereby or ninety per cent (90%) of the fair value of such real property, whichever is less.

Valuation of purchase money mortgages.

ARTICLE THIRTEEN INVESTMENTS

SEC. .13.01 *Eligible Investments—Scope*: 1. Domestic insurers shall invest in or loan their funds on the security of, and shall hold as assets, only eligible investments as prescribed in this article.

Eligible investments—scope.

Domestic insurers.

Investments held prior to effective date of this code.

2. Any particular investment of a domestic insurer held by it on the effective date of this code and which was a legal investment immediately prior thereto, shall be deemed a legal investment hereunder.

Eligibility determined as of date of investment.

3. The eligibility of an investment shall be determined as of the date of its making or acquisition.

Applicable only to domestic insurers.

4. Except as to section .13.36, this article applies only to domestic insurers.

General qualifications.

SEC. .13.02 *General Qualifications:* 1. No security or other investment shall be eligible for purchase or acquisition under this article unless it is interest bearing or interest accruing or dividend or income paying, is not then in default in any respect, and the insurer is entitled to receive for its exclusive account and benefit, the interest or income accruing thereon; except, that it may acquire real property for occupancy by the insurer for home and branch office purposes.

Investments limited to those not in default and those paying income to insurer.

Real property occupied by insurer excepted.

No security eligible if price above market value.

2. No security shall be eligible for purchase at a price above its market value.

Property may be otherwise received by insurer.

3. No provision of this article shall prohibit the acquisition by an insurer of other or additional securities or property if received as a dividend or as a lawful distribution of assets, or if acquired pursuant to a lawful and *bona fide* agreement of bulk reinsurance or consolidation. Any investments so acquired through bulk reinsurance or consolidation, which are not otherwise eligible under this article, shall be disposed of pursuant to section .13.29 if personal property or securities, or pursuant to section .13.17 if real property.

General limitation any one person.

SEC. .13.03 *General Limitation Any One Person:* An insurer shall not, except with the consent of the Commissioner, have at any time any combination of investments in or loans upon the security of the obligations, property, and securities of any one person, institution, or municipal corporation aggregat-

ing an amount exceeding four per cent (4%) of the insurer's assets. This section shall not apply to investments in, or loans upon the security of general obligations of the government of the United States or of any state of the United States, nor to investments in foreign securities pursuant to paragraph one of section .13.18, nor include policy loans made pursuant to section .13.19.

Insurer's investments in one person or institution not to exceed 4% of insurer's assets.

General obligation of states, United States, foreign securities and policy loans excepted.

SEC. .13.04 *Public Obligations:* An insurer may invest any of its funds in bonds or other evidences of debt, not in default as to principal or interest, which are valid and legally authorized obligations issued, assumed or guaranteed by the United States or by any state thereof or by any territory or possession of the United States or by the District of Columbia or by any county, city, town, village, municipality or district therein or by any political subdivision thereof or by any civil division or public instrumentality of one or more of the foregoing, if, by statutory or other legal requirements applicable thereto, such obligations are payable, as to both principal and interest, (1) from taxes levied or required to be levied upon all taxable property or all taxable income within the jurisdiction of such governmental unit or, (2) from adequate special revenues pledged or otherwise appropriated or by law required to be provided for the purpose of such payment, but not including any obligation payable solely out of special assessments on properties benefited by local improvements unless adequate security is evidenced by the ratio of assessment to the value of the property or the obligation is additionally secured by an adequate guaranty fund required by law.

Public obligations.

United States.

Municipal subdivisions.

General obligations.

Obligations payable from revenues.

Special assessments excluded unless secured.

SEC. .13.05 *Corporate Obligations:* An insurer may invest any of its funds in obligations other than those eligible for investment under section .13.11 if they are issued, assumed, or guaranteed by any solvent institution created or existing under the laws

Corporate obligations.

Institutions created by the United States or any state, district or territory thereof.

of the United States or of any state, district or territory thereof, and are qualified under any of the following:

Obligations collaterally secured and bearing interest.

(1) Obligations which are secured by adequate collateral security and bear fixed interest if during each of any three (3), including the last two (2), of the five (5) fiscal years next preceding the date of acquisition by the insurer, the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges, as defined in section .13.06, have been not less than one and one-fourth ($1\frac{1}{4}$) times the total of its fixed charges for such year. In determining the adequacy of collateral security, not more than one-third ($\frac{1}{3}$) of the total value of such required collateral shall consist of stock other than stock meeting the requirements of section .13.08.

Fixed interest bearing obligations.

(2) Fixed interest-bearing obligations, other than those described in item (1) of this section, if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half ($1\frac{1}{2}$) times its average annual fixed charges applicable to such period and if during the last year of such period such net earnings have been not less than one and one-half ($1\frac{1}{2}$) times its fixed charges for such year.

Adjustment, income, or other contingent obligations.

(3) Adjustment, income or other contingent interest obligations if the net earnings of the issuing, assuming or guaranteeing institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer have averaged per year not less than one and one-half ($1\frac{1}{2}$) times the sum of its average annual fixed charges and its average annual maximum contingent interest applicable to such period and if during each of the last two (2) years of such period such net earnings have been not less than one and one-

half (1½) times the sum of its fixed charges and maximum contingent interest for such year.

SEC. .13.06 *Definitions Pertaining to Investments:*

Definitions
pertaining to
investments.

1. Certain terms used are defined for the purposes of this article as follows:

(1) "Obligation" includes bonds, debentures, notes or other evidences of indebtedness. "Obligation."

(2) "Institution" includes corporations, joint-stock associations, and business trusts. "Institution."

(3) "Net earnings available for fixed charges" means net income after deducting operating and maintenance expenses, taxes other than federal and state income taxes, depreciation and depletion, but excluding extraordinary nonrecurring items of income or expense appearing in the regular financial statements of such institution. "Net earnings available for fixed charges."

(4) "Fixed charges" includes interest on funded and unfunded debt, amortization of debt discount, and rentals for leased properties. "Fixed charges."

2. If net earnings are determined in reliance upon consolidated earnings statements of parent and subsidiary institutions, such net earnings shall be determined after provision for income taxes of subsidiaries and after proper allowance for minority stock interest, if any; and the required coverage of fixed charges shall be computed on a basis including fixed charges and preferred dividends of subsidiaries other than those payable by such subsidiaries to the parent corporation or to any other of such subsidiaries, except that if the minority common stock interest in the subsidiary corporation is substantial, the fixed charges and preferred dividends may be apportioned in accordance with regulations prescribed by the Commissioner.

Determina-
tion of net
earnings and
fixed charges.

SEC. .13.07 *Merged, Reorganized Institutions:* In applying the earnings test set forth in section .13.06 to any such institution, whether or not in legal existence during the whole of such five (5) years next

Merged,
reorganized
institutions.

Earnings of predecessor or re-organized institution may be included.

preceding the date of investment by the insurer, which has at any time during the five-year period acquired substantially all of the assets of any other institution or institutions by purchase, merger, consolidation or otherwise, or has been reorganized pursuant to the bankruptcy law, the earnings of the predecessor or constituent institutions, or of the institution so reorganized, available for interest and dividends for such portion of the five-year period as may have preceded such acquisition, or such reorganization, may be included in the earnings of such issuing, assuming or guaranteeing institution for such portion of such period as may be determined in accordance with adjusted or *pro forma* consolidated earnings statements covering such portion of such period and giving effect to all stock or shares outstanding, and all fixed charges existing, immediately after such acquisition, or such reorganization.

Preferred or guaranteed stocks or shares.

Limitations.

SEC. .13.08 *Preferred or Guaranteed Stocks or Shares:* 1. An insurer may invest any of its funds, in an aggregate amount not exceeding ten per cent (10%) of its assets, if a life insurer, or not exceeding fifteen per cent (15%) of such assets if other than a life insurer, in preferred or guaranteed stocks or shares, other than common stocks, of solvent institutions existing under the laws of the United States or of any state, district or territory thereof, if all of the prior obligations and prior preferred stocks, if any, of such institution at the date of acquisition by the insurer are eligible as investments under this article; and if qualified under either of the following:

Preferred stocks or shares.

(1) Preferred stocks or shares shall be deemed qualified if both these requirements are met:

Qualifications.

(a) The net earnings of the institution available for its fixed charges for a period of five (5) fiscal years next preceding the date of acquisition by the insurer must have averaged per year not less than one and one-half (1½) times the sum of its average

annual fixed charges, if any, its average annual maximum contingent interest, if any, and its average annual preferred dividend requirements applicable to such period; and

Net earnings.

(b) during each of the last two (2) years of such period such net earnings must have been not less than one and one-half ($1\frac{1}{2}$) times the sum of its fixed charges, contingent interest and preferred dividend requirements for such year. The term "preferred dividend requirements" shall be deemed to mean cumulative or noncumulative dividends whether paid or not.

"Preferred dividend requirements."

(2) Guaranteed stocks or shares shall be deemed qualified if the assuming or guaranteeing institution meets the requirements of item (1) of section .13.05, construed so as to include as a fixed charge the amount of guaranteed dividends of such issue or the rental covering the guarantee of such dividends.

Guaranteed stocks or shares.

2. An insurer shall not invest in or loan upon any preferred stock having voting rights, of any one institution, in excess of such proportion of the total issued and outstanding preferred stock of such institution having voting rights, as would, when added to any common shares of such institution, directly or indirectly held by it, exceed fifteen per cent (15%) of all outstanding shares of such institution having voting rights, nor an amount in excess of the limit provided by section .13.03. This limitation shall not apply to such shares of a corporation which is the subsidiary of an insurer, and which corporation is engaged exclusively in a kind of business properly incidental to the insurance business of the insurer.

Preferred stocks having voting rights.

SEC. .13.09 *Trustees' or Receivers' Obligations:* An insurer may invest any of its funds, in an aggregate amount not exceeding two per cent (2%) of its assets, in certificates, notes, or other obligations issued by trustees or receivers of institutions existing under the laws of the United States or of any state,

Trustees' or receivers' obligations.

district or territory thereof, which, or the assets of which, are being administered under the direction of any court having jurisdiction, if such obligation is adequately secured as to principal and interest.

Equipment
trust obligations.

SEC. 13.10 *Equipment Trust Obligations*: An insurer may invest any of its funds, in an aggregate amount not exceeding ten per cent (10%) of its assets, in equipment trust obligations or certificates which are adequately secured, or in other adequately secured instruments evidencing an interest in transportation equipment wholly or in part within the United States and the right to receive determined portions of rental, purchase or other fixed obligatory payments for the use or purchase of such transportation equipment.

Mortgage
loans and
contracts.

SEC. .13.11 *Mortgage Loans and Contracts*: An insurer may invest any of its funds in:

Bonds or
debts
secured.

(1) (a) Bonds or evidences of debt which are secured by first mortgages or deeds of trust on improved unencumbered real property located in the United States;

Chattel
mortgages.

(b) chattel mortgages in connection therewith pursuant to section .13.15;

Sellers'
equity.

(c) the equity of the seller of any such property in the contract for a deed, covering the entire balance due on a bona fide sale of such property, in amount not to exceed ten thousand dollars (\$10,000) or the amount permissible under section .13.03, whichever is greater, in any one such contract for deed, nor in any amount in excess of the following percentages of the actual sale price or fair value of the property, whichever is the smaller.

Dwelling.

(i) If a dwelling primarily designed for single family occupancy and occupied by the purchaser under such contract,—seventy-five per cent (75%).

Other cases.

(ii) In all other cases,—sixty-six and two-thirds per cent ($66\frac{2}{3}\%$).

(2) Purchase money mortgages or like securities received by it upon the sale or exchange of real property acquired pursuant to section .13.16.

Purchase money mortgages.

(3) Bonds or notes secured by mortgage or trust deed guaranteed or insured by the Federal Housing Administration under the terms of an Act of Congress of the United States for June twenty-seventh, nineteen hundred thirty-four, entitled the "National Housing Act," as amended.

Bonds or notes secured, and guaranteed by Federal Housing Administration.

(4) Bonds or notes secured by mortgage or trust deed guaranteed or insured as to principal in whole or in part by the Administrator of Veterans' Affairs pursuant to the provisions of Title III of an Act of Congress of the United States of June twenty-second, nineteen hundred forty-four, entitled the "Service-men's Readjustment Act of 1944," as amended.

Bonds or notes secured, and guaranteed by Veterans' Administration.

(5) Evidences of debt secured by first mortgages or deeds of trust upon leasehold estates, running for a term of not less than fifteen (15) years beyond the maturity of the loan as made or as extended, in improved real property, otherwise unencumbered, and if the mortgagee is entitled to be subrogated to all the rights under the leasehold.

Debts secured on leasehold estates.

SEC. 13.12 *Mortgage Loan Limited by Property Value:* 1. No mortgage loan or investment therein upon any one parcel of real property shall exceed in amount at the time of acquisition:

Mortgage loan limited by property value.

(1) Seventy-five per cent (75%) of the fair value of the property if the property is a dwelling house primarily intended for occupancy by one family and the loan is required to be amortized within not more than twenty (20) years by payment of installments thereon at regular intervals not less frequent than every three (3) months; or

Dwellings.

(2) sixty-six and two-thirds per cent (66 $\frac{2}{3}$ %) of the fair value of the property in all other cases.

Other cases.

2. The extent to which a mortgage loan made under item (4) of section .13.11 is guaranteed by the Administrator of Veterans' Affairs may be de-

Extent of Veterans' Administration guarantee may be deducted.

ducted before application of the limitations contained in paragraph one of this section.

"Encumbrance" defined.

SEC. .13.13 *"Encumbrance" Defined:* 1. Real property shall not be deemed to be encumbered within the meaning of section .13.11 by reason of the existence of instruments reserving mineral, oil, timber or similar rights, rights of way, sewer rights, rights in walls, nor by reason of any liens for taxes or assessments not yet due, or on account of liens not delinquent for community recreational facilities, or for the maintenance of community facilities, nor by reason of building restrictions or other restrictive covenants common to the community in which the property is located, nor by liens for service and maintenance of water rights where not delinquent, nor when such real property is subject to lease under which rents or profits are reserved to the owner if in any event the security for the loan or investment is a first lien upon the real property.

Exceptions.

Deduction from fair value for loan purposes.

2. If under any of the exceptions set forth in paragraph one of this section there is any sum owing but not due or delinquent, the total amount of such sum shall be deducted from the amount which otherwise might be loaned on the property. The value of any mineral, oil, timber or similar right reserved shall not be included in the fair value of the property.

Appraisal at time of investment.

SEC. .13.14 *Appraisal—Insurance—Limit:* 1. The fair value of property shall be determined by appraisal by a competent appraiser at the time of the making or acquiring of a mortgage loan or investing in a contract for the deed thereon.

Improvements to be kept insured.

2. Buildings and other improvements located on the mortgaged premises shall be kept insured for the benefit of the mortgagee against loss or damage from fire in an amount not less than the unpaid

balance of the obligation, or the insurable value of the property, whichever is the lesser.

3. An insurer shall not make or acquire a loan or loans upon the security of any one parcel of real property in aggregate amount in excess of twenty-five thousand dollars (\$25,000) or more than the amount permissible under section .13.03, whichever is the greater.

Maximum
loan on
one parcel.

SEC. .13.15 *Chattel Mortgages*: 1. In connection with a mortgage loan on the security of real property designed and used primarily for residential purposes only, acquired pursuant to section .13.11, an insurer may loan or invest an amount not exceeding twenty per cent (20%) of the amount loaned on or invested in such real property mortgage, on the security of a chattel mortgage for a term of not more than five (5) years representing a first and prior lien, except for taxes not then delinquent, on personal property constituting durable equipment owned by the mortgagor and kept and used in the mortgaged premises.

Chattel
mortgages.

Maximum
loan on
chattels.

2. The term "durable equipment" shall include only mechanical refrigerators, mechanical laundering machines, heating and cooking stoves and ranges, mechanical kitchen aids, vacuum cleaners, and fire extinguishing devices; and in addition in the case of apartment houses and hotels, room furniture and furnishings.

Durable
equipment.

3. Prior to acquisition of a chattel mortgage, items of property to be included shall be separately appraised by a competent appraiser and the fair market value thereof determined. No such chattel mortgage loan shall exceed in amount the same ratio of loan to the value of the property as is applicable to the companion loan on the real property.

Prior
appraisal.

SEC. .13.16 *Real Property Owned*: 1. An insurer may own and invest or have invested in its home office building any of its funds in aggregate amount

Real prop-
erty owned.

Home office
building.

not to exceed five per cent (5%) of its assets unless approved by the Commissioner, or if a mutual or reciprocal insurer not to exceed such amount as would reduce its surplus, exclusive of such investment, below fifty thousand dollars (\$50,000) unless approved by the Commissioner.

Property acquired in satisfaction of obligations.

2. An insurer may own real property acquired in satisfaction or on account of loans, mortgages, liens, judgments, or other debts previously owing to the insurer in the course of its business, and may invest or have invested in aggregate amount not exceeding three per cent (3%) of its assets in other real property, and in the repair, alteration, furnishing, or improvement thereof, as follows only:

Property necessary for transaction of business. Gifts and devises.

(1) Other real property requisite for its accommodation in the convenient transaction of its business if approved by the Commissioner.

(2) Real property acquired by gift or devise.

Exchanges.

(3) Real property acquired in exchange for real property owned by it. If necessary in order to consummate such an exchange, the insurer may put up cash in amount not to exceed twenty per cent (20%) of the fair value of its real property to be so exchanged, in addition to such property.

Property acquired by merger.

(4) Real property acquired through a lawful merger or consolidation with it of another insurer and not required for the purposes specified in paragraph one and in item (1) of paragraph two of this section.

Property and equipment held for protection or incidental purposes.

(5) Upon approval of the Commissioner, in real property and equipment incident to real property, requisite or desirable for the protection or enhancement of the value of other real property owned by the insurer.

Time limit for disposal.

SEC. .13.17 *Time Limit for Disposal:* 1. Real property acquired by an insurer pursuant to item (1) of paragraph two of section .13.16 shall be disposed of within five (5) years after it has ceased

being necessary for the use of the insurer in the transaction of its business. Real property acquired by an insurer pursuant to such loans, mortgages, liens, judgments, or other debts, or pursuant to items (2), (3), (4), and (5) of paragraph two of section .13.16 shall be disposed of within five (5) years after date of acquisition. The time for any such disposal may be extended by the Commissioner for a definite additional period or periods upon application and proof that forced sale of the property, otherwise necessary, would be against the best interests of the insurer.

Commissioner may extend time.

2. Any such real property held by the insurer without the Commissioner's consent beyond the time permitted for its disposal shall not be carried or allowed as an asset.

Property held over time limitation not to be carried as an asset.

SEC. .13.18 *Foreign Securities*: 1. An insurer authorized to transact insurance in a foreign country may invest any of its funds, in aggregate amount not exceeding its deposit and reserve obligations incurred in such country, in securities of or in such country possessing characteristics and of a quality similar to those required pursuant to this article for investments in the United States.

Foreign securities.

Securities similar to those permitted for investment in the United States.

2. An insurer may invest any of its funds, in an aggregate amount not exceeding five per cent (5%) of its assets, in addition to any amount permitted pursuant to paragraph one of this section, in obligations of the governments of the Dominion of Canada or of Canadian provinces or municipalities, and in obligations of Canadian corporations, which have not been in default during the five (5) years next preceding date of acquisition, and which are otherwise of equal quality to like United States public or corporate securities as prescribed in this article.

Canadian obligations.

SEC. .13.19 *Policy Loans*: A life insurer may loan to its policyholder upon the pledge of the policy

Policy loans not to exceed legal reserve.

as collateral security, any sum not exceeding the legal reserve maintained on the policy.

Savings and share accounts limited to extent insured by federal agencies.

SEC. .13.20 *Savings and Share Accounts*: An insurer may invest or deposit any of its funds in share or savings accounts of savings and loan associations, or in savings accounts of banks, and in any one such institution only to the extent that such an account is insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation.

Insurance stocks. Insurer other than life insurer.

SEC. .13.21 *Insurance Stocks*: 1. An insurer other than a life insurer may invest a portion of its surplus funds in an aggregate amount not exceeding fifty per cent (50%) of its surplus over its capital stock and other liabilities, or thirty-five per cent (35%) of its capital funds, whichever is greater, in the stocks of other insurers organized and existing under the laws of states of the United States. Indirect or proportionate interests in insurance stocks held by an insurer through any intermediate subsidiary or subsidiaries shall be included in applying the limitations provided in paragraphs one, two, and three of this section.

Life insurer.

2. A life insurer may invest in such insurance stocks in an aggregate amount not exceeding the smaller of the following amounts: Five per cent (5%) of its assets; or twenty-five per cent (25%) of its surplus over its capital stock and other liabilities, or of surplus over its required minimum surplus if a mutual life insurer.

Maximum voting stock which may be held.

3. An insurer shall not purchase or hold as an investment more than five per cent (5%) of the voting stock of any one other insurer, and subject further to the investment limits of section .13.03. This limitation shall not apply if such other insurer is the subsidiary of, and substantially all its shares having voting powers are owned by, an insurer other than a life insurer.

4. No such insurance stock shall be eligible as an investment unless it meets the qualifications for stocks of other corporations as set forth in section .13.22.

Qualifications for stocks eligible.

5. The limitations on investment in insurance stocks set forth in this article shall not apply to stocks acquired under a plan for merger of the insurers which has been approved by the Commissioner or to shares received as stock dividends upon shares already owned.

Stock acquired through merger or dividends excepted.

SEC. .13.22 *Common Stocks*: 1. An insurer may invest funds in an aggregate amount not in excess of fifty [fifty] per cent (50%) of its surplus if a stock insurer, or in an aggregate amount not in excess of fifty per cent (50%) of its surplus over its minimum required surplus if a mutual or reciprocal insurer, in common shares of stock in solvent United States corporations that qualify as a sound investment.

Common stocks.

United States corporations.

2. The insurer shall not invest in or loan upon the security of more than ten per cent (10%) of the outstanding common shares of any one such corporation, subject further to amount invested as limited by section .13.03. This limitation shall not apply to investment in the securities of any subsidiary corporation of the insurer which is engaged exclusively in a kind of business properly incidental to the insurance business of the insurer.

Maximum investment in one corporation.

Subsidiaries excepted.

SEC. .13.23 *Collateral Loans*: An insurer may loan its funds upon the pledge of securities or evidences of debt eligible for investment under this article. As at date made, no such loan shall exceed in amount ninety per cent (90%) of the market value of such collateral pledged, except that loans upon pledges of United States government bonds may be equal to the market value of the bonds pledged. The amount so loaned shall be included in the maximum percentage of funds permitted to

Collateral loans.

Pledges.

United States bonds.

be invested in the kinds of securities or evidences of debt pledged or permitted by section .13.03.

Miscellaneous investments.

Maximums for aggregate.

Loans prohibited.

Maximum for any one loan.

Record to be kept.

Special consent investments.

Commissioner's approval.

Commissioner to direct where credited.

SEC. .13.24 *Miscellaneous Investments*: 1. An insurer may loan or invest its funds in an aggregate amount not exceeding the lesser of the following sums: Five per cent (5%) of its assets, or fifty per cent (50%) of its surplus over its capital and other liabilities, or if a mutual or reciprocal insurer fifty per cent (50%) of its surplus over minimum required surplus, in kinds of loans or investments not otherwise specifically made eligible for investment and not specifically prohibited or made ineligible by this or other provisions of this code.

2. No such loan or investment shall be represented by

(1) any item described in section .12.02; or

(2) any loan or investment of a kind specifically made eligible under any other provision of this code; or

(3) any loan, investment, or asset theretofore acquired or held by the insurer under any other category of loans or investments.

3. No one such investment or loan shall exceed the amount specified in paragraph one of this section or one per cent (1%) of the insurer's assets, whichever is the lesser.

4. The insurer shall keep a separate record of all investments acquired under this section.

SEC. .13.25 *Special Consent Investments*: Upon advance approval of the Commissioner and in compliance with section .13.02, an insurer may make any investment or kind of investment or exchange of assets otherwise prohibited or not eligible under any other section of this article. The Commissioner's order of approval if granted shall specify whether the investment or any part thereof may be credited to required minimum capital or surplus investments, or to investment of reserves.

SEC. .13.26 Required Investments for Capital and Reserves: 1. An insurer shall invest and keep invested its funds aggregating in amount, if a stock insurer, not less than one hundred per cent (100%) of its minimum required capital, or if a mutual or reciprocal insurer, not less than one hundred per cent (100%) of its required minimum surplus, in cash or investments eligible in accordance with section .13.04 (public obligations), and in mortgage loans on real property located within this state, pursuant to section .13.11.

Required investments for capital and reserves.

Capital or surplus.

2. In addition to the investments required by paragraph one of this section, an insurer shall invest and keep invested its funds aggregating not less than one hundred per cent (100%) of its reserves required by this code in cash or premiums in course of collection or in investments eligible in accordance with the following sections: .13.04, .13.05, .13.08, .13.09, .13.10, .13.11, .13.15, .13.16, .13.18, .13.19, .13.20, .13.23, .13.25.

Reserves.

3. This section shall not apply to title insurers nor to mutual insurers on the assessment premium plan.

Title and mutual insurers on assessment plan excepted.

SEC. .13.27 Prohibited Investments: In addition to investments excluded under other provisions of this code, an insurer shall not, except with the Commissioner's approval in advance, invest in or loan its funds upon the security of, or hold:

Prohibited investments without approval by Commissioner.

(1) Issued shares of its own capital stock, except for the purpose of mutualization in accordance with section .08.08.

Insurer's capital stock.

(2) Securities issued by any corporation, except as specifically authorized by this article directly or by exception, if a majority of the outstanding stock of such corporation, or a majority of its stock having voting powers, is or will be after such acquisition, directly or indirectly owned by the insurer, or by any combination of the insurer and the insurer's

Securities representing majority of voting stock.

directors, officers, parent corporation, and subsidiaries.

Securities representing majority of voting stock and held by officers of insurer.

(3) Securities issued by any corporation if a majority of its stock having voting power is owned directly or indirectly by or for the benefit of any one or more of the insurer's officers and directors.

Investments ineligible under sec. 13.03.

(4) Any investment or loan ineligible under the provisions of section 13.03.

Insolvent corporations.

(5) Securities issued by any insolvent corporation.

Investments found designed to evade this code.

(6) Any investment or security which is found by the Commissioner to be designed to evade any prohibition of this code.

Securities underwriting, agreements to withhold or repurchase.

SEC. 13.28 *Securities Underwriting, Agreements to Withhold or to Repurchase:* No insurer shall

Prohibitions.

(1) participate in the underwriting of the marketing of securities in advance of their issuance or enter into any transaction for such underwriting for the account of such insurer jointly with any other person; or

(2) enter into any agreement to withhold from sale any of its property, or to repurchase any property sold by it.

Disposal of ineligible property and securities. Time limitation for disposal for property lawfully acquired.

SEC. 13.29 *Disposal of Ineligible Property and Securities:* 1. Any personal property or securities lawfully acquired by an insurer, which it could not otherwise have invested in or loaned its funds upon at the time of such acquisition, shall be disposed of by the insurer within one (1) year from date of acquisition, unless within such period the security has attained to the standard for eligibility. The Commissioner, upon application and proof that forced sale of any such property or security would be against the best interests of the insurer, may extend the disposal period for an additional reasonable time.

Commissioner may extend.

2. While any such property or security remains so ineligible it shall not be allowed as an asset of the insurer.

Not to be allowed as an asset.

3. Any ineligible property or security unlawfully acquired by an insurer shall be disposed of forthwith, and for failure so to do within thirty (30) days after order of the Commissioner requiring such disposal, the Commissioner may revoke or suspend the insurer's certificate of authority.

Property unlawfully acquired.

4. For the purposes of paragraph three of this section, an investment otherwise eligible shall not be deemed ineligible for the reason that it is in excess of the amount permitted under this article to be invested in the category of investments to which it belongs; and any such excess investment shall be disposed of within the time prescribed in paragraph one of this section.

Investments in excess of amount permitted.

SEC. .1334 *Authorization of Investments:* No investment, loan, sale or exchange thereof shall, except as to the policy loans of a life insurer, be made by any domestic insurer unless authorized or approved by its board of directors or by a committee thereof charged by the board of directors or the by-laws with the duty of making such investment, loan, sale or exchange. The minutes of any such committee shall be recorded and reports thereof shall be submitted to the board of directors for approval or disapproval.

Authorization of investments by board of directors or committee authorized by insurer.

Minutes to be kept.

SEC. .1335 *Record of Investments:* 1. As to each investment or loan of the funds of a domestic insurer a written authorization thereof in permanent form shall be made, signed by the officer or chairman of such committee authorizing the investment or loan.

Record of investments to be made in permanent form.

2. As to each such investment or loan the insurer's records shall contain:

Contents of records.

(1) In the case of loans: The name of the borrower; the location and legal description of the

Loans.

property; a physical description, and the appraised value of the security; the amount of the loan, rate of interest and terms of repayment.

Securities.

(2) In the case of securities: The name of the obligor; a description of the security and the record of earnings; the amount invested, the rate of interest or dividend, the maturity and yield based upon the purchase price.

Real estate.

(3) In the case of real estate: The location and legal description of the property; a physical description and the appraised value; the purchase price and terms.

All investments.

(4) In the case of all investments:

Expenses and commissions.

(a) The amount of expenses and commissions if any incurred on account of any investment or loan and by whom and to whom payable if not covered by contracts with mortgage loan representatives or correspondents which are part of the insurer's records.

Officials directly or indirectly interested.

(b) The name of any officer or director of the insurer having any direct, indirect, or contingent interest in the securities or loan representing the investment, or in the assets of the person in whose behalf the investment or loan is made, and the nature of such interest.

Investments of foreign, alien insurers.

SEC. .13.36 *Investments of Foreign, Alien Insurers:* The investments of a foreign or alien insurer shall be as permitted by the laws of its domicile but shall be of a quality substantially as high as those required under this article for similar funds of like domestic insurers.

Requirement.

ARTICLE FOURTEEN

FEEs AND TAXES

Fees for filing and licenses.

SEC. .14.01 *Fees for Filing and Licenses:* 1. The Commissioner shall collect in advance the following fees and licenses:

- (1) For filing charter documents:
 - (a) Original charter documents, by-laws or rec-

- ord of organization of insurers, or certified copies thereof, required to be filed..... \$25.00
- (b) Amended charter documents, or certified copy thereof \$10.00
- (c) No additional charge or fee shall be required for filing any of such documents in the office of the Secretary of State.
- (2) Certificate of authority:
 - (a) Issuance \$10.00
 - (b) Renewal \$10.00
- (3) Annual statement of insurer, filing:..... \$20.00
- (4) Organization or financing of domestic insurers and affiliated corporations:
 - (a) Application for solicitation permit, filing..... \$15.00
 - (b) Issuance of solicitation permit..... \$10.00
- (5) Agent's licenses:
 - (a) Agent's license for life, or disability insurance, only, or both for same insurer, each year..... \$2.00
 - (b) Agent's license for other kind or kinds of insurance, three-year period..... \$10.00
 - Filing appointment of each such agent..... \$5.00
- (c) Limited license as travel insurance agent, each year \$1.00
- (d) Temporary license as agent..... \$2.00
- (6) Broker's licenses:
 - (a) Resident or non-resident broker, each year.... \$100.00
 - (b) Surplus line broker, twelve-month period.... \$100.00
 - (c) Temporary license as broker..... \$25.00
- (7) Solicitor's license, each year..... \$2.00
- (8) Adjuster's licenses:
 - (a) Independent adjuster, each year..... \$10.00
 - (b) Public adjuster, each year..... \$10.00
- (9) Resident general agent's license, each year... \$5.00
- (10) Examination for license, each examination.... \$2.00
- (11) Miscellaneous services:
 - (a) Filing other documents, each..... \$1.00
 - (b) Commissioner's certificate under seal..... \$1.00
 - (c) Copy of documents filed in the Commissioner's office, per folio..... \$0.20

2. All fees and licenses so collected shall be remitted by the Commissioner to the State Treasurer not later than the first business day following, and shall be placed to the credit of the General Fund.

Licenses and fees transmitted to State Treasurer.

SEC. .14.02 *Taxation:* 1. Subject to other provisions of this article, each authorized insurer except title insurers shall on or before the first day of March of each year pay to the State Treasurer through the

Taxation.

When taxes payable.

Commissioner's office a tax on premiums. Except as provided in paragraph two of this section, such tax shall be in the amount of two per cent (2%) of all premiums, excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment of premiums directly to an office of the insurer, collected or received by the insurer during the preceding calendar year in the case of foreign and alien insurers, and in the amount of one per cent (1%) of all such premiums in the case of domestic insurers, for direct insurances, other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. For the purposes of this section the consideration received by an insurer for the granting of an annuity is deemed to be a premium.

Foreign and alien insurers.

Domestic insurers.

Where premium is the same regardless of term of policy.

2. In the case of insurers which require the payment by their policyholders at the inception of their policies of the entire premium thereon in the form of premiums or premium deposits which are the same in amount, based on the character of the risks, regardless of the length of term for which such policies are written, such tax shall be in the amount of two per cent (2%) of the gross amount of such premiums and premium deposits upon policies on risks resident, located, or to be performed in this state, in force as of the thirty-first day of December next preceding, less the unused or unabsorbed portion of such premiums and premium deposits computed at the average rate thereof actually paid or credited to policyholders or applied in part payment of any renewal premiums or premium deposits on one (1)-year policies expiring during such year.

3. Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding

calendar year, on or before the first day of March of each year pay to the State Treasurer through the Commissioner's office a tax of three-quarters of one per cent ($\frac{3}{4}$ of 1%) on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i. e. gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i. e. gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this paragraph, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

Ocean marine and foreign trade insurance contracts.

4. The state does hereby preempt the field of imposing excise or privilege taxes upon insurers, other than title insurers, and no county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers.

State preempts taxation of insurers.

5. If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

Collecting insurer liable.

6. This section shall be effective as to and shall govern the payment of all taxes falling due after the effective date of this code.

Effective date.

SEC. .14.03 *Tax Statement*: The insurer shall file with the Commissioner as part of its annual statement a statement of premiums so collected or received according to such form as shall be prescribed and furnished by the Commissioner. In every such statement the reporting of premiums for tax pur-

Tax statement.

poses shall be on a written basis or on a paid-for basis consistent with the basis required by the annual statement.

Retaliatory provision.

SEC. .14.04 *Retaliatory Provision*: 1. If pursuant to the laws of any other state or country, any taxes, fines, penalties, licenses, fees, deposits, or other obligations or prohibitions, in the aggregate, or additional to or at a net rate in excess of any such taxes, fines, penalties, licenses, fees, deposits or other obligations or prohibitions imposed by the laws of this state upon like foreign or alien insurers and their agents and solicitors, are imposed on insurers of this state and their agents doing business in such other state or country, a like rate, obligation or prohibition may be imposed by the Commissioner upon all insurers of such other state or country and their agents doing business in this state, so long as such laws remain in force or are so applied.

Waiver by commissioner.

2. The Commissioner may waive the requirement of paragraph one of this section to the extent that it affects the amount to be charged by him for licenses of agents or solicitors of all like insurers of any state.

Domicile of alien insurer.

3. For the purposes of this section an alien insurer, may be deemed to be domiciled in the state wherein it has established its principal office or agency in the United States. If no such office or agency has been established, the domicile of the alien insurer shall be deemed to be the country under the laws of which it is formed.

"Ocean marine and foreign trade insurances" defined.

SEC. .14.05 "*Ocean Marine and Foreign Trade Insurances*" *Defined*: For the purposes of this code other than as to article nineteen "ocean marine and foreign trade insurances" shall include only:

Vessels.

(1) Insurances upon vessels, crafts, hulls and of interests therein or with relation thereto;

Other marine risks.

(2) Insurance of marine builders' risks, marine war risks, and contracts of marine protection and indemnity insurance;

(3) insurance of freights and disbursements pertaining to a subject of insurance coming within this definition; Freights.

(4) insurance of personal property and interests therein, in course of exportation from or importation into any country, or in course of transportation coastwise, including transportation by land, water or air from point of origin to final destination, in respect to, appertaining to, or in connection with, any and all risks or perils of navigation, transit or transportation, and while being prepared for and while awaiting shipment, and during any delays, storage, transshipment or reshipment incident thereto. Personal property in transportation.

SEC. .14.06 *Failure to Pay Tax*: 1. Any insurer failing to file its tax statement and to pay the specified tax on premiums for more than thirty (30) days after date due shall be liable to a penalty of twenty-five dollars (\$25) for each additional day of delinquency. In such event the tax may be collected by distraint, and the penalty recovered by any action instituted by the Commissioner in any court of competent jurisdiction. The amount of any such penalty collected shall be paid to the State Treasurer and credited to the General Fund. Failure to pay tax.

2. At his discretion the Commissioner may revoke the certificate of authority of any such delinquent insurer, such certificate of authority not to be reissued until all taxes and penalties incurred by the insurer have been fully paid and the insurer has otherwise qualified for the certificate of authority. Penalty.

SEC. .14.07 *Refunds*: In event any person has paid to the Commissioner any tax, license fee or other charge in error or in excess of that which he is lawfully obligated to pay, the Commissioner shall upon written request made to him within six (6) years of the date of such payment, make a refund thereof either by crediting the amount toward payment of charges due or to become due from such person, or Revocation of certificate of authority.

by making a cash refund. To facilitate such cash refunds the Commissioner may establish a revolving fund out of funds appropriated by the legislature for his use.

ARTICLE FIFTEEN
UNAUTHORIZED INSURERS

No sollicitation by unauthorized insurer.

SEC. .15.02 *No Solicitation by Unauthorized Insurer*: 1. An insurer not thereunto authorized by the Commissioner shall not solicit insurance business in this state, nor transact insurance business in this state except as provided in this article.

Representation of unauthorized insurer.

2. No person shall, in this state, represent an unauthorized insurer except as provided in this article. This provision shall not apply to any adjuster or attorney-at-law representing such an insurer from time to time in this state in his professional capacity.

Penalty.

3. Each violation of this section shall constitute a separate offense punishable by a fine of not less than fifty dollars (\$50) nor more than one thousand dollars (\$1,000).

Validity of contracts illegally effectuated.

SEC. .15.03 *Validity of Contracts Illegally Effectuated*: A contract of insurance effectuated by an unauthorized insurer in violation of the provisions of this code shall be voidable except at the instance of the insurer.

"Surplus line" insurance in unauthorized insurers.

SEC. .15.04 *"Surplus Line" Insurance in Unauthorized Insurers*: If certain insurance coverages cannot be procured from authorized insurers, such coverages, hereinafter designated as "surplus lines," may be procured from unauthorized insurers subject to the following conditions:

Procured through broker.

(1) The insurance must be procured through a licensed surplus line broker.

Not procurable in this state.

(2) The insurance must not be procurable, after diligent effort has been made to do so from among a majority of the insurers authorized to transact that kind of insurance in this state and placing the in-

insurance in an unauthorized insurer must not be for the purpose of securing a lower premium rate than would be accepted by any authorized insurer.

Not to secure lower premium.

(3) At the time of the procuring of any such insurance an affidavit setting forth the facts referred to in item two (2) of this section must be executed by the surplus line broker. Such affidavit shall be filed with the Commissioner within thirty (30) days after the insurance is procured.

Affidavit by broker.

SEC. .15.05 *Endorsement of Contract*: Every insurance contract procured and delivered as a surplus line coverage pursuant to this article shall have stamped upon it and be initialed by or bear the name of the surplus line broker who procured it, the following:

Endorsement of contract.

“This contract is registered and delivered as a surplus line coverage under the insurance code of the State of Washington, enacted in nineteen hundred and forty-seven.”

SEC. .15.06 *Surplus Line—Insurance Valid*: Insurance contracts procured as surplus line coverage from unauthorized insurers in accordance with this article shall be fully valid and enforceable as to all parties, and shall be given recognition in all matters and respects to the same effect as like contracts issued by authorized insurers.

Surplus line—insurance valid.

SEC. .15.07 *Licensing of Surplus Line Brokers*: Any person deemed by the Commissioner to be competent and trustworthy and while maintaining an office at a designated location in this state may be licensed as a surplus line broker, as follows:

Licensing of surplus line brokers.

(1) Application to the Commissioner for the license shall be made on forms furnished by the Commissioner.

Application.

(2) The license fee shall be one hundred dollars (\$100) for each license year during any part of which the license is in force. The license year shall be from the date of issuance of the license.

Fee.

Bond.

(3) Prior to issuance of license the applicant shall file with the Commissioner and thereafter for as long as the license remains in effect he shall keep in force a bond in favor of the State of Washington in the penal sum of fifteen hundred dollars (\$1,500), with authorized corporate sureties approved by the Commissioner, conditioned that he will conduct business under the license in accordance with the provisions of this article and that he will promptly remit the taxes provided by section .15.12. No such bond shall be terminated unless not less than thirty (30) days' prior written notice thereof is filed with the Commissioner.

May accept business from agents.

SEC. .15.08 *May Accept Business from Agents:* A licensed surplus line broker may accept and place surplus line business for any insurance agent or broker licensed in this state for the kind of insurance involved, and may compensate such agent or broker therefor.

Surplus lines in solvent insurers.

SEC. .15.09 *Surplus Lines in Solvent Insurers:* 1. A surplus line broker shall not knowingly place surplus line insurance with insurers unsound financially. The broker shall ascertain the financial condition of the unauthorized insurer before placing insurance therewith. The broker shall not so insure with any stock insurer having capital and surplus amounting to less than two hundred thousand dollars (\$200,000), or with any other type of insurer having assets of less than two hundred thousand dollars (\$200,000) of which not less than fifty thousand dollars (\$50,000) is surplus.

Penalty.

2. For any violation of this section the broker shall be fined not less than twenty-five dollars (\$25) or more than two hundred and fifty dollars (\$250), his surplus line broker's license shall be revoked, and the broker may not again be so licensed within a period of two (2) years thereafter.

SEC. .15.10 *Records of Surplus Line Broker*: Each licensed surplus line broker shall keep in his office in this state a full and true record of each surplus line contract procured by him including a copy of the daily report, if any, showing such of the following items as may be applicable:

Records of surplus line broker.

What records must be kept.

- (1) Amount of the insurance;
- (2) gross premiums charged;
- (3) return premium paid, if any;
- (4) rate of premium charged upon the several items of property;
- (5) effective date of the contract, and the terms thereof;
- (6) name and address of the insurer;
- (7) name and address of the insured;
- (8) brief general description of property insured and where located;
- (9) other information as may be required by the Commissioner. The record shall at all times be open to examination by the Commissioner.

SEC. .15.11 *Surplus Line Broker's Annual Statement*: 1. Each surplus line broker shall on or before the first day of March of each year file with the Commissioner a verified statement of all surplus line insurance transacted by him during the preceding calendar year.

Surplus line broker's annual statement.

2. The statement shall be on forms as prescribed and furnished by the Commissioner and shall show:

What statement must show.

- (1) Gross amount of each kind of insurance transacted;
- (2) aggregate gross premiums charged;
- (3) aggregate of returned premiums paid to insureds;
- (4) aggregate of net premiums;
- (5) additional information as required by the Commissioner.

SEC. .15.12 *Tax on Surplus Lines*: 1. On or before the first day of March of each year each surplus

Tax on surplus lines.

line broker shall remit to the State Treasurer through the Commissioner a tax on the premiums, exclusive of sums collected to cover federal and state taxes and examination fees, on surplus line insurance subject to tax transacted by him during the preceding calendar year as shown by his annual statement filed with the Commissioner, and at the same rate as is applicable to the premiums of authorized foreign insurers under this code. Such tax when collected shall be credited to the general fund.

Allocation of tax to this state.

2. If a surplus line policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

Penalty for failure to file statement or remit tax.

SEC. 15.13 *Penalty for Failure to File Statement or Remit Tax*: If any surplus line broker fails to file his annual statement, or fails to remit the tax provided by section 15.12, prior to the first day of April after the tax is due, he shall be liable for a fine of twenty-five dollars (\$25) for each day of delinquency commencing with the first day of April. The tax may be collected by distraint, or the tax and fine may be recovered by an action instituted by the Commissioner in any court of competent jurisdiction. Any fine collected by the Commissioner shall be paid to the State Treasurer and credited to the General Fund.

Revocation of license.

SEC. 15.14 *Revocation of License*: 1. The Commissioner shall revoke any surplus line broker's license:

Mandatory revocation.

(1) If the broker fails to file his annual statement or to remit the tax as required by this article; or

(2) if the broker fails to maintain an office in this state, or to keep the records, or to allow the Commissioner to examine his records as required by this article; or

(3) for any of the causes for which a general broker's license may be revoked.

2. The Commissioner may suspend or revoke any such license whenever he deems suspension or revocation to be for the best interests of the people of this state.

Discretionary revocation.

3. The procedures provided by this code for the suspension or revocation of general brokers' licenses shall be applicable to suspension or revocation of a surplus line broker's license.

Procedure.

4. No broker whose license has been so revoked or suspended shall again be so licensed within one (1) year thereafter, nor until any fines or delinquent taxes owing by him have been paid.

Re-licensing.

SEC. 15.15 *Legal Process Against Surplus Line Insurer*: 1. An unauthorized insurer shall be sued, upon any cause of action arising in this state under any contract issued by it as a surplus line contract, pursuant to this article, in the superior court of the county in which the cause of action arose.

Legal process against surplus line insurer.

2. Service of legal process against the insurer may be made in any such action by service upon the Commissioner. The Commissioner shall forthwith mail the documents of process served, or a true copy thereof, to the person designated by the insurer in the policy for the purpose by prepaid registered mail with return receipt requested. The insurer shall have forty (40) days from the date of service upon the Commissioner within which to plead, answer, or otherwise defend the action. Upon service of process upon the Commissioner in accordance with this provision, the court shall be deemed to have jurisdiction in *personam* of the insurer.

Service upon Commissioner.

3. An unauthorized insurer issuing such policy shall be deemed thereby to have authorized service of process against it in the manner and to the effect as provided in this section. Any such policy shall

Deemed to have authorized service.

contain a provision stating the substance of this section, and designating the person to whom the Commissioner shall mail process as provided in paragraph two of this section.

Exemptions. This article not applicable to reinsurance.

SEC. .15.16 *Exemptions:* 1. The provisions of this article controlling the placing of insurance with unauthorized insurers shall not apply to reinsurance or to the following insurances when so placed by licensed agents or brokers of this state:

This article not applicable to these insurances.

(1) Ocean marine and foreign trade insurances.
(2) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.

(3) Insurance on property or operation of railroads engaged in interstate commerce.

(4) Insurance of aircraft owned or operated by manufacturers of aircraft, or of aircraft operated in schedule interstate flight, or cargo of such aircraft, or against liability, other than Workmen's Compensation and employer's liability, arising out of the ownership, maintenance or use of such aircraft.

Agents and brokers to keep and preserve records.

2. Agents and brokers so placing any such insurance with an unauthorized insurer shall keep a full and true record of each such coverage in detail as required of surplus line insurance under this article. The record shall be preserved for not less than five (5) years from the effective date of the insurance and shall be kept available in this state and open to the examination of the Commissioner. The agent or broker shall furnish to the Commissioner at his request and on forms as designated and furnished by him a report of all such coverages so placed in a designated calendar year.

Records of insureds.

SEC. .15.17 *Records of Insureds:* Every person for whom insurance has been placed with an unauthorized insurer pursuant to or in violation of this

article shall, upon the Commissioner's order, produce for his examination all policies and other documents evidencing the insurance, and shall disclose to the Commissioner the amount of the gross premiums paid or agreed to be paid for the insurance. For each refusal to obey such order, such person shall be liable to a fine of not more than five hundred dollars (\$500).

ARTICLE SIXTEEN
DEPOSITS OF INSURERS

SEC. .16.01 *Deposits of Insurers:* The State Treasurer shall accept, when made through the Commissioner, deposits of securities or funds by insurers as follows:

Deposits of insurers.

(1) Deposits in amount as required to be made as prerequisite to a certificate of authority to transact insurance in this state.

Deposits which State Treasurer shall accept from Commissioner.

(2) Deposits of domestic or alien insurers in amount as required to be made by the laws of other states as prerequisite for authority to transact insurance in such other states.

(3) Deposits in amounts as result from application of the retaliatory provision, section .14.04.

(4) Deposits in other additional amounts permitted to be made by this code.

SEC. .16.02 *In Trust for Policyholders:* Each such deposit shall be held by the State Treasurer in trust for the protection of all policyholders in the United States of the insurer making it; except that deposits of alien insurers shall be so held for the security of such insurer's obligations arising out of its insurance transactions in the United States, and except as to deposits the purpose of which may be further limited pursuant to the retaliatory provision, section .14.04.

Held in trust for policyholders.

SEC. .16.03 *Securities Eligible for Deposit:* All such deposits shall consist of cash funds or other

Securities eligible for deposit.

assets comprised of securities which are eligible for the investment of the funds of insurers under article thirteen, and representing public obligations, corporate bonds, and mortgages on real property located in this state.

State
Treasurer to
give receipt.

SEC. .16.05 *Record of Deposits:* The State Treasurer shall deliver to the insurer a receipt for all funds and securities so deposited by it.

Commis-
sioner to
keep record.

2. The Commissioner shall keep a record in permanent form of all funds and securities so deposited. This record shall be open to the inspection of the State Treasurer during all office hours.

State
Treasurer to
keep record.

3. The State Treasurer shall keep a record in permanent form of all such funds and securities, and which record shall be open to the inspection of the Commissioner during all office hours. The State Treasurer shall state in his report to the legislature the aggregate amount of all such deposits held by him and of any transfers thereof countersigned by him.

Transfer of
securities.

SEC. .16.06 *Transfer of Securities:* 1. No transfer of any funds or security so held on deposit, whether voluntary or by operation of law, shall be valid unless approved in writing by the Commissioner and countersigned by the State Treasurer or by his authorized deputy or agent.

Record of
transfer.

2. A statement of each such transfer shall be entered on the records of the State Treasurer and of the Commissioner, showing the name of the insurer from whose deposit such transfer is made, the name of the transferee, the par value of securities having par value, and the asset value of other securities as at last recent valuation.

Treasurer
may
designate
depository.

SEC. .16.07 *Treasurer May Designate Depository:* The State Treasurer may designate any solvent trust company or other solvent financial institution having trust powers domiciled in this state, as the State Treasurer's depository to receive

and hold any such deposit of a domestic insurer, or of an alien insurer for which this state is the port of entry into the United States. Any deposit so held shall be at the expense of the insurer.

SEC. .16.08 *State Responsible*: The State of Washington shall be responsible for the safe keeping and return of all funds and securities deposited pursuant to this article with the State Treasurer or in any such depository so designated by him.

State
responsible.

SEC. .16.09 *Dividends and Substitutions*: While solvent and complying with this code an insurer shall be entitled

Dividends
and substi-
tutions.

(1) to collect and receive interest and dividends accruing on the securities so held on deposit for its account, and

Collect
interest and
dividends.

(2) from time to time to exchange and substitute for any of such securities, other securities eligible for deposit and of at least equal value.

Substitute
securities.

SEC. .16.10 *Release of Deposit*: 1. Any such required deposit shall be released in these instances only:

Release of
deposit.

(1) Upon extinguishment of all liabilities of the insurer for the security of which the deposit is held, by reinsurance contract or otherwise.

When
released.

(2) If any such deposit or portion thereof is no longer required under this code.

(3) If the deposit has been made pursuant to the retaliatory provision, section .14.04, it shall be released in whole or in part when no longer so required.

(4) Upon proper order of a court of competent jurisdiction the deposit shall be released to the receiver, conservator, rehabilitator, or liquidator of the insurer for whose account the deposit is held.

2. No such release shall be made except on application to and written order of the Commissioner made upon proof satisfactory to him of the existence of one of such grounds therefor. The Com-

How release
made.

missioner shall have no personal liability for any such release of any deposit or part thereof so made by him in good faith.

To whom made.

3. All releases of deposits or any part thereof shall be made to the person then entitled thereto upon proof of title satisfactory to the Commissioner.

Deposits of title insurers.

4. Deposits held on account of title insurers are subject further to the provisions of article twenty-nine.

Release of existing deposits.

SEC. .16.11 *Release of Existing Deposits:* Any part of any deposit of an insurer held by the State Treasurer on the effective date of this code which is in amount in excess of the deposit required or permitted to be made by such insurer under this code, shall, upon written order of the Commissioner, be released; except, that no deposit held on account of any registered policies heretofore issued by the insurer shall be released except in accordance with the conditions under which such deposit was made.

Voluntary excess deposit.

SEC. .16.12 *Voluntary Excess Deposit:* An insurer may deposit and maintain on deposit with the State Treasurer through the Commissioner funds and eligible securities in amount exceeding its required deposit under this code by not more than one hundred thousand dollars (\$100,000), for the purpose of absorbing fluctuations in the value of securities held in its required deposit, and to facilitate the exchange and substitution of such required securities. During the solvency of the insurer any such excess deposit or any part thereof shall be released to it upon its request. During the insolvency of the insurer such excess deposit shall be released only as provided in section .16.10.

Not subject to levy.

SEC. .16.13. *Not Subject to Levy:* No judgment creditor or other claimant of an insurer shall levy upon any deposit held pursuant to this article, or upon any part thereof.

ARTICLE SEVENTEEN

AGENTS, BROKERS, SOLICITORS, AND ADJUSTERS

SEC. .17.01 *"Agent" Defined:* "Agent" means any person appointed by an insurer to solicit applications for insurance on its behalf, and if authorized so to do, to effectuate and countersign insurance contracts except as to life or disability insurances, and to collect premiums on insurances so applied for or effectuated. "Agent."

SEC. .17.02 *"Broker" Defined:* "Broker" means any person who, on behalf of the insured, for compensation as an independent contractor, for commission, or fee, and not being an agent of the insurer, solicits, negotiates, or procures insurance or reinsurance or the renewal or continuance thereof, or in any manner aids therein, for insureds or prospective insureds other than himself. "Broker."

SEC. .17.03 *"Solicitor" Defined:* "Solicitor" means an individual authorized by an agent or broker to solicit applications for insurance as a representative of such agent or broker and to collect premiums in connection therewith. An individual employed by, and devoting full time to clerical work with incidental taking of insurance applications and receiving premiums in the office of the agent or broker is not deemed to be a solicitor if his compensation is not related to the volume of such applications, insurances, or premiums. "Solicitor."

SEC. .17.04 *Service Representatives:* Individuals other than an officer, manager, or general agent of the insurer, employed on salary by an insurer or general agent to work with and assist agents in soliciting, negotiating, and effectuating insurance in such insurer or in the insurers represented by the general agent, are deemed to be service representatives and are not required to be licensed. Service representatives.

SEC. .17.05 *"Adjuster" Defined:* 1. "Adjuster" means any person who, for compensation as an in- "Adjuster."

dependent contractor or as an employee of an independent contractor, or for fee or commission, investigates or reports to his principal relative to claims arising under insurance contracts, on behalf solely of either the insurer or the insured. An attorney-at-law who adjusts insurance losses from time to time incidental to the practice of his profession, or an adjuster of marine losses, or a salaried employee of an insurer or of a general agent, is not deemed to be an "adjuster" for the purposes of this article.

"Independent adjuster."

2. "Independent adjuster" means such an adjuster representing the interests of the insurer.

"Public adjuster."

3. "Public adjuster" means an adjuster employed by and representing solely the financial interests of the insured named in the policy.

License required.

SEC. .17.06 *License Required:* 1. No person shall in this state act as or hold himself out to be an agent, broker, solicitor, or adjuster unless then licensed therefor by this state.

Must be licensed for particular kind of insurance.

2. No agent, solicitor, or broker shall solicit or take applications for, procure, or place for others any kind of insurance for which he is not then licensed.

Penalty.

3. Any person violating this section shall be liable to a fine of not to exceed five hundred dollars (\$500) and imprisonment for not to exceed six (6) months for each instance of such violation.

General qualifications for license.

SEC. .17.07 *General Qualifications for License:* For the protection of the people of this state the Commissioner shall not issue or renew any such license except in compliance with this article, nor to, nor to be exercised by, any person found by him to be untrustworthy, or incompetent, or who has not established to the satisfaction of the Commissioner that he is qualified therefor in accordance with this article.

SEC. .17.08 *Controlled Business*: 1. The Commissioner shall not grant an agent's, solicitor's, or broker's license to any person if the Commissioner has reasonable cause to believe that:

Controlled
business.

(1) During either of the two (2) calendar years immediately preceding the request for renewal of any such license the aggregate amount of commissions represented by the controlled business procured by or through the licensee exceeded the aggregate amount of commissions represented by all other insurance business procured by or through him; or

When license
shall not
be renewed.

(2) the circumstances of the applicant for such license or of any such licensee are such as to cause the Commissioner reasonably to believe that during the twelve-month period immediately following issuance or renewal of the license, if so issued or renewed, the aggregate amount of commissions to be represented by such controlled business would exceed the aggregate amount of commissions to be represented by all other insurance business to be procured by or through such applicant or licensee.

2. "Controlled business" means insurance procured or to be procured by or through such person upon:

Definition of
"controlled
business."

(1) His own life, person, or property or those of his spouse or relatives by blood or marriage to the second degree;

(2) the life, person, or property of his employer, or his firm, or of any officer, director, stockholder, or member of his employer or firm, other than members of mutual insurers, or of any spouse of such employer, officer, director, stockholder, or member;

(3) the life, person, or property of his ward, or his employees; or upon persons or property under his supervision or control as trustee under any indenture or decree, or as administrator or executor of any estate.

3. The vendor who is title holder of property being sold under an installment purchase contract

Conditional
vendor not
owner.

shall not be deemed to be the owner of such property for the purposes of this section.

Applications for license.

SEC. .17.09 *Applications for License:* 1. Application for any such license shall be made to the Commissioner upon forms as prescribed and furnished by him. As a part of or in connection with any such application the applicant shall furnish information concerning his identity, personal history, experience, business record, purposes, and other pertinent facts, as the Commissioner may reasonably require.

How made.

Application by firm or corporation.

2. If the applicant is a firm or corporation, the application shall show, in addition, the names of all members and officers, and shall designate each individual who is to exercise the powers to be conferred by the license upon such firm or corporation. The Commissioner shall require each such individual to furnish information to him as though for an individual license.

Misrepresentation.

3. Any person willfully misrepresenting any fact required to be disclosed in any such application shall be liable to penalties as provided by this code.

Number of applications.

SEC. .17.10 *Number of Applications:* 1. The filing of personal data by an individual in connection with one (1) application for an agent's license shall be sufficient, regardless of the number of insurers to be represented by the agent or the number of subsequent applications by the same applicant.

Commissioner may require information at any time.

2. The Commissioner may, for his information from time to time require any licensed agent, or solicitor, or broker, or adjuster, to supply him with the information called for in an application for license.

Examinations for license.

SEC. .17.11 *Examinations for License:* 1. Each applicant for license as agent, broker, solicitor, or adjuster shall prior to the issuance of any such license, personally take and pass to the satisfaction of the Commissioner an examination given by the

When required.

Commissioner as a test of his qualifications and competence; but this requirement shall not apply to:

(1) Applicants for limited licenses, as travel insurance agents only, under section .17.19.

When not required.

(2) Applicants who within the five-year period next preceding date of application have been licensed in this state under a license requiring qualifications similar to qualifications required by the license applied for and who are deemed by the Commissioner to be fully qualified and competent.

(3) Applicants for license as nonresident agent or as nonresident broker who have fulfilled qualification requirements in their state of residence and who are deemed by the Commissioner to be fully qualified and competent.

(4) Applicants for an agent's or solicitor's license covering the same kinds of insurance as an agent's or solicitor's license then held by them.

2. Applicants for the renewal of licenses in force on the effective date of this code or issued thereafter shall not be required to take an examination except as provided in paragraph three of this section.

Application for renewal.

3. The Commissioner may at any time require any licensed agent, broker, solicitor, or adjuster to take and successfully pass an examination testing his competence and qualifications as a condition to the continuance or renewal of his license, if the licensee has been guilty of violation of this code, or has so conducted his affairs under his license as to cause the Commissioner reasonably to desire further evidence of his qualifications.

When Commissioner may require examination for continuance or renewal.

Sec. .17.12 *Scope of Examination:* 1. Each such examination shall be as the Commissioner prescribes and shall be of sufficient scope reasonably to test the applicant's knowledge relative to the kinds of insurance which may be dealt with under the license applied for, and of the duties and responsibilities of, and laws of this state applicable to, such a licensee.

Scope of examination.

Ocean marine and related coverages.

2. Examination as to ocean marine and related coverages may be waived by the Commissioner as to any applicant deemed by the Commissioner to be qualified by past experience to deal in such insurances.

Manual.

3. The Commissioner shall prepare and make available to insurers, general agents, brokers, agents, and applicants a printed manual specifying in general terms the subjects which may be covered in any examination for a particular license.

Written and oral.

SEC. .17.13 *Examinations—Form, Time, Fee:*

1. The answers of the applicant to any such examination shall be written by the applicant under the Commissioner's supervision, and any such written examination may be supplemented by oral examination at the Commissioner's discretion.

Where and when.

2. The Commissioner shall give examinations at such times and places within this state as he deems necessary reasonably to serve the convenience of both the Commissioner and applicants.

Waiting period before next examination.

3. The Commissioner may require a waiting period of reasonable duration before giving a new examination to an applicant who has failed to pass a previous similar examination.

Fee.

4. For each examination taken, the Commissioner shall collect in advance the fee provided in section .14.01.

Examinations by life insurers.

SEC. .17.14 *Examinations by Life Insurers:*

1. An applicant for license as agent of a life insurer may, in lieu of examination by the Commissioner, take and pass a similar examination given and supervised by the insurer if the following conditions are complied with:

Conditions.

Course of study approved.

(1) The insurer must have filed with and had approved by the Commissioner an outline of the course of study and instruction in good faith to be given such applicants by or on behalf of the insurer.

- (2) The applicant must have completed such course. Completed course.
- (3) The examination must be in writing and be taken by the applicant in person and without aid, and the questions and answers thereto must be kept on file as required by the Commissioner. Examination in writing. Answers preserved.
- (4) The official or representative of the insurer in charge of the examination, must certify to the Commissioner the results thereof and grade received prior to issuance of the license applied for. Certificate to the Commissioner.
2. Any such course of study and instruction and examination may cover both life insurance and disability insurance if both such insurances are transacted by the insurer and if the applicant is to be licensed as to both. Course may include disability insurance.
3. The Commissioner may at any time withdraw from an insurer the privilege of giving examinations as provided in this section and may reexamine at any time any applicant or agent previously given an examination by any insurer. Privilege may be withdrawn.
- SEC. .17.15 *Agent's and Broker's Qualifications:*
1. To qualify for an agent's or broker's license an applicant must otherwise comply with this code therefor and must Agent's and broker's qualifications.
- (1) be twenty-one (21) years of age or over, if an individual; Age.
- (2) be a bona fide resident of and actually reside in this state, or if a corporation, be other than an insurer and be domiciled in this state, except as provided in section .17.33; Residence.
- (3) be empowered to be an agent or broker, as the case may be, under its members' agreement, if a firm, or by its articles of incorporation, if a corporation; Be empowered by agreement or articles.
- (4) successfully pass any examination as required under section .17.11; Pass examination.
- (5) be a trustworthy person; Be trustworthy.
- (6) not intend to use or use the license for the

Not to write controlled business.

purpose principally of writing controlled business, as defined in section .17.08;

Be appointed agent.

(7) if for an agent's license, be appointed as its agent by one (1) or more authorized insurers, subject to issuance of the license;

Experience for broker's license.

(8) if for broker's license, have had experience either as an agent, solicitor, adjuster, general agent, broker, or as an employee of insurers or representatives of insurers, or special education or training of sufficient duration and extent reasonably to satisfy the Commissioner that he possesses the competence necessary to fulfill the responsibilities of broker.

Issuance or refusal.

2. If the Commissioner finds that the applicant is so qualified and that the license fee has been paid, he shall issue the license. Otherwise, the Commissioner shall refuse to issue the license.

Appointment of agents.

SEC. .17.16 *Appointment of Agents and Revocations:* 1. Each insurer on appointing an agent in this state shall file written notice thereof in duplicate with the Commissioner on forms as prescribed and furnished by him, and shall pay the filing fee therefor as provided in section .14.01. If then licensed, or as soon as licensed, the Commissioner shall mail one (1) copy of the appointment to the agent.

2. Each such appointment shall continue in force until:

Duration of appointment.

(1) The Commissioner notifies the insurer that the person so appointed is no longer licensed as an agent by this state; or

(2) the appointment is revoked by the insurer by written notice of such revocation to the agent. The insurer shall forthwith file a duplicate copy of such notice of revocation with the Commissioner. No fee shall be charged for filing such copy.

Revocation.

3. Revocation of an appointment by the insurer shall be deemed to be effective as of the date designated in the notice as being the effective date if the notice is actually received by the agent prior to such

designated date; otherwise, as of the earlier of the following dates:

(1) The date such notice of revocation was received by the agent. When revocation effective.

(2) The date such notice, if mailed to the agent at his last address of record with the insurer, in due course should have been received by the agent.

SEC. .17.17 Contents of Licenses—Agents, Brokers, Solicitors: 1. Agents', solicitors', and brokers' licenses shall be in form as the Commissioner prescribes, and shall set forth Licenses—agents, brokers, solicitors.

(1) the name and address of the licensee; or if he is required to have a place of business, the address of the place of business; Contents.

(2) if the agent or broker is a firm or corporation, the name of each individual authorized [authorized] to exercise the powers conferred by the license;

(3) the kind or kinds of insurance the licensee is thereby licensed to handle;

(4) if an agent's license for life or disability insurances only, the name of the insurer as to which he is so licensed, and a separate license shall be required as to each such insurer;

(5) if a solicitor's license, the name and address of the agent or broker represented by the solicitor;

(6) the conditions under which the license is granted;

(7) the date of issuance and date of expiration of the license.

2. The Commissioner is not required to issue a separate license to each agent licensed for life or disability insurances only. In lieu thereof he may issue to the insurer his license certificate setting forth the names and addresses of the insurer's agents so licensed in this state. Each such license certificate shall be serially numbered and shall constitute official evidence of the licensing of each licensee designated therein. Any such insurer may furnish Separate license for each life insurance agent not required.

its agents so licensed with evidence of authority to represent the insurer, upon such form as is submitted to and approved by the Commissioner.

Licenses to firms and corporations.

SEC. .17.18 *Licenses to Firms and Corporations:*

1. A firm or corporation shall not be licensed as an agent or broker unless each individual to be empowered and designated in the license to exercise the powers conferred thereby is qualified as though he were the sole individual to be so empowered. A nonresident of this state shall not be so designated or empowered. Exercise or attempted exercise of such powers by an individual not so designated, with the knowledge or consent of the licensee, shall constitute cause for the revocation or suspension of the license.

Trade name.

2. Licenses shall be issued in a trade name only upon proof satisfactory to the Commissioner that the trade name has been lawfully registered.

Limited license.

SEC. .17.19 *Limited License:* The Commissioner may issue limited licenses as travel insurance agents to persons selling transportation tickets of a common carrier of persons or property who shall act as such agents only as to transportation ticket policies of disability insurance or baggage insurance on personal effects.

When separate license required.

SEC. .17.20 *Number of Licenses Required—Agent:*

1. An agent appointed by an insurer for life insurance, or for life and disability insurances, or for disability insurance only, shall be separately licensed as to such insurer.

One license required.

2. An agent is required to have but one license inclusive of all other kinds or combination of kinds of insurance he is licensed to handle, regardless of the number of insurers for whom he is appointed as agent for such insurances or any of them.

Minimum license combinations.

SEC. .17.21 *Minimum License Combinations:* Except as provided in section .17.19, an agent's license shall not be issued unless it includes, and the appli-

cant is qualified for, one (1) or more of the following kinds of insurance:

- (1) Casualty.
- (2) Disability.
- (3) Life.
- (4) Marine and transportation.
- (5) Property.
- (6) Surety.
- (7) Vehicle.

SEC. .17.23 *May Place Rejected Business:* A licensed agent appointed by an insurer as to life or disability insurances may, if with the knowledge and consent of such insurer, place any portion of a life or disability risk which has been rejected by such insurer, with other authorized insurers without being licensed as to such other insurers.

May place rejected business.

SEC. .17.24 *Scope of Broker's License:* A broker's license shall be issued to cover all kinds of insurance only. The Commissioner shall not issue a broker's license limited to particular kinds of insurance.

Scope of broker's license.

SEC. .17.25 *Broker's Bond:* 1. Every applicant for a broker's license or for the renewal of a broker's license existing on the effective date of this code shall file with the application or request for renewal and shall thereafter maintain in force while so licensed a bond in favor of the people of the State of Washington, executed by an authorized corporate surety approved by the Commissioner, in the amount of twenty-five hundred dollars (\$2,500). The bond may be continuous in form, and total aggregate liability on the bond may be limited to the payment of twenty-five hundred dollars (\$2,500). The bond shall be contingent on the accounting by the broker to any person requesting the broker to obtain insurance, for moneys or premiums collected in connection therewith.

Broker's bond.

Amount.

2. Any such bond shall remain in force until the surety is released from liability by the Commissioner,

Duration.

or until the bond is cancelled by the surety. Without prejudice to any liability accrued prior to such cancellation, the surety may cancel the bond upon thirty (30) days advance notice in writing filed with the Commissioner.

Broker's authority.

SEC. .17.26 *Broker's Authority and Commissions:*

1. A broker, as such, is not an agent or other representative of an insurer, and does not have power, by his own acts, to bind the insurer upon any risk or with reference to any insurance contract.

Commissions.

2. An insurer or agent shall have the right to pay to a broker licensed under this article, and such broker shall have the right to receive from the insurer or agent, the customary commissions upon insurances placed in the insurer by the broker.

Agent, broker license combinations.

SEC. .17.27 *Agent, Broker License Combinations:*

A licensed agent may be licensed as a broker and be a broker as to insurers for which he is not then licensed as agent. A licensed broker may be licensed as and be an agent as to insurers appointing him as agent. The sole relationship between a broker and an insurer as to which he is licensed as an agent shall, as to transactions arising during the existence of such agency appointment, be that of insurer and agent.

Solicitor's qualifications.

SEC. .17.28 *Solicitor's Qualifications:*

The Commissioner shall license as a solicitor an individual only who meets the following requirements:

Residence.

(1) Is a resident of this state.

Principal vocation.

(2) Intends to and does make the soliciting and handling of insurance business under his license his principal vocation.

To represent but one agent or broker.

(3) Is to represent and be employed by but one (1) licensed agent or broker.

Passed examination.

(4) Has passed any examination as required under this article.

Otherwise qualified.

(5) Is otherwise qualified under this code.

SEC. .17.29 *Application for Solicitor's License:* Application for solicitor's license.
 The Commissioner shall issue a solicitor's license only upon application by the applicant and the request of the agent or broker to be represented, upon such forms as the Commissioner shall prescribe and furnish.

SEC. .17.30 *Solicitor's License Fee, Custody, and Cancellation:* 1. The fee for issuance or renewal of a solicitor's license shall be paid by the agent or broker by whom the solicitor is employed. Solicitor's license.
 Fee.

2. The solicitor's license shall be delivered to and shall remain in the possession of the employing agent or broker. Upon termination of such employment, the license shall likewise terminate and shall be returned to the Commissioner for cancellation. Custody.
 Cancellation.

SEC. .17.31 *Limitations Upon Solicitors:* 1. A solicitor's license shall not cover any kind of insurance for which the agent or broker by whom he is employed is not then licensed. Limitations upon solicitors.

2. A solicitor shall not have power to bind an insurer upon or with reference to any risk or insurance contract, or to countersign insurance contracts.

3. Any individual while licensed as a solicitor shall not be licensed as an agent or broker.

SEC. .17.32 *Responsibility of Employer:* All business transacted by a solicitor under his license shall be in the name of the agent or broker by whom he is employed and the agent or broker shall be responsible for all acts or omissions of the solicitor within the scope of such employment. Responsibility of employer.

SEC. .17.33 *Nonresident Agents, Brokers:* 1. The Commissioner may license as a life insurance agent only, or as a broker, a person who is otherwise qualified therefor under this code but who is not a resident of or domiciled in this state, if by the laws of the state or province of his residence or domicile a similar privilege is extended to residents of or corporations domiciled in this state. Nonresident agents, brokers.
 Reciprocity.

Status similar to resident.

2. Any such licensee shall be subject to the same obligations and limitations, and to the Commissioner's supervision as though resident or domiciled in this state, subject to section .14.04.

Power of attorney.

3. No such person shall be so licensed unless he files the power of attorney provided for in section .17.34, and, if a corporation, it must have complied with the laws of this state governing the admission of foreign corporations.

Commissioner appointed attorney to receive service.

SEC. .17.34 *Process Against Nonresident Licensees:* 1. Each licensed nonresident agent or broker shall appoint the Commissioner as his attorney to receive service of legal process issued against the agent or broker in this state upon causes of action arising within this state. Service upon the Commissioner as attorney shall constitute effective legal service upon the agent or broker.

Appointment irrevocable.

2. The appointment shall be irrevocable for as long as there could be any cause of action against the agent or broker arising out of his insurance transactions in this state.

Service.

3. Duplicate copies of such legal process against such agent or broker shall be served upon the Commissioner either by a person competent to serve a summons, or through registered mail. At the time of such service the plaintiff shall pay to the Commissioner two dollars (\$2), taxable as costs in the action.

Commissioner forwards a copy.

4. Upon receiving such service, the Commissioner shall forthwith send one of the copies of the process, by registered mail with return receipt requested, to the defendant agent or broker at his last address of record with the Commissioner.

Commissioner keeps record.

5. The Commissioner shall keep a record of the day and hour of service upon him of all such legal process. No proceedings shall be had against the defendant agent or broker, and such defendant shall not be required to appear, plead, or answer until the expiration of forty (40) days after the date of service upon the Commissioner.

SEC. .17.38 *Qualifications for Adjuster's License:* The Commissioner shall license as an adjuster only an individual who has otherwise complied with this code therefor and who has furnished evidence satisfactory to the Commissioner that he is qualified as follows:

Qualifications for adjuster's license.

- (1) Is twenty-one (21) or more years of age. Age.
- (2) Is a bona fide resident of this state, or is a resident of a state which will permit residents of this state to act as adjusters in such other state. Residence.
- (3) Is a trustworthy person. Trustworthy.
- (4) Has had experience or special education or training with reference to the handling of loss claims under insurance contracts, of sufficient duration and extent reasonably to make him competent to fulfill the responsibilities of an adjuster. Experience.
Education.
- (5) Has successfully passed any examination as required under this article. Examination.
- (6) If for a public adjuster's license, has filed the bond required by section .17.43. Bond.

SEC. 17.39 *Separate Licenses:* The Commissioner may license an individual as an independent adjuster or as a public adjuster, and separate licenses shall be required for each type of adjuster. An individual may be concurrently licensed under separate licenses as an independent adjuster and as a public adjuster. The full license fee shall be paid for each such license.

Separate licenses.

SEC. .17.40 *Form of Adjuster's License:* The Commissioner shall prescribe the form of adjuster's license, and which shall contain:

Adjuster's license.

- (1) the name of the adjuster, and the address of his place of business; Contents.
- (2) a statement as to whether he is so licensed as an independent adjuster or as a public adjuster;
- (3) date of issuance and date of expiration of the license;

(4) other statements proper to the purposes of the license.

Powers conferred by adjuster's license.

SEC. .17.41 *Powers Conferred by Adjuster's License:* An adjuster shall have authority under his license only to investigate or report to his principal upon claims as limited under section .17.05 on behalf only of the insurers if licensed as an independent adjuster, or on behalf only of insureds if licensed as a public adjuster. An adjuster licensed concurrently as both an independent and a public adjuster shall not represent both the insurer and the insured in the same transaction.

Agent may adjust.

SEC. .17.42 *Agent May Adjust—Out-of-State Adjusters:* 1. On behalf of and as authorized by an insurer for which he is licensed as agent, an agent may from time to time act as an adjuster and investigate and report upon claims without being required to be licensed as an adjuster.

Out-of-state adjusters.

2. No license by this state shall be required of a nonresident independent adjuster, for the adjustment in this state of a single loss, or of losses arising out of a catastrophe common to all such losses.

Public adjuster's bond.

SEC. .17.43 *Public Adjuster's Bond:* 1. Prior to the issuance of a license as public adjuster, the applicant therefor shall file with the Commissioner and shall thereafter maintain in force while so licensed a surety bond in favor of the people of the State of Washington, executed by an authorized corporate surety approved by the Commissioner, in the amount of twenty-five hundred dollars (\$2,500). The bond may be continuous in form, and total aggregate liability on the bond may be limited to the payment of twenty-five hundred dollars (\$2,500). The bond shall be contingent on the accounting by the adjuster to any insured whose claim he is handling, for moneys or any settlement received in connection therewith.

2. Any such bond shall remain in force until the surety is released from liability by the Commissioner, or until cancelled by the surety. Without prejudice to any liability accrued prior to cancellation, the surety may cancel a bond upon thirty (30) days' advance notice in writing filed with the Commissioner.

Duration.

3. Such bond shall be required of any adjuster acting as a public adjuster as of the effective date of this code, or thereafter under any unexpired license heretofore issued.

When required.

SEC. .17.44 *Report of Losses:* 1. Every adjuster who investigates any fire loss claim under any insurance contract covering property located in this state, shall promptly report to the Commissioner any facts or circumstances found and from which he believes fraud has been committed or attempted.

Report of fire losses if indication of fraud.

2. Upon completing the adjustment of any fire loss requiring claim payments aggregating one hundred dollars (\$100) or more, for damage to or destruction of property located in this state, under any policy or policies issued by an unauthorized insurer, an adjuster shall promptly report the details thereof to the Commissioner, upon forms prescribed and furnished by him. Such report shall state the names of the insurers and insured involved, amount of insurance on the property carried in each insurer, the amount of the claim and the amount paid by each insurer on account thereof, the circumstances of the loss, and other information as the Commissioner requests.

Where payment is \$100 or more.

3. Upon the Commissioner's request each adjuster shall in similar manner report to the Commissioner relative to losses and claims investigated or adjusted, and arising under other insurance contracts issued by unauthorized insurers.

Reports of other losses.

SEC. .17.45 *Place of Business:* Every licensed agent, broker, and adjuster, other than an agent

Place of business.

licensed for life or disability insurances only, shall have and maintain in this state, or, if a nonresident agent or nonresident broker, in the state of his domicile, a place of business accessible to the public. Such place of business shall be that wherein the agent principally conducts transactions under his licenses. The address of his place of business shall appear on all licenses of the licensee, and the licensee shall promptly notify the Commissioner of any change thereof.

Display of
license.

SEC. .17.46 *Display of License*: 1. The license or licenses of each agent, other than licenses as to life or disability insurances only, or of each broker or adjuster shall be displayed in a conspicuous place in that part of his place of business which is customarily open to the public.

Agents.

Solicitors.

2. The license of a solicitor shall be so displayed in the place of business of the agent or broker by whom he is employed.

Records to
be kept.

SEC. .17.47 *Record of Agents, Brokers, Adjusters*: 1. Every agent, or broker, or adjuster shall keep at his address as shown on his license, a record of all transactions consummated under his license. This record shall be in organized form and shall include:

Agents and
brokers.

(1) If an agent or broker,

(a) a record of each insurance contract procured, issued, or countersigned, together with the names of the insurers and insureds, the amount of premium paid or to be paid, and a statement of the subject of the insurance.

(b) the names of any other licensees from whom business is accepted, and of persons to whom commissions or allowances of any kind are promised or paid.

Adjusters.

(2) If an adjuster, a record of each investigation or adjustment undertaken or consummated, and a statement of any fee, commission, or other com-

pensation received or to be received by the adjuster on account of such investigation or adjustment.

(3) Such other and additional information as shall be customary, or as may reasonably be required by the Commissioner.

2. All such records as to any particular transaction shall be kept available and open to the inspection of the Commissioner at any business time during the five (5) years immediately after the date of the completion of such transaction.

Available for five years.

3. This section shall not apply as to life or disability insurances.

Exception.

SEC. .17.48 *Reporting and Accounting for Premiums:* 1. An agent or any other representative of an insurer involved in the procuring or issuance of an insurance contract shall report to the insurer the exact amount of consideration charged as premium for such contract, and such amount shall likewise be shown in the contract and in the records of the agent. Each willful violation of this provision shall constitute a misdemeanor.

Reporting and accounting to insurer.

Penalty.

2. All funds representing premiums or return premiums received by an agent, solicitor or broker, shall be so received in his fiduciary capacity, and shall be promptly accounted for and paid to the insured, insurer, or agent as entitled thereto.

Received in trust capacity.

3. Any agent, solicitor, or broker who, not being lawfully entitled thereto, diverts or appropriates such funds or any portion thereof to his own use, shall be guilty of larceny by embezzlement, and shall be punished as provided in the criminal statutes of this state.

Penalty.

SEC. .17.49 *Sharing Commissions:* 1. No agent, general agent, solicitor, or broker shall compensate or offer to compensate in any manner any person other than an agent, general agent, solicitor, or broker, licensed in this or any other state or province, for procuring or in any manner helping to procure

Sharing commissions.

When not allowed.

applications for or to place insurance in this state. This provision shall not prohibit the payment of compensation not contingent upon volume of business transacted, in the form of salaries to the regular employees of such agent, general agent, solicitor or broker.

When licensee does not have particular kind of license.

2. No such licensee shall be promised or allowed any compensation on account of the procuring of applications for or the placing of kinds of insurance which he himself is not then licensed to procure or place.

Penalty.

3. The Commissioner shall suspend or revoke the licenses of all licensees participating in any violation of this section.

One year license for life insurance agents.

SEC. 17.50 *Expiration and Renewal of Licenses:*

1. Agents' licenses for life, or life and disability, or disability insurances only, and all brokers', solicitors', and adjusters' licenses shall expire as at 12:01 A. M. o'clock on the first day of April next following date of issuance.

Three year license for other insurance agents.

2. Agents' licenses for all other kinds of insurance or combinations thereof shall expire as at 12:01 A. M. o'clock on the first day of April three (3) years after the first day of April nearest to the date of issuance of the license.

Request for renewal.

3. Subject to the right of the Commissioner to suspend, revoke, or refuse to renew any license as provided in this code, any such license may be renewed into another like period by filing with the Commissioner on or before the expiration date a written request, by or on behalf of the licensee, for such renewal accompanied by payment of the renewal fee as specified in section .14.01. An agent or broker shall make and file renewal requests on behalf of his solicitors.

4. If request and fee for renewal of license is filed with the Commissioner prior to expiration of the existing license, the licensee may continue to

act under such license, unless sooner revoked or suspended, until the issuance of renewal license or until the expiration of five (5) days after the Commissioner has refused to renew the license and has mailed notice of such refusal to the licensee. Any request for renewal not so filed until after date of expiration may be considered by the Commissioner as an application for a new license.

Renewal.

SEC. .17.51 *Temporary Licenses*: 1. The Commissioner may issue an agent's or broker's temporary license in the following circumstances:

Temporary agent's or broker's license.

(1) To applicants for licensing as agent of a life insurer, and pending completion of the course of instruction and examination provided for in section .17.14.

To whom issued.

(2) To the surviving spouse or next of kin or to the administrator or executor of a licensed agent or broker becoming deceased.

(3) To the spouse, next of kin, employee, or legal guardian of a licensed agent or broker becoming disabled because of sickness, insanity, or injury.

(4) To a surviving member of a firm or surviving officer or employee of a corporation licensed as agent or broker upon the death of an individual designated in the firm or corporation's license to exercise powers thereunder.

2. An individual to be eligible for any such temporary license must be qualified as for a permanent license except as to experience, training, or the taking of any examination.

Requisite qualifications.

3. Any fee paid to the Commissioner for issuance of a temporary license as specified in section .14.01 shall be credited toward the fee required for a permanent license which is issued to replace the temporary license prior to the expiration of such temporary license.

Fee credited toward permanent license.

SEC. .17.52 *Temporary Licenses — Duration, Powers*: 1. No such temporary license shall be ef-

Temporary licenses—duration.

fective for more than ninety (90) days in any twelve-month period, and the Commissioner may refuse so to license again any person who has previously been so licensed.

No additional licenses.

2. An individual requesting temporary agent's license on account of death or disability of an agent, shall not be so licensed for any insurer as to which such agent was not licensed at the time of death or commencement of disability.

Controlled business.

3. No person writing or renewing any "controlled business," as defined in this article, under any temporary license, shall be entitled to receive any commission or other compensation on account thereof unless and until prior to the expiration of the temporary license such person fully qualifies for and receives a permanent license in replacement of the temporary license. Otherwise, the licensee under such temporary license may exercise the same powers as under a like permanent license.

Grounds for suspension and revocation.

SEC. .17.53 *Denial, Suspension, Revocation of Licenses:* 1. The Commissioner may suspend, revoke, or refuse to renew any license issued under this article or any surplus line broker's license for any cause specified in any other provision of this code, or for any of the following causes:

Any grounds for refusal.

(1) For any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner.

Violations of law.

(2) If the licensee willfully violates or knowingly participates in the violation of any provision of this code.

Misrepresentation of facts or failure to pass examination.

(3) If the licensee has obtained or attempted to obtain any such license through willful misrepresentation or fraud, or has failed to pass any examination required under this article.

Misappropriation of funds.

(4) If the licensee has misappropriated or converted to his own use or has illegally withheld moneys required to be held in a fiduciary capacity.

(5) If the licensee has, with intent to deceive, materially misrepresented the terms or effect of any insurance contract; or has engaged or is about to engage in any fraudulent transaction. Misrepresentation of insurance contract.

(6) If the licensee has been guilty of "twisting," as defined in section .30.18, or of rebating, as defined in article thirty. "Twisting."

(7) If the licensee has been convicted, by final judgment, of a felony. Felony.

(8) If in the conduct of his affairs under the license, the licensee has shown himself to be, and is so deemed by the Commissioner, incompetent, or untrustworthy, or a source of injury and loss to the public. Incompetent.

(9) If the licensee has dealt with, or attempted to deal with, insurances or to exercise powers relative to insurance outside the scope of his licenses. Exceeding authority.

2. The license of any firm or corporation may be so suspended, revoked, or refused for any of such causes as relate to any individual designated in the license to exercise its powers. Firms and corporations.

3. The holder of any license which has been revoked or suspended shall surrender the license certificate to the Commissioner at the Commissioner's request. Surrender.

SEC. .17.54 Procedure for Refusal, Suspension, or Revocation: 1. The Commissioner shall revoke or refuse to renew any such license immediately and without hearing, upon conviction of the licensee of a felony by final judgment of any court of competent jurisdiction. Revocation upon conviction of felony without hearing.

2. The Commissioner may suspend, revoke, or refuse to renew any such license:

(1) By order given to the licensee not less than fifteen (15) days prior to the effective date thereof, subject to the right of the licensee to have a hearing as provided in section .04.01 and pending such hearing the license shall be suspended; or Order with right of hearing.

Order with
right of
appeal.

(2) by an order on hearing made as provided in section .04.09 effective as of ten (10) days after date of the giving of the order, subject to the right of the licensee to appeal to the Superior Court for Thurston County as provided in article four.

Duration of
suspension.

SEC. .17.55 *Duration of Suspension:* Every order suspending any such license shall specify the period during which suspension will be effective, and which period shall in no event exceed twelve (12) months.

Power
to fine.

SEC. .17.56 *Power to Fine:* After hearing and in addition to or in lieu of the suspension, revocation, or refusal to renew any such license, the Commissioner may levy a fine upon the licensee in amount not less than twenty-five dollars (\$25) and not more than two hundred and fifty dollars (\$250). The order levying such fine shall specify the period within which the fine shall be fully paid, and which period shall be not less than fifteen (15) nor more than thirty (30) days from the date of the order. Upon failure to pay any such fine when due, the Commissioner shall revoke the licenses of the licensee if not already revoked, and the fine shall be recovered in a civil action brought in behalf of the Commissioner by the Attorney General. Any fine so collected shall be paid by the Commissioner to the State Treasurer for the account of the General Fund.

Reinstatement
or
re-licensing.

SEC. .17.57 *Reinstatement or Re-licensing:* The Commissioner shall not reinstate the license of or re-license any licensee or former licensee as to whom a license has been suspended, revoked, or renewal refused, until any cause for the suspension, revocation, or refusal of such license is no longer existing, or until any fine theretofore levied upon the licensee pursuant to sections .17.56 and .17.58 has been fully paid.

SEC. .17.58 *Fine in Lieu:* 1. Upon the hearing of an appeal from an order suspending, revoking, or

refusing to renew any license issued under this article, the court, if it finds that the licensee is guilty of violation of the law and if it deems the suspension, revocation, or refusal too severe a penalty under the facts as found, may impose a fine of not more than five hundred dollars (\$500) in lieu thereof, and payment of such fine within ten (10) days thereafter shall reinstate, restore or renew, the license.

Court may fine in lieu of suspension, revocation, or denial of license.

2. If it appears that a license of the licensee has theretofore been suspended, revoked, or refused for a similar offense, the court shall not have jurisdiction to impose a fine in lieu of the action required by the order appealed from.

Exception.

ARTICLE EIGHTEEN

THE INSURANCE CONTRACT

SEC. .18.01 *Scope of Article*: The applicable provisions of this article shall apply to insurances other than ocean marine and foreign trade insurances. This article shall not apply to life or disability insurance policies not issued for delivery in this state nor delivered in this state.

Scope of article.

SEC. .18.02 *Power to Contract*: 1. Any person of competent legal capacity may contract for insurance.

Legal capacity to contract.

2. A minor not less than fifteen (15) years of age as at nearest birthday may, notwithstanding such minority, contract for life or disability insurance on his own life or body, for his own benefit or for the benefit of his father, mother, spouse, child, brother, sister, or grandparent, and may exercise all rights and powers with respect to or under the contract as though of full legal age, and may surrender his interest therein and give a valid discharge for any benefit accruing or money payable thereunder. The minor shall not, by reason of his minority, be entitled to rescind, avoid, or repudiate the contract, or any exercise of a right or privilege thereunder, except, that such minor, not otherwise emancipated, shall not be bound by any unperformed agreement to

Minors.

pay, by promissory note or otherwise, any premium on any such insurance contract.

Insurable interest required.

SEC. .18.03 *Insurable Interest Required—Personal Insurances:* 1. Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But no person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

Personal insurances.

Personal representatives may recover.

2. If the beneficiary, assignee or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement or injury of the individual insured, the individual insured or his executor or administrator as the case may be, may maintain an action to recover such benefits from the person so receiving them.

"Insurable interest."

3. "Insurable interest" as used in this section and in section .18.06 includes only interests as follows:

Relatives.

(1) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection; and

Economic interest.

(2) in the case of other persons, a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured.

Purchaser of share of business.

(3) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a close corporation or of an interest in such shares, has an insurable interest in the life of

each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

SEC. .18.04 *Insurable Interest Required—Property Insurances:* 1. No contract of insurance on property or of any interest therein or arising therefrom shall be enforceable except for the benefit of persons having an insurable interest in the things insured.

Insurable interest required.

Property insurances.

2. "Insurable interest" as used in this section means any lawful and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction, or pecuniary damage.

"Insurable interest."

SEC. .18.05 *Interest of the Insured:* When the name of a person intended to be insured is specified in the policy, such insurance can be applied only to his own proper interest. This section shall not apply to life and disability insurances.

Interest of the insured.

SEC. .18.06 *Application for Insurance Required:* No life or disability insurance contract upon an individual, except a contract of group life insurance or of group or blanket disability insurance as defined in this code, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, in writing applies therefor or consents thereto, except in the following cases:

Application for insurance required.

(1) A spouse may effectuate such insurance upon the other spouse.

Exceptions.

(2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of the minor.

SEC. .18.07 *Alteration of Application:* 1. Any application for insurance in writing by the applicant

Alteration of application.

shall be altered solely by the applicant or by his written consent, except that insertions may be made by the insurer for administrative purposes only in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant. Violation of this provision shall be a misdemeanor.

Alteration
by insured.

2. Any insurer issuing an insurance contract upon such an application unlawfully altered by its officer, employee, or agent shall not have available in any action arising out of such contract, any defense which is based upon the fact of such alteration, or as to any item in the application which was so altered.

When
applications
admissible
as evidence.

SEC. .18.08 *Application as Evidence*: 1. No application for the issuance of any insurance policy or contract shall be admissible in evidence in any action relative to such policy or contract, unless a true copy of the application was attached to or otherwise made a part of the policy when issued and delivered. This provision shall not apply to policies or contracts of industrial life insurance.

Demand for
copy of
application.

2. If any policy of life or disability insurance delivered in this state is reinstated or renewed, and the insured or the beneficiary or assignee of the policy makes written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall, within fifteen (15) days after receipt of such request at its home office or at any of its branch offices, deliver or mail to the person making such request, a copy of such application. If such copy is not so delivered or mailed, the insurer shall be precluded from introducing the application as evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal.

Effect of
refusal.

Warranties
and misrep-
resentations
not material.

SEC. .18.09 *Warranties and Misrepresentations in Negotiation, Applications*: 1. Except as provided in paragraph two of this section, no oral or written

misrepresentation or warranty made in the negotiation of an insurance contract, by the insured or in his behalf, shall be deemed material or defeat or avoid the contract or prevent it attaching, unless the misrepresentation or warranty is made with the intent to deceive.

Exception.

2. In any application for life or disability insurance made in writing by the insured, all statements therein made by the insured shall, in the absence of fraud, be deemed representations and not warranties. The falsity of any such statement shall not bar the right to recovery under the contract unless such false statement was made with actual intent to deceive or unless it materially affected either the acceptance of the risk or the hazard assumed by the insurer.

Statements deemed representations.

SEC. 18.10 *Approval of Forms*: 1. No insurance policy form other than surety bond forms, or application form where written application is required and is to be attached to the policy, or printed life or disability rider or endorsement form shall be issued, delivered, or used unless it has been filed with and approved by the Commissioner. This section shall not apply to policies, riders or endorsements of unique character designed for and used with relation to insurance upon a particular subject.

Approval of forms

by Commissioner.

2. Every such filing shall be made not less than fifteen (15) days in advance of any such issuance, delivery, or use. At the expiration of such fifteen (15) days the form so filed shall be deemed approved unless prior thereto it has been affirmatively approved or disapproved by order of the Commissioner. The Commissioner may extend by not more than an additional fifteen (15) days the period within which he may so affirmatively approve or disapprove any such form, by giving notice of such extension before expiration of the initial fifteen-day period. At the expiration of any such period as so extended,

Filing.

Extension of time.

and in the absence of such prior affirmative approval or disapproval, any such form shall be deemed approved. The Commissioner may withdraw any such approval at any time for cause. By approval of any such form for immediate use, the Commissioner may waive any unexpired portion of such initial fifteen-day waiting period.

Withdrawal of approval.

Grounds stated.

3. The Commissioner's order disapproving any such form or withdrawing a previous approval shall state the grounds therefor.

4. No such form shall knowingly be so issued or delivered as to which the Commissioner's approval does not then exist.

Exemption.

5. The Commissioner may, by order, exempt from the requirements of this section for so long as he deems proper, any insurance document or form or type thereof as specified in such order, to which in his opinion this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

Disapproval.

SEC. .18.11 *Grounds for Disapproval:* 1. The Commissioner shall disapprove any such form of policy, application, rider, or endorsement, or withdraw any previous approval thereof, only

Grounds for disapproval.

(1) if it is in any respect in violation of or does not comply with this code; or

(2) if it does not comply with any controlling filing theretofore made and approved; or

(3) if it contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the contract; or

(4) if it has any title, heading, or other indication of its provisions which is misleading; or

(5) if purchase of insurance thereunder is being solicited by deceptive advertising.

2. In addition to the grounds for disapproval of any such form as provided in paragraph one of this section, the Commissioner may disapprove any form of disability insurance policy if the benefits provided therein are unreasonable in relation to the premium charged.

Unreasonable benefits.

SEC. .18.12 *Standard Forms*: 1. The Commissioner shall, after hearing, from time to time promulgate such rules and regulations as may be necessary to effect reasonable uniformity in all basic contracts of fire insurance which are commonly known as the standard form fire policies and may be so referred to in this code, and in the usual supplemental coverages, riders, or endorsements thereon or thereto, to the end that there be a reasonable concurrency of contract where two (2) or more insurers insure the same subject and risk. All such forms heretofore approved by the Commissioner and for use as of immediately prior to the effective date of this code, may continue to be so used until the further order of the Commissioner made pursuant to this paragraph or pursuant to any other provision of this code.

Standard forms.

Fire insurance.

2. The Commissioner may from time to time, after hearing, promulgate such rules and regulations as he deems necessary to establish reasonable minimum standard conditions and terminology for basic benefits to be provided by disability insurance contracts which are subject to articles twenty and twenty-one, for the purpose of expediting his approval of such contracts pursuant to this code. No such promulgation shall be inconsistent with standard provisions as required pursuant to section .18.13, nor contain requirements inconsistent with requirements relative to the same benefit provision as formulated or approved by the National Association of Insurance Commissioners.

Disability insurance.

SEC. .18.13 *Standard Provisions*: 1. Insurance contracts shall contain such standard provisions as

Standard provisions.

are required by the applicable articles of this code pertaining to contracts of particular kinds of insurance. The Commissioner may waive the required use of a particular standard provision in a particular insurance contract form if

Grounds for waiver.

(1) he finds such provision unnecessary for the protection of the insured, and inconsistent with the purposes of the contract, and

(2) the contract is otherwise approved by him.

Commissioner may authorize provisions more favorable to insured.

2. No insurance contract shall contain any provision inconsistent with or contradictory to any such standard provision used or required to be used, but the Commissioner may, except as to the standard provisions of individual disability insurance contracts as required under article twenty, approve any provision which is in his opinion more favorable to the insured than the standard provision or optional standard provision otherwise required. No endorsement, rider, or other documents attached to such contract shall vary, extend, or in any respect conflict with any such standard provision, or with any modification thereof so approved by the Commissioner as being more favorable to the insured.

Similar standard provisions.

3. In lieu of the standard provisions required by this code for contracts for particular kinds of insurance, substantially similar standard provisions required by the law of a foreign or alien insurer's domicile may be used when approved by the Commissioner.

Policy contents.

SEC. .18.14 *Content of Policies in General:* 1. The written instrument, in which a contract of insurance is set forth, is the policy.

2. A policy shall specify:

Names.

(1) The names of the parties to the contract. The insurer's name and type of organization shall be clearly shown in the policy.

Subject.

(2) The subject of the insurance.

Risks.

(3) The risks insured against.

(4) The time at which the insurance thereunder takes effect and the period during which the insurance is to continue. Duration.

(5) A statement of the premium, other than as to surety bonds, and if other than life, disability, or title insurance, the premium rate. Premium.

(6) The conditions pertaining to the insurance. Conditions.

3. If under the contract the exact amount of premiums is determinable only at termination of the contract, a statement of the basis and rates upon which the final premium is to be determined and paid shall be furnished any policy examining bureau having jurisdiction or to the insured upon request. Information when premium not determinable.

4. This section shall not apply to surety insurance contracts. Not applicable to surety insurance.

SEC. .18.15 *Additional Contents:* A policy may contain additional provisions, which are not inconsistent with this code, and which are Additional provisions permitted.

(1) required to be so inserted by the laws of the insurer's state of domicile; or

(2) necessary, on account of the manner in which the insurer is constituted or operated, to state the rights and obligations of the parties to the contract.

SEC. .18.16 *Charter, By-law Provisions:* No policy shall contain any provision purporting to make any portion of the charter, by-laws, or other constituent document of the insurer a part of the contract unless such portion is set forth in full in the policy. Any policy provision in violation of this section shall be invalid. Charter, by-law provisions.

SEC. .18.17 *"Premium" Defined:* "Premium" as used in this code means all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof. Any assessment, or any "membership," "policy," "survey," "inspection," "service" or similar fee or charge made by "Premium."

the insurer in consideration for an insurance contract is deemed part of the premium.

Stated premium must include all charges.

SEC. .18.18 *Stated Premium Must Include All Charges:* 1. The premium stated in the policy shall be inclusive of all fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof.

No other charges permitted.

2. No insurer or its officer, employee, agent, solicitor, or other representative shall charge or receive any fee, compensation, or consideration for insurance which is not included in the premium specified in the policy.

Penalty.

3. Each violation of this section is a gross misdemeanor.

Modification must be part of the contract.

SEC. .18.19 *Must Contain Entire Contract:* No agreement in conflict with, modifying, or extending any contract of insurance shall be valid unless in writing and made a part of the policy.

Unlawful provisions.

SEC. .18.20 *Limiting Actions, Jurisdiction:* 1. No insurance contract delivered or issued for delivery in this state and covering subjects located, resident, or to be performed in this state, shall contain any condition, stipulation, or agreement

Construction.

(1) requiring it to be construed according to the laws of any other state or country except as necessary to meet the requirements of the motor vehicle financial responsibility laws of such other state or country; or

Jurisdiction.

(2) depriving the courts of this state of the jurisdiction of action against the insurer; or

Limitation of action.

(3) limiting right of action against the insurer to a period of less than one (1) year from the time when the cause of action accrues in connection with all insurances other than property and marine and transportation insurances. In contracts of property insurance, or of marine and transportation insur-

ance, such limitation shall not be to a period of less than one (1) year from the date of the loss.

2. Any such condition, stipulation, or agreement in violation of this section shall be void, but such voiding shall not affect the validity of the other provisions of the contract.

Such agreements are void.

SEC. .18.21 *Execution of Policies:* 1. Every insurance contract shall be executed in the name of and on behalf of the insurer by its officer, employee, or representative duly authorized by the insurer.

Execution of policies.

2. A facsimile signature of any such executing officer, employee, or representative may be used in lieu of an original signature.

Facsimile signature.

3. No insurance contract heretofore or hereafter issued and which is otherwise valid shall be rendered invalid by reason of the apparent execution thereof on behalf of the insurer by the imprinted facsimile signature of any individual not authorized so to execute as of the date of the policy, if the policy is countersigned with the original signature of an individual then so authorized to countersign.

When unauthORIZED facsimile signature immaterial.

SEC. .18.23 *Duration of Binders:* 1. A "binder" is used to bind insurance temporarily pending the issuance of the policy. No binder shall be valid beyond the issuance of the policy as to which it was given, or beyond ninety (90) days from its effective date, whichever period is the shorter.

"Binder."

Duration.

2. If the policy has not been issued a binder may be extended or renewed beyond such ninety (90) days upon the Commissioner's written approval, or in accordance with such rules and regulations relative thereto as the Commissioner may promulgate.

Extension.

SEC. .18.24 *Liability of Agents on Binder:* The Commissioner may suspend or revoke the license of any agent issuing or purporting to issue any binder as to any insurer named therein as to which he is not then authorized so to bind.

Liability of agents on binder.

Under-
writers'
policy.

SEC. .18.25 *Underwriters' and Combination Policies:* 1. Two (2) or more authorized insurers may jointly issue, and shall be jointly and severally liable on, an underwriters' policy bearing their names. Any one insurer may issue policies in the name of an underwriter's department and such policies shall plainly show the true name of the insurer.

Combination
policy.

2. Two (2) or more authorized insurers may, with the Commissioner's approval, issue a combination policy which shall contain provisions substantially as follows:

Required
provisions.

(1) That the insurers executing the policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of insurance under the policy.

(2) That service of process, or of any notice or proof of loss required by such policy, upon any of the insurers executing the policy, shall constitute service upon all such insurers.

Not ap-
plicable to
co-sureties.

3. This section shall not apply to co-surety obligations.

Delivery
of policy.

SEC. .18.26 *Delivery of Policy:* 1. Subject to the insurer's requirements as to payment of premium, every policy shall be delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance.

Delivery of
duplicate.

2. In event the original policy is delivered or is so required to be delivered to or for deposit with any vendor, mortgagee, or pledgee of any motor vehicle or aircraft, and in which policy any interest of the vendee, mortgagor, or pledgor in or with reference to such vehicle or aircraft is insured, a duplicate of such policy, or memorandum thereof setting forth the type of coverage, limits of liability, premiums for the respective coverages, and duration of the policy, shall be delivered by the vendor, mortgagee, or pledgee to each such vendee, mortgagor, or pledgor

named in the policy or coming within the group of persons designated in the policy to be so included. If the policy does not provide coverage of legal liability for injury to persons or damage to the property of third parties, a conspicuous statement of such fact shall be printed, written, or stamped on the face of such duplicate policy or memorandum.

SEC. .18.28 *Renewal of Policy*: Any insurance policy terminating by its terms at a specified expiration date and not otherwise renewable, may be renewed or extended at the option of the insurer and upon a currently authorized policy form and at the premium rate then required therefor for a specific additional period or periods by a certificate or by endorsement of the policy, and without requiring the issuance of a new policy.

Renewal
of policy.

SEC. .18.29 *Cancellation by Insurer*: 1. Cancellation by the insurer of any policy which by its terms is cancellable at the option of the insurer, or of any binder based on such policy, may be effected as to any interest only upon compliance with either or both of the following:

Cancellation
by insurer.

(1) Written notice of such cancellation must be actually delivered or mailed to the insured or to his representative in charge of the subject of the insurance not less than five (5) days prior to the effective date of the cancellation.

Notice to
insured.

(2) Like notice must also be so delivered or mailed to each mortgagee, pledgee, or other person shown by the policy to have an interest in any loss which may occur thereunder.

Notice to
other parties
in interest.

2. The mailing of any such notice shall be effected by depositing it in a sealed envelope, directed to the addressee at his last address as known to the insurer or as shown by the insurer's records, with proper prepaid postage affixed, in a letter depository of the United States Post Office. The insurer shall retain in its records any such item so mailed, to-

Mailing
notice.

gether with its envelope, which was returned by the Post Office upon failure to find, or deliver the mailing to, the addressee.

Affidavit
of mailing.

3. The affidavit of the individual making or supervising such a mailing shall constitute prima facie evidence of such facts of the mailing as are therein affirmed.

Repayment
of unearned
premium.

4. The portion of any premium paid to the insurer on account of the policy, unearned because of the cancellation and in amount as computed on the pro rata basis, must be actually paid to the insured or other person entitled thereto as shown by the policy or by any endorsement thereon, or be mailed to the insured or such person as soon as practicable following such cancellation. Any such payment may be made by cash, or by cheque, bank draft, or money order.

Life or
disability
insurance.

5. This section shall not apply to contracts of life or disability insurance without provision for cancellation prior to the date to which premiums have been paid.

Cancellation
by the
insured.

SEC. 18.30 *Cancellation by the Insured—Surrender:* 1. Cancellation by the insured of any policy which by its terms is cancellable at the insured's option or of any binder based on such policy may be effected by written notice thereof to the insurer and surrender of the policy or binder for cancellation prior to or on the effective date of such cancellation. In event the policy or binder has been lost or destroyed and cannot be so surrendered, the insurer may in lieu of such surrender accept and in good faith rely upon the insured's written statement setting forth the fact of such loss or destruction.

Surrender
of policy.

Repayment
of unearned
premium.

2. As soon as practicable following such cancellation the insurer shall pay to the insured or to the person entitled thereto as shown by the insurer's records, any unearned portion of any premium paid on the policy as computed on the customary short

rate or as otherwise specified in the policy. If no premium has been paid on the policy, the insured shall be liable to the insurer for premium for the period during which the policy was in force.

3. The surrender of a policy to the insurer for any cause by any person named therein as having an interest insured thereunder shall create a presumption that such surrender is concurred in by all persons so named.

Presumption created by surrender.

4. This section shall not apply to life insurance policies or to annuity contracts.

Life insurance annuities.

SEC. .18.31 *Cancellation by the Commissioner:* The Commissioner may order the immediate cancellation of any policy the procuring or effectuation of which was accomplished through or accompanied by a violation of this code, except in cases where the policy by its terms is not cancellable by the insurer and the insured did not knowingly participate in any such violation.

Cancellation by the Commissioner.

SEC. .18.32 *Annulment of Liability Policies:* No insurance contract insuring against loss or damage through legal liability for the bodily injury or death by accident of any individual, or for damage to the property of any person, shall be retroactively annulled by any agreement between the insurer and insured after the occurrence of any such injury, death, or damage for which the insured may be liable, and any such annulment attempted shall be void.

Annulment of liability policies.

SEC. .18.34 *Dividends Payable to the Real Party:*

1. Every insurer issuing participating policies, shall pay dividends, unused premium refunds or savings distributed on account of any such policy, only to the real party in interest entitled thereto as shown by the insurer's records, or to any person to whom the right thereto has been assigned in writing of record with the insurer, or given in the policy by such real party in interest.

Dividends payable to the real party.

Who deemed
real party.

2: Any person who is shown by the insurer's records to have paid for his own account, or to have been ultimately charged for, the premium for insurance provided by a policy in which another person is the nominal insured, shall be deemed such real party in interest proportionate to premium so paid or so charged. This paragraph shall not apply as to any such dividend, refund, or distribution which would amount to less than one dollar (\$1).

Group
policies.

3. This section shall not apply to contracts of group life insurance, group annuities, or group disability insurance.

Intervening
breach.

SEC. .18.35 *Intervening Breach*: If any breach of a warranty or condition in any insurance contract occurs prior to a loss under the contract, such breach shall not avoid the contract nor avail the insurer to avoid liability, unless the breach exists at the time of the loss,

Assignment
of policies.

SEC. .18.36 *Assignment of Policies*: Subject to the terms of the policy relating to its assignment, life insurance policies, other than industrial or group life insurance policies, and disability policies providing benefits for accidental death, whether such policies were heretofore or are hereafter issued, and under the terms of which the beneficiary may be changed upon the sole request of the insured, may be assigned either by pledge or transfer of title, by an assignment executed by the insured alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer. Industrial life insurance policies may be made assignable only to a bank or trust company. Any such assignment shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge, or written notice by or on behalf

of some other person claiming some interest in the policy in conflict with the assignment.

SEC. .18.37 *Payment Discharges Insurer*: Whenever the proceeds of, or payments under a life or disability insurance policy, heretofore or hereafter issued, become payable and the insurer makes payment thereof in accordance with the terms of the policy, or in accordance with any written assignment thereof pursuant to section .18.36, the person then designated in the policy or by such assignment as being entitled thereto, shall be entitled to receive such proceeds or payments and to give full acquittance therefor, and such payment shall fully discharge the insurer from all claims under the policy unless, before payment is made, the insurer has received at its home office, written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy.

Payment discharges insurer.

SEC. .18.38 *Minor May Give Acquittance*: Any minor domiciled in this state who has attained the age of eighteen (18) years, shall be deemed competent to receive and to give full acquittance and discharge for, periodical payments in aggregate amount not exceeding two thousand dollars (\$2,000) in any one year, made by a life insurer as benefits payable upon the death of the insured, and in compliance with the provisions of a life insurance policy or settlement agreement, if such policy or agreement specifically provides for payments direct to such minor. No such minor shall be deemed competent to alienate the right to, or to anticipate, such payments.

Minor may give acquittance.

SEC. .18.39 *Payment of Proceeds—Simultaneous Deaths*: Where the individual insured and the beneficiary designated in a life insurance policy or policy insuring against accidental death have died and there is not sufficient evidence that they have died other-

Payment of proceeds—simultaneous deaths.

wise than simultaneously, the proceeds of the policy shall be distributed as if the insured had survived the beneficiary, unless otherwise expressly provided in the policy.

Exemption
of proceeds
—disability.

SEC. .18.40 *Exemption of Proceeds—Disability:* The proceeds or avails of all contracts of disability insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existing at the time the proceeds are made available for his use.

Exemption
of proceeds
—life.

SEC. .18.41 *Exemption of Proceeds—Life:* 1. The lawful beneficiary, assignee, or payee of a life insurance policy, other than an annuity, heretofore or hereafter effected by any person on his own life, or on the life of another, in favor of a person other than himself, shall be entitled to the proceeds and avails of the policy against the creditors and representatives of the insured and of the person effecting the insurance, and such proceeds and avails shall also be exempt from all liability for any debt of such beneficiary, existing at the time the proceeds or avails are made available for his own use.

Exemption
applies
whether or
not bene-
ficiary can
be changed
and whether
or not policy
is payable to
insured if
beneficiary
predeceases
insured.

2. The provisions of paragraph one of this section shall apply

(1) whether or not the right to change the beneficiary is reserved or permitted in the policy; or

(2) whether or not the policy is made payable to the person whose life is insured or to his estate if the beneficiary, assignee or payee shall predecease such person; except, that this paragraph shall not be construed so as to defeat any policy provision which provides for disposition of proceeds in the event the beneficiary shall predecease the insured.

3. The exemptions provided by paragraph one of this section, subject to the statute of limitations, shall not apply

When exemption does not apply.

(1) to any claim to or interest in such proceeds or avails by or on behalf of the insured, or the person so effecting the insurance, or their administrators or executors, in whatever capacity such claim is made or such interest is asserted; or

To claim by insured.

(2) to any claim to or interest in such proceeds or avails by or on behalf of any person to whom rights thereto have been transferred with intent to defraud creditors; but an insurer shall be liable to all such creditors only as to amounts aggregating not to exceed the amount of such proceeds or avails remaining in the insurer's possession at the time the insurer receives at its home office written notice by or on behalf of such creditors, of claims to recover for such transfer, with specification of the amounts claimed; or

Fraudulent transfer.

(3) to so much of such proceeds or avails as equals the amount of any premiums or portion thereof paid for the insurance with intent to defraud creditors, with interest thereon, and if prior to the payment of such proceeds or avails the insurer has received at its home office written notice by or on behalf of the creditor, of a claim to recover for premiums paid with intent to defraud creditors, with specification of the amount claimed.

Premiums paid with intent to defraud creditors.

4. For the purposes of paragraph one of this section a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation after the death of the individual insured by paying the death benefits to a person as permitted by such clause.

When policy payable to a person other than insured.

5. No person shall be compelled to exercise any rights, powers, options or privileges under any such policy.

No compulsion.

Exemption
of proceeds
—group life.

SEC. .18.42 *Exemption of Proceeds—Group Life:*

1. A policy of group life insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied to any legal or equitable process to pay any liability of any person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his debts.

When this
section not
applicable.

2. This section shall not apply to group life insurance policies issued under section .24.04 (debtor groups) to the extent that such proceeds are applied to payment of the obligation for the purpose of which the insurance was so issued.

Exemption
of proceeds—
annuities.

SEC. .18.43 *Exemption of Proceeds, Commutation*

—*Annuities:* 1. The benefits, rights, privileges and options which under any annuity contract heretofore or hereafter issued are due or prospectively due the annuitant who paid the consideration for the annuity contract, shall not be subject to execution nor shall the annuitant be compelled to exercise any such rights, powers or options, nor shall creditors be allowed to interfere with or terminate the contract, except:

Exceptions.

(1) As to amounts paid for or as premium on any such annuity with intent to defraud creditors, with interest thereon, and of which the creditor has given the insurer written notice at its home office prior to the making of the payments of the annuitant out of which the creditor seeks to recover. Any such notice shall specify the amount claimed or such facts as will enable the insurer to ascertain such amount, and shall set forth such facts as will enable the insurer to ascertain the insurance or annuity contract, the person insured or annuitant and the payments sought to be avoided on the ground of fraud.

Amounts
paid in
fraud of
creditors.

(2) The total exemption of benefits presently due and payable to any annuitant periodically or at stated times under all annuity contracts under which he is an annuitant, shall not at any time exceed two hundred and fifty dollars (\$250) per month for the length of time represented by such installments, and that such periodic payment in excess of two hundred and fifty dollars (\$250) per month shall be subject to garnishee execution to the same extent as are wages and salaries.

Amounts in excess of \$250 per month.

(3) If the total benefits presently due and payable to any annuitant under all annuity contracts under which he is an annuitant, shall at any time exceed payment at the rate of two hundred and fifty dollars (\$250) per month, then the court may order such annuitant to pay to a judgment creditor or apply on the judgment, in installments, such portion of such excess benefits as to the court may appear just and proper, after due regard for the reasonable requirements of the judgment debtor and his family, if dependent upon him, as well as any payments required to be made by the annuitant to other creditors under prior court orders.

Power of courts.

2. The benefits, rights, privileges or options accruing under such contract to a beneficiary or assignee shall not be transferable nor subject to commutation, and if the benefits are payable periodically or at stated times, the same exemptions and exceptions contained herein for the annuitant, shall apply with respect to such beneficiary or assignee.

Rights not transferable or subject to commutation.

3. An annuity contract within the meaning of this section shall be any obligation to pay certain sums at stated times, during life or lives, or for a specified term or terms, issued for a valuable consideration, regardless of whether or not such sums are payable to one (1) or more persons, jointly or otherwise, but does not include payments under life insurance contracts at stated times during life or lives, or for a specified term or terms.

"Annuity contract."

Spouses' rights in life insurance policy.

Insurance on life of spouse.

Insurance on life of child.

Presumption of consent of spouse.

Forms for proof of loss furnished.

Following acts do not prejudice insurer:

SEC. .18.44 *Spouses' Rights in Life Insurance Policy:* 1. Every life insurance policy heretofore or hereafter made payable to or for the benefit of the spouse of the insured, and every life insurance policy heretofore or hereafter assigned, transferred, or in any way made payable to a spouse or to a trustee for the benefit of a spouse, regardless of how such assignment or transfer is procured, shall, unless contrary to the terms of the policy, inure to the separate use and benefit of such spouse. Except, that the beneficial interest of a spouse in a policy upon the life of a child of the spouses, however such interest is created, shall be deemed to be a community interest and not a separate interest, unless expressly otherwise provided by the policy.

2. In any life insurance policy heretofore or hereafter issued upon the life of a spouse the designation heretofore or hereafter made by such spouse of a beneficiary in accordance with the terms of the policy, shall create a presumption that such beneficiary was so designated with the consent of the other spouse, but only as to any beneficiary who is the child, parent, brother, or sister of either of the spouses. The insurer may in good faith rely upon the representations made by the insured as to the relationship to him of any such beneficiary.

SEC. .18.46 *Forms for Proof of Loss Furnished:* Any insurer shall furnish, upon written request of any person claiming to have a loss under any insurance contract, forms of proof of loss for completion by such person. But such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

SEC. .18.47 *Claim Administration Not Waiver:* None of the following acts by or on behalf of an insurer shall be deemed to constitute a waiver of any

provision of a policy or of any defense of the insurer thereunder:

(1) Acknowledgment of the receipt of notice of loss or of claim under the policy. Acknowledging notice.

(2) Furnishing forms for reporting a loss or claim, for giving information relative thereto, or for making proof of loss, or receiving or acknowledging receipt of any such forms or proofs completed or uncompleted. Furnishing forms.

(3) Investigating any loss or claim under any policy or engaging in negotiations looking toward a possible settlement of any such loss or claim. Investigating. Negotiating.

SEC. .18.48 *Discrimination Prohibited*: No insurer shall make or permit any unfair discrimination in favor of particular individuals or persons, or between insureds or subjects of insurance having substantially like insuring, risk, and exposure factors, or expense elements, in the terms or conditions of any insurance contract, or in the rate or amount of premium charged therefor, or in the benefits payable or in any other rights or privileges accruing thereunder. This provision shall not prohibit fair discrimination by a life insurer as between individuals having unequal expectations of life. Discrimination prohibited.

SEC. .18.51 *Validity of Noncomplying Forms*: Any insurance policy, rider, or endorsement hereafter issued and otherwise valid, which contains any condition or provision not in compliance with the requirements of this code, shall not be rendered invalid thereby, but shall be construed and applied in accordance with such conditions and provisions as would have applied had such policy, rider, or endorsement been in full compliance with this code. Validity of noncomplying forms.

SEC. .18.52 *Construction of Policies*: Every insurance contract shall be construed according to the entirety of its terms and conditions as set forth in the policy, and as amplified, extended, or modified Construction of policies.

by any rider, endorsement, or application attached to and made a part of the policy.

ARTICLE NINETEEN

RATES

Insurances not within scope of this article.

SEC. .19.01 *Scope of the Article:* 1. Except as is otherwise expressly provided the provisions of this article apply to all insurances upon subjects located, resident or to be performed in this state except:

- (1) Life insurance;
- (2) disability insurance;
- (3) reinsurance, except as to joint reinsurance as provided in section .19.36;
- (4) insurance against loss of or damage to aircraft, their hulls, accessories, and equipment, or against liability, other than Workmen's Compensation and employers' liability, arising out of the ownership, maintenance or use of aircraft;
- (5) insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity; and such other risks commonly insured under marine, as distinguished from inland marine, insurance contracts as may be defined by ruling of the Commissioner for the purposes of this provision;
- (6) title insurance.

Exception as to disability insurance.

2. Except, that every insurer shall, as to disability insurances, before using file with the Commissioner its manual of classification, manual of rules and rates, and any modifications thereof.

Rate standard.

SEC. .19.02 *Rate Standard:* Premium rates for insurance shall not be excessive, inadequate, or unfairly discriminatory. This section does not apply to casualty insurance.

Making of rates.

SEC. .19.03 *Making of Rates:* Rates shall be used, subject to the other provisions of this article, only if made in accordance with the following provisions:

Fire marine and transportation.

- (1) In the case of insurances under standard fire policies and that part of marine and transportation

insurances not exempted under section .19.01, manual, minimum, class or classification rates, rating schedules or rating plans, shall be made and adopted; except as to specific rates on inland marine risks individually rated, which risks are not reasonably susceptible to manual or schedule rating, and which risks by general custom of the business are not written according to manual rates or rating plans.

(2) In the case of casualty and surety insurances:

Casualty
and surety
insurance.

(a) The systems of expense provisions included in the rates for use by any insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable.

Expense
provisions.

(b) Risks may be grouped by classifications for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any differences among risks that can be demonstrated to have a probable effect upon losses or expenses.

Risks.

(3) Due consideration in making rates for all insurances shall be given to:

Consideration
to be given.

(a) Past and prospective loss experience within and outside this state; and in the case of rates for fire insurance, to the loss experience of insurers as to insurance against fire during a period of not less than the most recent five-year period for which such experience is available.

Loss
experience.

(b) Conflagration and catastrophe hazards, where present.

Conflagration
and
catastrophe
hazards.

Underwriting profit and contingencies.

(c) A reasonable margin for underwriting profit and contingencies.

Dividends, savings and unabsorbed premiums.

(d) Dividends, savings and unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers.

Other relevant factors.

(e) All other relevant factors within and outside this state.

Rates filed may relate to insurer's plans.

(4) In addition to other factors required by this section, rates filed by an insurer on its own behalf may also be related to the insurer's plan of operation and plan of risk classification.

Uniformity not required.

(5) Except to the extent necessary to comply with section .19.02 uniformity among insurers in any matter within the scope of this section is neither required nor prohibited.

Filing required. Items to be filed with Commissioner.

SEC. .19.04 *Filing Required:* 1. Every insurer shall, before using, file with the Commissioner every manual of classifications, manual of rules and rates, and every rating plan as to surety insurances, and every rating schedule, minimum rate, class rate, and rating rule as to other insurances, and every modification of any of the foregoing which it proposes. The insurer need not so file any rate on individually rated risks as described in item (1) of section .19.03; except that any such specific rate made by a rating organization shall be filed. This section does not apply to casualty insurance.

Information to be contained in filing.

2. Every such filing shall state its proposed effective date and shall indicate the character and extent of the coverage contemplated. When a filing is not accompanied by the information upon which the insurer supports such filing, and the Commissioner does not have sufficient information to determine whether the filing meets the requirements of this article, he may require the insurer to furnish the information upon which it supports the filing. An insurer may offer in support of any filing

Commissioner may require additional information.

Filing may be supported.

(1) the experience or judgment of the insurer or rating organization making the filing, Experience of insurer.

(2) the experience of other insurers or rating organizations, or Experience of other insurers.

(3) any other factors which the insurer or rating organization deems relevant. A filing and any supporting information shall be open to public inspection only after the filing becomes effective. Other relevant factors.
Public inspection.

3. Where a filing is required no insurer shall make or issue an insurance contract or policy except in accordance with its filing then in effect, except as is provided by section .19.09. Policy to conform to filing.

SEC. .19.05 *Filings by Bureau:* 1. If so authorized by an insurer, the Commissioner shall accept, in lieu of filings by the insurer, filings on its behalf made by a rating organization then licensed as provided in this article. Filings by bureau.
Licensed rating organization.

2. As to fire insurance under a standard form fire policy, an insurer may so authorize a rating organization to make all its filings only, and may not make a portion of such filings on its own behalf and authorize a rating organization to make other such filings. Except, that an insurer which prior to the first day of January, nineteen hundred and forty-seven, made its own filings in this state as to a particular class of fire risks, and its filings in this state as to other classes of fire risks were made by a rating organization authorized by the insurer so to do, may: Fire insurer may not authorize partial filing by rating organization.

Exceptions.

(1) Continue to make all its own filings as to such specific class of risks or authorize a rating organization to make its filings as to such specific class of risks or any part thereof, and Specific classes of risks.

(2) authorize a different rating organization to make all only of its filings as to all other classes of risks insured by it in this state against fire under the standard form fire policy; or Change of rating organization.

(3) make all its own filings as to all classes of

Risks
excepted
by insurer's
filing.

risks insured by it against fire under the standard form fire policy, or make all its own such filings except as to any which may relate to any such specific class of risks, which filings so excepted the insurer may authorize a rating organization to make; or

Insurer may
authorize
filings to be
made by
rating
organization
as to
all risks.

(4) authorize a rating organization to make all only of its filings as to all classes or risks insured by it against fire in this state under the standard form fire policy.

Review and
disapproval
of filings.

SEC. .19.06 *Review and Disapproval of Filings:*

1. The Commissioner shall review a filing as soon as reasonably possible after made, to determine whether it meets the requirements of this article.

Commis-
sioner to
review.

2. Except as provided in section .19.07:

Effective
date of
filing.
May be
extended
by Com-
missioner.

(1) No such filing shall become effective within fifteen (15) days after date of filing with the Commissioner, which period may be extended by the Commissioner for an additional period not to exceed fifteen (15) days if he gives notice within such waiting period to the insurer or rating organization which made the filing that he needs such additional time for the consideration of the filing. The Commissioner may, upon application and for cause shown, waive such waiting period or any part thereof as to a filing which he has not disapproved.

Commis-
sioner may
waive
waiting
period.

Filing
meets re-
quirements
unless
disapproved.

(2) A filing shall be deemed to meet the requirements of this article unless disapproved by the Commissioner within the waiting period or any extension thereof.

Casualty
insurance
excepted.

3. This section does not apply to casualty insurance.

Special
filings.
Effective
until re-
viewed by
Commis-
sioner.

SEC. .19.07 *Special Filings:* The following special filings, when not covered by a previous filing, shall become effective when filed and shall be deemed to meet the requirements of this article until such time as the Commissioner reviews the

filing and for so long thereafter as the filing remains in effect:

(1) Special filings with respect to surety or guaranty bonds required by law or by court or executive order or by order, rule or regulation of a public body.

Surety or guaranty bonds.

(2) Specific rates on inland marine risks individually rated by a rating organization, which risks are not reasonably susceptible to manual or schedule rating, and which risks by general custom of the business are not written according to manual rates or rating plans.

Inland marine risks.

SEC. .19.08 *May Waive Filing:* Under such rules and regulations as he shall adopt the Commissioner may, by order, suspend or modify the requirement of filing as to any kind of insurance, subdivision or combination thereof, or as to classes of risks, the rates for which cannot practicably be filed before they are used. Such orders, rules and regulations shall be made known to insurers and rating organizations affected thereby. The Commissioner may make such examination as he may deem advisable to ascertain whether any rates affected by such order meet the standard prescribed in section .19.02.

May waive filing.

Commissioner to adopt rules and regulations.

Insurers to be notified.

Commissioner may make examinations.

SEC. .19.09 *Excess Rates:* Upon written application of the insured, stating his reasons therefor, filed with and approved by the Commissioner, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

Excess rates.

Written application.

SEC. .19.10 *Disapproval of Filing:* If within the waiting period or any extension thereof as provided in section .19.06, the Commissioner finds that a filing does not meet the requirements of this article, he shall disapprove such filing, and shall give notice of such disapproval, specifying the respect in which he finds the filing fails to meet such requirements, and stating that the filing shall not become effective, to the insurer or rating organization which made the

Disapproval of filing.

Notice to insurer.

Casualty insurance excepted.

filing. This section does not apply to casualty insurance.

Disapproval of special filing.

SEC. .19.11 *Disapproval of Special Filing:* 1. If within thirty (30) days after a special filing subject to section .19.07 has become effective, the Commissioner finds that the filing does not meet the requirements of this article, he shall disapprove the filing and shall give notice to the insurer or rating organization which made the filing, specifying in what respects he finds that the filing fails to meet such requirements and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective.

Notice to insurer.

Prior contracts not affected.

2. Such disapproval shall not affect any contract made or issued prior to the expiration of the period set forth in the notice of disapproval.

Subsequent disapproval.

SEC. .19.12 *Subsequent Disapproval:* 1. If at any time subsequent to the applicable review period provided in section .19.06 or section .19.11, the Commissioner finds that a filing does not meet the requirements of this article, he shall, after a hearing, notice of which was given to every insurer and rating organization which made such filing, issue his order specifying in what respect he finds that such filing fails to meet the requirements of this article, and stating when, within a reasonable period thereafter, the filing shall be deemed no longer effective. This paragraph does not apply to casualty insurance.

Hearing upon notice required.

Casualty insurance excepted.

Prior contracts not affected.

2. Such order shall not affect any contract or policy made or issued prior to the expiration of the period set forth in the order.

Any person aggrieved may apply for hearing.

3. Any person aggrieved with respect to any filing then in effect, other than the insured or rating organization which made the filing, may make written application to the Commissioner for a hearing thereon. The application shall specify the grounds to be relied upon by the applicant. If the Commissioner finds that the application is made in good

faith, that the applicant would be so aggrieved if his grounds are established, and that such grounds otherwise justify holding the hearing, he shall, within thirty (30) days after receipt of the application, hold a hearing as required in paragraph one of this section.

SEC. .19.14 *Rating Organization—No Discrimination—“Subscriber” Defined:* 1. Every rating organization operating in this state shall furnish its services without discrimination as between its subscribers.

Rating organization—
“subscriber”
defined.
Discrimination between
subscribers
prohibited.

2. “Subscriber,” for the purposes of this article and where the context does not otherwise specify, means any insurer which employs the services of a rating organization for the purpose of making filings, whether or not the insurer is a “member” of such rating organization.

Subscribers.

3. This article is not intended to and does not govern or affect the “membership” relation as such between a rating organization and insurers who are its “members.”

Members.

SEC. .19.15 *Subscribership Not Required:* No provision of this code shall require, or be deemed to require, any insurer to be a subscriber of, or in any other respect affiliated with, any rating organization.

Subscriber-
ship not
required.

SEC. .19.16 *Rating Organization License:* No rating organization shall do business in this state or make filings with the Commissioner unless then licensed by the Commissioner as a rating organization.

Rating
organization
license.

SEC. .19.17 *Application for License:* 1. Any person, whether domiciled within or outside this state, except as provided in paragraph two of this section, may make application to the Commissioner for a license as a rating organization for such kinds of insurance or subdivisions thereof, if for casualty or surety insurances, or for such subdivision, class of

Application
for license.

risks or a part or combination thereof, if for other insurances, as are specified in its application, and shall file therewith:

Exhibits required to accompany application.

(1) A copy of its constitution, its articles of agreement or association, or its certificate of incorporation, or trust agreement, and of its by-laws, rules and regulations governing the conduct of its business;

List of subscribers and members.

(2) A list of its members and a list of its subscribers;

Resident agent.

(3) The name and address of a resident of this state upon whom notices or orders of the Commissioner or process affecting such rating organization may be served, and

Statement of qualification.

(4) A statement of its qualifications as a rating organization.

For standard form fire policy.

2. Any rating organization proposing to act as such as to insurance under standard form fire policies, shall be licensed only if all the following conditions are complied with:

Residence requirement.

(1) The applicant and the operators of such rating organization shall be domiciled in and shall actually reside in this state.

Ownership in trust for subscribers—non profit organization.

(2) The ownership of such rating organization shall be vested in trustees for all its subscribers under such trust agreement as is approved by the Commissioner, and the rating organization shall be and shall be conducted as a non-profit public service institution.

Connections limited to subscriber relationship.

(3) Such rating organization shall not be connected with any insurer or insurers except to the extent that any such insurer may be a subscriber to its services.

Issuance of license.

Findings by Commissioner.

SEC. .19.18 *Issuance of License:* 1. If the Commissioner finds that the applicant for a license as a rating organization is competent, trustworthy and otherwise qualified so to act, and that its constitution, articles of agreement or association or certificate of

incorporation or trust agreement, and its by-laws, rules and regulations governing the conduct of its business conform to the requirements of law, he shall, upon payment of a license fee of twenty-five dollars (\$25), issue a license specifying the kinds of insurance, or subdivisions or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization.

License fee.

2. The Commissioner shall grant or deny in whole or in part every such application within sixty (60) days of the date of its filing with him.

Granted or denied within sixty days.

3. A license issued pursuant to this section shall remain in effect for three (3) years unless sooner suspended or revoked by the Commissioner.

License effective three years unless revoked.

SEC. 19.19 *Suspension, Revocation of License:*

Commissioner may suspend or revoke.

1. The Commissioner may, after a hearing, suspend or revoke the license issued to a rating organization for any of the following causes:

(1) If he finds that the licensee no longer meets the qualifications for the license.

Failure of qualifications.

(2) For failure to comply with an order of the Commissioner within the time limited by the order, or any extension thereof which the Commissioner may grant.

Non-compliance with Commissioner's orders.

2. The Commissioner shall not so suspend or revoke a license for failure to comply with an order until the time prescribed by this code for an appeal from such order to the superior court has expired or if such appeal has been taken, until such order has been affirmed.

Time for appeals and final determinations of appeals are conditions of revocation.

3. The Commissioner may determine when a suspension or revocation of license shall become effective. A suspension of license shall remain in effect for the period fixed by him, unless he modifies or rescinds the suspension, or until the order, failure to comply with which constituted grounds for the suspension, is modified, rescinded or reversed.

Commissioner's discretion as to duration and effective date of revocation.

Notice of changes. Must notify Commissioner.

SEC. .19.20 *Notice of Changes:* Every rating organization shall notify the Commissioner promptly of every change in

Constitution, articles, by-laws, etc.

(1) its constitution, its articles of agreement or association, or its certificate of incorporation, or trust agreement, and its by-laws, rules and regulations governing the conduct of its business;

List of subscribers and members. Statutory agent.

(2) its list of members and subscribers;
(3) the name and address of the resident of this state designated by it upon whom notices or orders of the Commissioner or process affecting such rating organization may be served.

Subscriber-ships.

SEC. .19.21 *Subscriberships:* 1. Subject to rules and regulations which have been approved by the Commissioner as reasonable, each rating organization shall permit any insurer to subscribe to its rating services for any kind of insurance or subdivision thereof, for which it is authorized to act as a rating organization, subject to paragraph two of section .19.05.

Insurer may subscribe under approved rules and regulations.

2. Notice of proposed changes in such rules and regulations shall be given to each subscriber.

Notices of proposed changes in rules and regulations. Insurer to be subscriber to one organization for particular class of risk.

3. An insurer shall not concurrently be a subscriber to the services of more than one rating organization as to the same subdivision, class of risk or part or combination of a kind of insurance.

Fire insurance under standard form.

4. As to fire insurance under standard form fire policies, an insurer may not concurrently be a subscriber to the services of more than one rating organization, except as provided in paragraph two of section .19.05.

Review of rules and refusal to admit insurers.

SEC. .19.22 *Review of Rules and Refusal to Admit Insurers:* 1. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the Commissioner at a hearing held upon notice to the rating organization, and to the subscriber or insurer.

Review upon notice and hearing.

2. If the Commissioner finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers who are not members of the rating organization.

Commissioner may order rule or regulation not applicable to subscribing non-member.

3. If a rating organization fails to grant or reject an insurer's application for subscribership within thirty (30) days after it was made, the insurer may request a review by the Commissioner as if the application had been rejected. If the Commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

Review for failure to admit subscriber.

Commissioner may rule.

SEC. .19.23 *Subscriber Committees:* The subscribers of any rating organization may, from time to time, individually or through committees representing various subscribers, consult with the rating organization with respect to matters within this article which affect such subscribers.

Subscriber committees.

SEC. .19.24 *Rules Cannot Affect Dividends:* No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

Rules cannot affect dividends.

SEC. .19.25 *Cooperation Among Rating Organizations:* 1. Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this article is hereby authorized, if the filings resulting from such cooperation are subject to all the provisions of this article which are applicable to filings generally.

Cooperation among rating organizations.

2. The Commissioner may review such cooperative activities and practices and if, after a hearing,

Review by Commissioner.

Commissioner may require discontinuance.

he finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this code, he may issue a written order specifying in what respect such activity or practice is so unfair, unreasonable, or inconsistent, and requiring the discontinuance of such activity or practice.

Technical services.

SEC. .19.26 *Technical Services:* Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all subscribers without discrimination.

Records and examination.

SEC. .19.27 *Records and Examination:* Each rating organization shall keep an accurate and complete record of all work performed by it, and of all its receipts and disbursements. Such rating organization and its records shall be examined by the Commissioner at such times and in such manner as is provided in article three of this code.

Records to be examined by Commissioner.

Deviations prohibited.

SEC. .19.28 *Deviations:* 1. Every subscriber to a rating organization shall adhere to the filings made on its behalf by such organization, and shall not deviate therefrom except as provided in this section.

Exceptions.

2. Any such subscriber may make written application to the Commissioner for permission to file a deviation, and shall at the same time send a copy of the application to the rating organization. The application shall specify the deviation desired, and the basis thereof. In the case of deviations as specified in paragraph four of this section, the application shall be accompanied by the data upon which the applicant relies. The Commissioner shall forthwith set a date for a hearing on the application and give notice thereof to the applicant and to the rating organization. If the rating organization informs the Commissioner that it does not desire a hearing he may, upon consent of the applicant, waive the hearing.

Upon permission of Commissioner granted upon application, notice and hearing.

3. As to fire insurance under standard form fire policies, any such deviation shall be only by a uniform percentage of addition to or decrease from all rates resulting from all filings relative to such insurance made by the rating organization on behalf of such applicant and then in effect.

Uniform percentage for fire insurance under standard form policy.

In considering the application for permission to file such deviation the Commissioner shall give consideration to the available statistics and the applicable principles for rate making as provided in section .19.03.

Statistics and principles for rate making considered.

4. As to insurance other than that designated in paragraph three of this section, any such deviation shall be only by a uniform percentage decrease or increase to be applied to the premiums produced by the rating system so filed for a kind of insurance, or for a class of insurance which is found by the Commissioner to be a proper rating unit for the application of such uniform percentage decrease or increase, or for a subdivision of a kind of insurance (1) comprised of a group of manual classifications which is treated as a separate unit for rate making purposes, or (2) for which separate expense provisions are included in the filings of the rating organization.

Uniform percentage for other insurance.

5. If upon such hearing the Commissioner finds the proposed deviation to be justified, and that premiums and rates resulting therefrom would not be inadequate, excessive, or unfairly discriminatory, he shall issue his order permitting the deviation to be filed and such deviation shall thereupon become effective. If he finds otherwise, he shall issue his order denying the application.

Commissioner may grant or deny application upon findings.

6. Each deviation permitted to be filed shall be effective for a period of not less than one (1) year from the date of such permission unless terminated sooner with the approval of the Commissioner. Every such deviation shall terminate upon a material change of the basic rate from which the devia-

Effective period of deviation.

tion is made. The Commissioner shall determine whether a change of the basic rate is so material as to require such termination of deviations.

Casualty insurance excepted.

7. This section does not apply to casualty insurance.

Any subscriber may appeal to Commissioner.

SEC. .19.29 *Appeal by Minority:* 1. Any subscriber to a rating organization may appeal to the Commissioner from the rating organization's action or decision in approving or rejecting any proposed change in or addition to the rating organization's filings. The Commissioner shall, after a hearing on the appeal:

Commissioner may approve decision or direct further consideration.

(1) Issue an order approving the rating organization's action or decision or directing it to give further consideration to such proposal; or

May order addition to filings.

(2) If the appeal is from the rating organization's action or decision in rejecting a proposed addition to its filings, he may, in event he finds that the action or decision was unreasonable, issue an order directing the rating organization to make an addition to its filings, on behalf of its subscribers, in a manner consistent with his findings, within a reasonable time after the issuance of such order.

Appeal upon failure to make filing based on expense provisions.

2. If such appeal is based upon the rating organization's failure to make a filing on behalf of such subscriber which is based on a system of expense provisions which differs, in accordance with the right granted in item (2) of section .19.03, from the system of expense provisions included in a filing made by the rating organization, the Commissioner shall, if he grants the appeal, order the rating organization to make the requested filing for use by the appellant. In deciding the appeal the Commissioner shall apply the standards set forth in section .19.02 and section .19.03.

Service to insureds.

SEC. .19.30 *Service to Insureds:* Every rating organization and every insurer which makes its own rates shall, within a reasonable time after receiving

written request therefor and upon payment of such reasonable charge as it may make, furnish to any insured affected by a rate made by it, or to the authorized representative of such insured, all pertinent information as to such rate.

Information as to rates to be furnished.

SEC. .19.31 *Complaints of Insureds*: Every rating organization and every insurer which makes its own rates shall provide within this state reasonable means whereby any person aggrieved by the application of its rating system may be heard, in person or by his authorized representative, on his written request to review the manner in which such rating system has been applied in connection with the insurance afforded him. If the rating organization or insurer fails to grant or reject such request within thirty (30) days after it is made, the applicant may proceed in the same manner as if his application had been rejected. Any party affected by the action of such rating organization or such insurer on such request may, within thirty (30) days after written notice of such action, appeal to the Commissioner, who, after a hearing held upon notice to the appellant and to the rating organization or insurer, may affirm or reverse such action.

Complaints of insureds.

Rating organization to provide means for hearings.

Appeals to Commissioner.

SEC. .19.32 *Advisory Organizations—Definition*:
 1. Every group, association or other organization of insurers, whether located within or outside this state, which assists insurers which make their own filings or rating organizations in rate making, by the collection and furnishing of loss or expense statistics, or by the submission of recommendations, but which does not make filings under this article, shall be known as an advisory organization.

Advisory organizations—definition.

2. This section does not apply to subscribers' committees provided for in section .19.23.

SEC. .19.33 *Prerequisites to Operating as Advisory Organization*: Every advisory organization before serving as such to any rating organization or

Prerequisites to operating as advisory organizations.

File with Commissioner.

independently filing insurer doing business in this state, shall file with the Commissioner:

Constitution, articles, by-laws, etc.

(1) A copy of its constitution, its articles of agreement or association or its certificate of incorporation and of its by-laws, rules and regulations governing its activities;

List of members.

(2) A list of its members;

Resident agent.

(3) The name and address of a resident of this state upon whom notices or orders of the Commissioner or process issued at his direction may be served; and

Examination by Commissioner.

(4) An agreement that the Commissioner may examine such advisory organization in accordance with the provisions of section .03.01.

Desist orders.

Hearing, findings and order by Commissioner.

SEC. .19.34 *Desist Orders:* If, after a hearing, the Commissioner finds that the furnishing of information or assistance by an advisory organization, as referred to in section .19.32, involves any act or practice which is unfair or unreasonable or otherwise inconsistent with the provisions of this code, he may issue a written order specifying in what respects such act or practice is unfair or unreasonable or so otherwise inconsistent, and requiring the discontinuance of such act or practice.

Disqualification of data.

Must be from complying organization.

SEC. .19.35 *Disqualification of Data:* No insurer which makes its own filing nor any rating organization shall support its filings by statistics or adopt rate-making recommendations, furnished to it by an advisory organization which has not complied with this article or with any order of the Commissioner involving such statistics or recommendations issued under section .19.34. If the Commissioner finds such insurer or rating organization to be in violation of this section he may issue an order requiring the discontinuance of the violation.

Joint underwriting or joint reinsurance.

SEC. .19.36 *Joint Underwriting or Joint Reinsurance:* 1. Every group, association or other organization of insurers which engages in joint underwrit-

ing or joint reinsurance, shall be subject to regulation with respect thereto as is provided in this section, subject, however, with respect to joint underwriting, to all other provisions of this article, and, with respect to joint reinsurance, to section .19.27 and sections .01.08 and .19.43; and to article three of this code.

Subject to regulation.

2. If, after a hearing, the Commissioner finds that any activity or practice of any such group, association or other organization is unfair or unreasonable or otherwise inconsistent with the provisions of this article, he may issue a written order specifying in what respects such activity or practice is unfair, or unreasonable or so inconsistent, and requiring the discontinuance of the activity or practice.

Hearing, findings and orders by Commissioner.

SEC. .19.37 *Recording and Reporting of Loss and Expense Experience:* 1. The Commissioner shall promulgate reasonable rules and statistical plans, reasonably adapted to each of the rating systems on file with him, which may be modified from time to time and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rating systems comply with the standards set forth in sections .19.02 and .19.03. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

Recording and reporting of loss and expense experience.

Rules and regulations by Commissioner.

2. In promulgating such rules and plans, the Commissioner shall give due consideration to the rating systems on file with him and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and

Filed ratings to be considered and rules to be uniform if practicable.

to the form of the plans used for such rating systems in other states.

Loss ex-
perience
reports based
on filed
rating
system.

3. No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system filed by it.

Commis-
sioner may
designate
agency to
gather
data.

4. The Commissioner may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the Commissioner, to insurers and rating organizations.

Commis-
sioner may
make rules
and regula-
tions.

5. Reasonable rules and plans may be promulgated by the Commissioner for the interchange of data necessary for the application of rating plans.

Exchange of
information.

SEC. .19.38 *Exchange of Information:* Every rating organization and insurer may exchange information and experience data with insurers and rating organizations in this and other states and may consult with them with respect to rate making and the application of rating systems.

False or
misleading
information.

SEC. .19.39 *False or Misleading Information:* No person shall willfully withhold information from, or knowingly give false or misleading information to, the Commissioner, any statistical agency designated by the Commissioner, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this article.

Assigned
risks.

Agreements
and rate
modifications
subject to
approval of
Commis-
sioner.

SEC. .19.40 *Assigned Risks:* Agreements may be made among casualty insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate modifications to be subject to the approval of the Commissioner.

- SEC. .19.41 Examination of Contracts:** 1. The Commissioner may permit the organization and operation of examining bureaus for the examination of policies, daily reports, binders, renewal certificates, endorsements, and other evidences of insurance or of the cancellation thereof, for the purpose of ascertaining that lawful rates are being charged.
2. A bureau shall examine documents with regard to such kinds of insurance as the Commissioner may, after hearing, reasonably require to be submitted for examination. A bureau may examine documents as to such other kinds of insurance as the issuing insurers may voluntarily submit for examination.
3. No bureau shall operate unless licensed by the Commissioner as to the kinds of insurance as to which it is permitted so to examine. To qualify for a license a bureau shall:
- (1) Be owned in trust for the benefit of all the insurers regularly using its services, under a trust agreement approved by the Commissioner.
 - (2) Make its services available without discrimination to all authorized insurers applying therefor, subject to such reasonable rules and regulations as to the obligations of insurers using its services, as to the conduct of its affairs, and as to the correction of errors and omissions in documents examined by it as are approved by the Commissioner.
 - (3) Have no manager or other employee who is connected with any rating organization, or who is an employee of an insurer other than to the extent that he is an employee of the bureau owned by insurers through such trust agreement.
 - (4) Pay to the Commissioner a fee of ten dollars (\$10) for issuance of its license.
4. Such license shall be of indefinite duration and shall remain in force until revoked by the Commissioner or terminated at the request of the bureau.

Examination of contracts.

Examining bureaus may be permitted.

After hearing Commissioner may require examination.

Bureau must be licensed as to kinds of insurance.

Must be owned in trust under approved agreement.

Must make services available without discrimination.

Limitation on employees.

License fee.

License for indefinite term.

After hearing
Commissioner may
revoke
license.

Unqualified.
Non com-
pliance.

Violations.

Appeals to
Commissioner.

Supervision
by Com-
missioner.

Records to
be kept.

Preference
rights of
bureaus.

Rate
agreements.

Insurers
may agree.

Agreement
to be in
writing.

The Commissioner may revoke the license, after hearing,

- (1) if the bureau is no longer qualified therefor;
- (2) if the bureau fails to comply with a proper order of the Commissioner;
- (3) if the bureau violates or knowingly participates in the violation of any provision of this code.

5. Any person aggrieved by any rule, regulation, act or omission of a bureau may appeal to the Commissioner therefrom. The Commissioner shall hold a hearing upon such appeal, and shall make such order upon the hearing as he deems to be proper.

6. Every such bureau operating in this state shall be subject to the supervision of the Commissioner, and the Commissioner shall examine it as provided in article three of this code.

7. Every examining bureau shall keep adequate records of the outstanding errors and omissions found in coverages examined by it and of its receipts and disbursements, and shall hold as confidential all information contained in documents submitted to it for examination.

8. The Commissioner shall not license an additional bureau for the examination of documents relative to a kind of insurance if such documents are being examined by a then existing licensed bureau. Any examining bureau operating in this state immediately prior to the effective date of this code under any law of this state repealed as of such date, shall have prior right to apply for and secure a license under this section.

SEC. 19.42 *Rate Agreements:* Two (2) or more insurers mutually may agree to adhere to rates, rating plans, rating systems or underwriting practices or uniform modifications thereof, all subject to the following conditions:

- (1) All of the terms of the agreements shall be in writing executed on behalf of each such insurer.

(2) An executed copy of every such written agreement and of every modification thereof shall be filed with the Commissioner.

To be filed with Commissioner.

(3) Within a reasonable length of time after every such filing, the Commissioner shall either approve or disapprove such agreement or modification. No such agreement or modification shall be effective unless and until approved by the Commissioner.

Must be approved by Commissioner.

(4) The Commissioner shall not approve any such agreement or modification which:

Commissioner not to approve.

(a) Constitutes or would tend to result in an unreasonable restraint upon free competition;

Restraint on competition.

(b) contains terms otherwise tending to injure the public interest.

Against public interest.

(5) No cause of action shall lie in favor of any insurer which is party to any such agreement against any other insurer party thereto on account of any breach thereof.

No cause of action for breach.

(6) All rate filings covered by such agreement shall be subject to the provisions of this article or of other applicable law.

Subject to other applicable law.

(7) The Commissioner may after a hearing thereon and for cause withdraw any approval previously given any such agreement or modification.

Commissioner after hearing may withdraw approval.

Sec. .19.43 *Penalties*: Any person violating any provision of this article shall be subject to a penalty of not more than fifty dollars (\$50) for each such violation, but if such violation is found to be willful a penalty of not more than five hundred dollars (\$500) for each such violation may be imposed. Such penalties may be in addition to any other penalty provided by law.

Penalties.

ARTICLE TWENTY
DISABILITY INSURANCE

Sec. .20.01 *Scope of Article*: This article applies to all disability insurance contracts other than contracts of group or blanket disability insurance.

Scope of article.

This article shall not be deemed to apply to any contract of Workmen's Compensation insurance, or to disability benefits supplemental to life insurance and life annuities and included within the definition of life insurance under this code.

Format of disability policies.

SEC. .20.02 *Format of Disability Policies:* No disability policy shall be issued or delivered to any person in this state unless it otherwise complies with this code, and complies with the following:

Effective and termination dates.

(1) The times at which the insurance takes effect and terminates shall be stated in a portion of the policy above the evidence of its execution by the insurer.

Insurance on one person.

(2) The policy shall not purport to insure more than one (1) person, unless it provides "family expense disability insurance" as defined in this article.

Size of print.

(3) Every printed portion thereof and of any endorsements or attached papers shall be plainly printed in type of which the face is not smaller than ten point.

Description of policy—print size.

(4) Except in the case of transportation ticket policies, a brief description of the policy shall be printed on its first page and on the filing back in type with the face not smaller than fourteen point.

Exceptions.

(5) The exceptions of the policy shall be printed with the same prominence as the benefits to which they apply.

Print size for provision reducing indemnity.

(6) If any portion of the policy purports, by reason of the circumstances under which a loss is incurred, to reduce any indemnity to an amount less than that provided for the same loss occurring under ordinary circumstances, such portion shall be printed in bold-faced type with greater prominence than any other portion of the text of the policy.

Form number.

(7) Each such policy form, and rider or endorsement to be made a part thereof, shall be identified by a form number in the lower left-hand corner of

the first page of each folio and of each separately printed page thereof.

SEC. .20.03 *Standard Provisions Required:* Except as otherwise provided by this article, every disability policy shall contain certain standard provisions, which shall be in the words, and in the order of the number, of each provision as set forth in this article and shall be preceded in every policy by the caption, "Standard Provisions."

Standard provisions required.

SEC. .20.04 *Designation of Insurer:* In each such standard provision wherever the word "insurer" is used, there shall be substituted therefor "company," "corporation," "association," "society," "exchange," or such other word as will properly designate the insurer.

Designation of insurer.

SEC. .20.05 *Standard Provision Number 1—The Contract:* There shall be a standard provision relative to the contract which shall be in one of the following three forms. Form (A) shall be used in policies which do not provide for reduction of indemnity on account of change of occupation, and form (B) shall be used in policies which do so provide. Form (C) shall be used in all policies providing for reduction of indemnity on account of change of occupation only as respects part of the accident coverage or part of the health coverage thereunder. If form (B) or form (C) is used and the policy provides indemnity against loss from sickness, the words "or contracts sickness" may be inserted therein immediately after the words "in the event that the insured is injured." If form (C) is used and the policy provides indemnity against loss from sickness the words "or sickness" may be inserted therein immediately after the words "where the injuries."

Standard provision number 1—the contract.

Three forms provided: A, B, and C.

(A) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance. No reduction shall be made in any indemnity herein provided by reason of change

Form A.

in the occupation of the insured or by reason of his doing any act or thing pertaining to any other occupation.

Form B.

(B) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing pertaining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state, then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law, then they shall mean the insurer's premium rates and classification of risks last made effective by it in such state prior to the occurrence of the loss for which the insurer is liable.

Form C.

(C) 1. This policy includes the endorsements and attached papers, if any, and contains the entire contract of insurance except as it may be modified by the insurer's classification of risks and premium rates in the event that the insured is injured after having changed his occupation to one classified by the insurer as more hazardous than that stated in the policy, or while he is doing any act or thing per-

taining to any occupation so classified, except ordinary duties about his residence or while engaged in recreation, in which event the insurer will pay only such portion of the indemnities provided in the policy as the premium paid would have purchased at the rate but within the limits so fixed by the insurer for such more hazardous occupation. No such mentioned modification or reduction shall be effective with respect to indemnities which by the terms of the policy, including any riders attached thereto, are not subject to modification or reduction where the injuries do not arise out of or in the course of the insured's occupation or employment.

If the law of the state in which the insured resides at the time this policy is issued requires that prior to its issue a statement of the premium rates and classification of risks pertaining to it shall be filed with the state official having supervision of insurance in such state then the premium rates and classification of risks mentioned in this policy shall mean only such as have been last filed by the insurer in accordance with such law, but if such filing is not required by such law they shall mean the insurer's premium rates and classification of risks last made effective by it in such state prior to the occurrence of the loss for which the insurer is liable.

SEC. .20.06 *Standard Provision Number 2—Contract Changes:* Except in the case of transportation ticket policies, there shall be a standard provision relative to change in the contract, which shall be in the following form:

Standard
provision
number 2—
contract
changes.

2. No statement made by the applicant for insurance not included herein shall avoid the policy or be used in any legal proceeding hereunder. No agent has authority to change this policy or to waive any of its provisions. No change in this policy shall be valid unless approved by an executive officer of the insurer and such approval be endorsed hereon.

Form.

Standard provision number 3—reinstatement.

Three forms provided: A, B, and C.

SEC. .20.07 *Standard Provision Number 3—Reinstatement:* Except in the case of policies which do not provide for renewal, there shall be a standard provision relative to reinstatement of the policy after lapse, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness; and form (C) shall be used in policies which insure against loss from both accident and sickness.

Form A.

(A) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy, but only to cover loss resulting from accidental injury thereafter sustained.

Form B.

(B) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover such sickness as may begin more than ten (10) days after the date of such acceptance.

Form C.

(C) 3. If default be made in the payment of the agreed premium for this policy, the subsequent acceptance of a premium by the insurer or by any of its duly authorized agents shall reinstate the policy but only to cover accidental injury thereafter sustained and such sickness as may begin more than ten (10) days after the date of such acceptance.

Standard provision number 4—notice of claim.

Three forms provided: A, B, and C.

SEC. .20.08 *Standard Provision Number 4—Notice of Claim:* There shall be a standard provision relative to time of notice of claim, which shall be in any of the three following forms: Form (A) shall be used in policies which insure only against loss from accident; form (B) shall be used in policies which insure only against loss from sickness, and form (C) shall be used in policies which insure

against loss from both accident and sickness and in all schedule type policies. If form (A) or form (C) is used the insurer may at its option add thereto the following: "In event of accidental death immediate notice thereof must be given to the insurer." The words in parentheses [parenthesis] may be used only in schedule type policies.

Words optional for A and C forms.

(A) 4. Written notice of injury on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury.

Form A.

(B) 4. Written notice of sickness on which claim may be based must be given to the insurer within ten (10) days after the commencement of the disability from such sickness.

Form B.

(C) 4. Written notice of injury or of sickness (if covered by this policy) on which claim may be based must be given to the insurer within twenty (20) days after the date of the accident causing such injury or within ten (10) days after the commencement of disability from such sickness.

Form C.

SEC. .20.09 *Standard Provision Number 5—Sufficiency of Notice:* There shall be a standard provision relative to sufficiency of notice of claim, which shall be in the following form and in which the insurer shall insert in the blank space such office and its location as it may desire to designate for such purpose of notice.

Standard provision number 5—sufficiency of notice.

5. Such notice given by or in behalf of the insured or beneficiary, as the case may be, to the insurer at or to any authorized agent of the insurer, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer. Failure to give notice within the time provided in this policy shall not invalidate any claim if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.

Form.

Standard provision number 6—forms for proof.

SEC. .20.10 *Standard Provision Number 6—Forms for Proof:* There shall be a standard provision relative to furnishing forms for the convenience of the insured in submitting proof of loss, as follows:

Form.

6. The insurer upon receipt of such notice, will furnish to the claimant such forms as are usually furnished by it for filing proofs of loss. If such forms are not so furnished within fifteen (15) days after the receipt of such notice, the claimant shall be deemed to have complied with the requirements of this policy as to proof of loss upon submitting within the time fixed in the policy for filing proofs of loss, written proof covering the occurrence, character and extent of the loss for which claim is made.

Standard provision number 7—time for filing proof.

SEC. .20.11 *Standard Provision Number 7—Time for Filing Proof:* There shall be a standard provision relative to filing proof of loss which shall be in the one of the following forms appropriate to the indemnities provided. The words in parentheses [parenthesis] may be used only in schedule type policies.

Forms appropriate: A, B, and G.

Form A.

(A) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the date of the loss for which claim is made.

Form B.

(B) 7. Affirmative proof of loss must be furnished to the insurer at its said office within ninety (90) days after the termination of the period of disability for which the insurer is liable.

Form C.

(C) 7. Affirmative proof of loss must be furnished to the insurer at its said office in case of claim for loss of time from disability (if covered by this policy) within ninety (90) days after the termination of the period for which the insurer is liable, and in case of claim for any other loss, within ninety (90) days after the date of such loss.

Standard provisions number 8—examination and autopsy.

SEC. .20.12 *Standard Provisions Number 8—Examination and Autopsy:* Except in the case of transportation ticket policies, there shall be a standard

provision, relative to examination of the person of the insured and relative to autopsy, which shall be in the following form:

8. The insurer shall have the right and opportunity to examine the person of the insured when and so often as it may reasonably require during the pendency of claim hereunder, and also the right and opportunity to make an autopsy in case of death where it is not forbidden by law. Form.

SEC. .20.13 *Standard Provision Number 9—Indemnities Payable When:* There shall be a standard provision relative to the time within which payments other than those for loss of time on account of disability shall be made. Such provision shall be in either of the following two forms and may be omitted from any policy providing only indemnity for loss of time on account of disability. The insurer shall insert in the blank space either the word "immediately" or appropriate language to designate such period of time, not more than sixty (60) days, as it desires. Form (A) shall be used in policies which do not provide indemnity for loss of time on account of disability and form (B) in policies which do so provide and in all schedule type policies. Standard provision number 9—Indemnities payable when.
Two forms provided: forms A and B.

(A) 9. All indemnities provided in this policy will be paid after receipt of due proof. Form A.

(B) 9. All indemnities provided in this policy for loss other than that of time on account of disability will be paid after receipt of due proof. Form B.

SEC. .20.14 *Standard Provision Number 10—Periodical Payment of Indemnities:* There shall be a standard provision relative to periodical payments of indemnity for loss of time on account of disability. Such provision shall be in the following form and may be omitted from any policy not providing for such indemnity. The insurer shall insert in the Standard provision number 10—periodical payment of indemnities.

blank space of the form any period of time not exceeding sixty (60) days. The words in parentheses [parenthesis] may be used only in schedule type policies.

Form. 10. Upon request of the insured and subject to due proof of loss all accrued indemnity for loss of time on account of disability (if covered by this policy) will be paid at the expiration of each during the continuance of the period for which the insurer is liable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof.

Standard provision number 11—indemnities, to whom payable.

SEC. .20.15 *Standard Provision Number 11—Indemnities, to Whom Payable:* There shall be a standard provision relative to indemnity payments which shall be in either of the two following forms. Form (A) shall be used in policies which designate a beneficiary and in all schedule type policies, and form (B) in policies which do not designate any beneficiary other than the insured:

Two forms provided: A and B.

Form A. (A) 11. Indemnity for loss of life of the insured is payable to the beneficiary if surviving the insured, and otherwise to the estate of the insured. All other indemnities of this policy are payable to the insured.

Form B. (B) 11. All the indemnities of this policy are payable to the insured.

Standard provision number 12—cancellation by the insured.

SEC. .20.16 *Standard Provision Number 12—Cancellation by the Insured:* Except in the case of transportation ticket policies, there shall be a standard provision providing for cancellation of the policy at the instance of the insured, which shall be in the following form:

Form. 12. If the insured shall at any time change his occupation to one classified by the insurer as less hazardous than that stated in the policy, the insurer, upon written request of the insured, and surrender of the policy, will cancel the same and will return to the insured the unearned premium.

SEC. .20.17 *Standard Provision Number 13—Rights of Beneficiary:* There shall be a standard provision relative to the rights of the beneficiary under the policy. Such provision shall be in the following form and may be omitted from any policy not designating a beneficiary. The words in parentheses [parenthesis] may be used only in schedule type policies.

Standard provision number 13—rights of beneficiary.

13. Consent of the beneficiary (if designated in this policy) shall not be requisite to surrender or assignment of this policy, or to change of beneficiary, or to any other changes in the policy.

Form.

SEC. .20.18 *Standard Provision Number 14—Time for Suits:* There shall be a standard provision limiting the time within which suit may be brought upon the policy, as follows:

Standard provision number 14—time for suits.

14. No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after proof of loss has been filed in accordance with the requirements of this policy, nor shall such action be brought at all unless brought within two (2) years from the expiration of the time within which proof of loss is required by the policy.

Form.

SEC. .20.19 *Standard Provision Number 15—Time Limitations:* There shall be a standard provision relative to time limitations of the policy, as follows:

Standard provision number 15—time limitations.

15. If any time limitation of this policy with respect to giving notice of claim or furnishing proof of loss is less than that permitted by the law of the state in which the insured resides at the time this policy is issued, such limitation is hereby extended to agree with the minimum period permitted by such law.

Form.

SEC. .20.20 *Optional Standard Provisions:* 1. A disability policy issued or delivered to any person in this state and containing any provision set forth below shall embody such provisions in the words

Optional standard provisions.

and figures and in the order set forth for optional standard provisions by this article:

Cancellation. (1) Relative to cancellation at the instance of the insurer.

Limitation on indemnity. (2) Limiting the amount of indemnity to a sum less than the amount stated in the policy and for which the premium has been paid.

Premium deduction. (3) Providing for the deduction of any premium from the amount paid in settlement of claim.

Other insurance. (4) Relative to other insurance by the same insurer.

Age limits. (5) Relative to the age limits of the policy. Such provisions are hereby designated "optional standard provisions."

Optional with insurer. 2. The insurer may at its option omit from the policy any such optional standard provision.

Must follow standard provisions. 3. Such optional standard provisions, if inserted in the policy, shall immediately succeed the standard provisions named in this article.

Optional standard provision number 16—cancellation by insurer. SEC. .20.21 *Optional Standard Provision Number 16—Cancellation by Insurer:* There may be an optional standard provision relative to cancellation of the policy at the instance of the insurer, as follows:

Form. 16. The insurer may cancel this policy at any time by written notice delivered to the insured or mailed to his last address, as shown by the records of the insurer, together with cash or the insurer's check for the unearned portion of the premiums actually paid by the insured, and such cancellation shall be without prejudice to any claim originating prior thereto.

Optional standard provision number 17—reduction of indemnities—other insurance. SEC. .20.22 *Optional Standard Provision Number 17—Reduction of Indemnities—Other Insurance:* There may be an optional standard provision relative to reduction of the amount of indemnity to a sum less than that stated in the policy, as follows:

Form. 17. If the insured shall carry with another company, corporation, association or society other in-

insurance covering the same loss without giving written notice to the insurer, then in that case the insurer shall be liable only for such portion of the indemnity promised as the said indemnity bears to the total amount of like indemnity in all policies covering such loss, and for the return of such part of the premium paid as shall exceed the pro rata for the indemnity thus determined.

SEC. .20.23 *Optional Standard Provision Number 18—Deduction of Premiums:* There may be an optional standard provision relative to deduction of premium upon settlement of claim, as follows:

Optional standard provision number 18—deduction of premiums.

18. Upon the payment of claim hereunder any premium then due and unpaid or covered by any note or written order may be deducted therefrom.

Form.

SEC. .20.24 *Optional Standard Provision Number 19—Excess Insurance:* There may be an optional standard provision relative to other insurance by the same insurer. It shall be in the one of the following forms appropriate to the indemnities provided. In the blank spaces the insurer shall insert such upward limits of indemnity as are specified in the insurer's classification of risks on file with the Commissioner. In lieu of the phrase "like policy or policies" the insurer may, with the Commissioner's approval, designate a specific kind or kinds of policies.

Optional standard provision number 19—excess insurance.

Four forms provided: forms A, B, C and D.

(A) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity in excess of \$....., the excess insurance shall be void and all premiums paid for such excess shall be returned to the insured.

Form A.

(B) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for loss of time on account of disability in excess of \$..... weekly, the excess insurance shall be void

Form B

and all premiums paid for such excess shall be returned to the insured.

Form C.

(C) 19. If a like policy or policies, previously issued by the insurer to the insured be in force concurrently herewith, making the aggregate indemnity for loss other than that of time on account of disability in excess of \$....., or the aggregate indemnity for loss of time on account of disability in excess of \$..... weekly, the excess insurance of either kind shall be void and all premiums paid for such excess shall be returned to the insured.

Form D.

(D) 19. Insurance effective at any one time on any person under ticket policies in this insurer is limited to such policies, and the insurer will return to the insured all premiums paid for ticket policies in excess thereof.

Optional standard provision number 20—age limits.

SEC. .20.25 *Optional Standard Provision Number 20—Age Limits:* There may be an optional standard provision relative to the age limits of the policy. It shall be in the following form and in the blank spaces the insurer shall insert such number of years as it elects:

Form.

20. The insurance under this policy shall not cover any person under the age of years nor over the age of years. Any premium paid to the insurer for any period not covered by this policy will be returned upon request.

Insured's violation of law. Required provision.

SEC. .20.26 *Insured's Violation of Law:* Any provision in a disability policy which affects the liability of the insurer because of any violation of law by the insured shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted, to which a contributing cause is the insured's commission of, or attempt to commit an assault or felony or which occurs while the insured is engaged in an illegal occupation.

SEC. .20.27 *Use of Liquor—Narcotics:* Any provision in a disability policy which affects the liability of the insurer because of the insured's use of intoxicating liquor or narcotics during the term of the policy shall provide in substance that the insurer shall not be liable for death, injury incurred or disease contracted while the insured is under the influence of narcotics unless administered on the advice of a physician, or while the insured is intoxicated.

Use of
liquor—
narcotics.
Required
provision.

SEC. .20.28 *Misstatement of Age:* Any provision in a disability policy which affects the liability of the insurer because of a misstatement of age of the insured may provide that the policy shall in no event cover any person under or over the ages as specified therein, and shall provide in substance that if the age of the insured has been misstated, any amount payable under the policy shall be such as the premium would have purchased at the correct age, except that if the policy would not have been issued at the correct age under the insurer's rules on file with the Commissioner, then the policy shall be void; further, that any premium paid to the insurer for any period not covered by the policy will be returned upon request.

Misstatement
of age.
Optional
provision.

Required
provision.

SEC. .20.29 *Facility of Payment:* The insurer may include in the policy in position immediately following Standard Provision Number 11, or immediately following the Standard Provisions and Optional Standard Provisions, a clause which shall be captioned "Facility of Payment," and which may provide in substance, with such modifications as may be required by the coverage provided by the policy, that if there is no designated beneficiary as to all or any part of the insurance at the death of the insured, whether such insurance represents a death benefit or accrued but unpaid disability benefits, then the amount of insurance payable for which

Facility of
payment.
Optional
provision.

Beneficiary
not
designated.

there is no designated beneficiary, shall be payable to the insured's estate, except that the insurer may in such case, at its option, pay such insurance, if the amount thereof does not exceed five hundred dollars (\$500), to any one or more of the following surviving relatives of the insured: wife, husband, mother, father, child or children, brothers or sisters. Payments so made shall discharge the insurer's obligation with respect to the amount of insurance so paid.

Noncancel-
lable policies
—required
provisions.

SEC. .20.30 *Noncancellable Policies — Required Provisions:* Every noncancellable disability policy, in addition to the standard provisions, shall contain in substance the following provision or provisions which in the Commissioner's opinion are more favorable to the policyholder:

Incontest-
able.

(1) A provision that the contract shall be incontestable as to any statement made in the application after it has been in force during the lifetime, and without disability of the insured for a period of three (3) years from date of issue. This provision shall not apply to any policy which does not provide benefits for sickness for more than two (2) years.

Grace period.

(2) A provision that the insured is entitled to a grace period of not less than ten (10) days within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force, but in case the policy becomes a claim by death, injury or disablement of the insured occurring during such period of grace before the overdue premiums or the deferred premiums of the current policy year, if any, are paid, the amount of such premiums, together with interest on any overdue premium, may be deducted from any amount payable under the policy in settlement.

Premium
deduction.

SEC. 20.31 *Reduction of Indemnities—Noncancelable Policies:* A policy of disability insurance, which provides in substance that the insured may continue the policy in force for a period of not less than five (5) years after its effective date, during which period the insurer can not terminate it, may, in lieu of Optional Standard Provision 17 set forth in section 20.22, provide in substance that if the total monthly amount of benefits promised in all policies or certificates of accident, health or disability insurance upon the insured, whether payable weekly or monthly, exceeds the average monthly earnings of the insured for the period of two (2) years immediately preceding a disability for which claim is made, then the insurer will be liable only for such proportionate amount of the promised benefits specified in the policy as the amount of such average monthly earnings of the insured bears to the total amount of monthly benefits promised under all such policies or certificates upon the insured at the time of such disability, and that such part of the premiums paid during such two (2) years as exceeds the pro rata amount of the premiums for the benefits actually paid thereunder will in such case, be returned; but that:

Reduction of indemnities—noncancelable policies.

Ratio of average earnings to specified benefits.

(1) Such proration shall not reduce the total monthly amount of the benefits payable, under all such policies or certificates upon the insured, below the sum of one hundred dollars (\$100), or the sum of the monthly benefits specified in such policies or certificates, whichever is the lesser.

Reduction limit.

(2) Such proration shall not apply to benefits payable in the event of the entire and irrecoverable loss of sight of both eyes, or the severance of both hands or both feet, or one hand and one foot.

Exceptions.

(3) If payments have been made under the policy for previous disability which existed within three (3) calendar years prior to commencement of the disability for which claim is made, and the aver-

Prior disability payments.

age monthly earnings of the insured for the period of two (2) years immediately preceding the previous disability were greater in amount than the average monthly earnings for the period of two (2) years immediately preceding the current disability, then the proportion of the average monthly earnings for the earlier period in lieu of such earnings for the later period will be taken as the basis for computing the proportion of the benefits to be paid the insured under this provision of the policy.

Schedule type policies defined.

SEC. .20.32 *Schedule Type Policies Defined:* As used in this article, "schedule type policies" means policies which by their terms afford insurance only with respect to such and so many of the various types of coverage described in the forms thereof as for which separate premium charges are made and specified in a schedule on the first page thereof.

Transportation ticket policy defined.

SEC. .20.33 *Transportation Ticket Policy Defined:* A transportation ticket policy is any ticket policy of disability insurance sold at transportation stations, ticket offices or travel bureaus by the employees of railroads, steamship lines, air lines and other organizations engaged in transporting persons as common carriers, or by individuals or employees of persons engaged in selling transportation on such common carriers, having as its dominant feature the protection of the insured from a transportation hazard.

Family expense disability insurance.

Dependents under 18 years.

SEC. .20.34 *Family Expense Disability Insurance:*

1. Family expense disability insurance is that covering members of any one family including one or both spouses and dependents under eighteen (18) years of age, provided under a master policy issued to the head of the family.

Any insurer may issue.

2. Any authorized disability insurer may issue family expense disability insurance.

3. A disability policy providing such family expense coverage, in addition to other provisions re-

quired to be contained in disability policies under this article, shall contain the following provisions: Mandatory provisions.

(1) A provision that the policy and the application of the head of the family shall constitute the entire contract between the parties. Entire contract.

(2) A provision that to the family group originally insured shall, on notice to the insurer, be added from time to time all new members of the family as they become eligible for insurance in such family group, and on the payment of such additional premium as may be required therefor. Addition of new members.

SEC. .20.35 *Franchise Plan*: 1. Disability insurance on a franchise plan is that issued to Franchise plan.

(1) five (5) or more employees of a common employer, or to Common employer.

(2) ten (10) or more members of any bona fide trade or professional association or labor union, which association or union was formed and exists for purposes other than that of obtaining insurance, and under which such employees or members, with or without their dependents, are issued individual policies which may vary as to amounts and kinds of coverage as applied for, under an arrangement whereby the premiums on the policies are to be paid to the insurer periodically by the employer, with or without payroll deductions, or by the association, or by some designated employee or officer of the association acting on behalf of the employer or association members. Trade, association or union.

2. An insurer may charge different rates, provide different benefits, or employ different underwriting procedure for individuals insured under a franchise plan, if such rates, benefits, or procedures as used do not discriminate as between franchise plans, and do not discriminate unfairly as between individuals insured under franchise plans and individuals otherwise insured under similar policies. Rates and provisions may vary if not discriminatory.

Extended disability benefit.

Limitation.

SEC. .20.36 *Extended Disability Benefit:* A disability insurance contract which provides a reasonable amount of disability indemnity for both accidental injuries and sickness, other than a contract of group or blanket insurance, may provide a benefit in amount not exceeding two hundred dollars (\$200) payable in event of death from any causes. Such benefit shall be deemed to constitute the payment of disability benefits beyond the period for which otherwise payable, and shall not be deemed to constitute life insurance.

Installment settlements.

Permissible on conditions.

SEC. .20.37 *Installment Settlements:* The requirement for the payment of the accidental death benefit of a disability insurance contract within the period set forth in Standard Provision No. 9 of the policy as prescribed by section .20.13 shall be deemed complied with by payment of such benefit in installments in compliance with the following conditions:

Election in writing, by insurer or beneficiary.

(1) The policy shall provide for the payment of such benefit to a named beneficiary in specified installments, as elected in writing by the insured during his lifetime or by the beneficiary, and which election is made a part of the policy.

Election by insured not subject to alienation.

(2) If such election for the payment of the benefit in installments was made by the insured, the benefit shall not be subject to commutation, or to alienation by the beneficiary.

Payment of first installment.

(3) The first of such installments shall be payable, and shall actually be paid to the beneficiary, within the period designated for payment of indemnities generally under such Standard Provision No. 9.

Incontestability after reinstatement.

SEC. .20.38 *Incontestability After Reinstatement:* The reinstatement of any policy of noncancellable disability insurance hereafter delivered or issued for delivery in this state shall be contestable only on account of fraud or misrepresentation of

facts material to the reinstatement and only for the same period following reinstatement as is provided in the policy with respect to the contestability thereof after the original issuance of the policy.

ARTICLE TWENTY-ONE

GROUP AND BLANKET DISABILITY INSURANCE

SEC. .21.01 *Group Disability Insurance Defined:* Group disability insurance is that form of disability insurance provided by a master policy issued to an employer, to a trustee appointed by an employer or employers, or to an association of employers formed for purposes other than obtaining such insurance, covering, with or without their dependents, the employees, or specified categories of the employees, of such employers or their subsidiaries or affiliates, or issued to a labor union, or to an association of employees formed for purposes other than obtaining such insurance, covering, with or without their dependents, the members, or specified categories of the members, of the labor union or association, or issued pursuant to section .21.03.

Group disability insurance defined.

SEC. .21.02 *"Employees"—"Employer" Defined:* The term "employees" as used in this article shall be deemed to include as employees of a single employer, the compensated officers, managers, and employees of the employer and of subsidiary or affiliated corporations of a corporation employer, and the individual proprietors, partners, and employees of individuals and firms of which the business is controlled by the insured employer through stock ownership, contract or otherwise. The term "employer" as used in this article shall be deemed to include any municipal corporation or governmental unit, agency or department thereof as well as private individuals, firms, corporations and other persons.

"Employees"—"employer" defined.

Employees.

Employer.

SEC. .21.03 *Health Care Groups:* A policy of group disability insurance may be issued to a corporation, as policyholder, existing primarily for the

Health care groups.

Limitation.

purpose of assisting individuals who are its subscribers in securing medical, hospital, dental, and other health care services for themselves and their dependents, covering all and not less than five hundred (500) such subscribers and dependents, with respect only to medical, hospital, dental, and other health care services.

"Blanket" disability insurance defined.

SEC. 21.04 "Blanket" Disability Insurance Defined: 1. Any policy or contract of disability insurance which conforms with the description and complies with the requirements contained in one of the following five (5) items shall be deemed a blanket disability insurance policy:

Common carrier of passengers.

(1) A policy issued to any common carrier of passengers, which carrier shall be deemed the policyholder, covering a group defined as all persons who may become such passengers, and whereby such passengers shall be insured against loss or damage resulting from death or bodily injury either while, or as a result of, being such passengers.

Volunteer fire, ambulance or police organization.

(2) A policy issued in the name of any volunteer fire department, first aid or ambulance squad or volunteer police organization, which shall be deemed the policyholder, and covering all the members of any such organization against loss from accidents resulting from hazards incidental to duties in connection with such organizations.

Community organization for volunteer workers.

(3) A policy issued in the name of any established organization whether incorporated or not, having community recognition and operated for the welfare of the community and its members and not for profit, which shall be deemed the policyholder, and covering all volunteer workers who serve without pecuniary compensation and the members of the organization, against loss from accidents occurring while engaged in the actual performance of duties on behalf of such organization or in the activities thereof.

(4) A policy issued to an employer, who shall be deemed the policyholder, covering any group of employees defined by reference to exceptional hazards incident to such employment, insuring such employees against death or bodily injury resulting while, or from, being exposed to such exceptional hazards.

Employers.

(5) A policy covering students or employees issued to a college, school, or other institution of learning or to the head or principal thereof, who or which shall be deemed the policyholder.

Colleges, schools and institutions.

2. Nothing contained in this section shall be deemed to affect the liability of policyholders for the death of or injury to, any such member of such group.

Liability of policy holders unaffected.

3. Individual applications shall not be required from individuals covered under a blanket disability insurance contract.

Individual applications not required.

SEC. .21.05 *Standard Provisions, Group, Blanket Policies:* Every policy of group or blanket disability insurance shall contain in substance the provisions as set forth in sections .21.06 to .21.09 inclusive, or provisions which in the opinion of the Commissioner are more favorable to the individuals insured, or at least as favorable to such individuals and more favorable to the policyholder. No such policy of group or blanket disability insurance shall contain any provision relative to notice or proof of loss, or to the time for paying benefits, or to the time within which suit may be brought upon the policy, which in the opinion of the Commissioner is less favorable to the individuals insured than would be permitted by the standard provisions required for individual disability insurance policies.

Standard provisions, group, blanket policies.

Required provisions.

Prohibited clauses.

SEC. .21.06 *The Contract, Representations:* There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued; that all statements made

The contract, representations.

by the policyholder or by the individuals insured shall in the absence of fraud be deemed representations and not warranties, and that no statement made by any individual insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such individual or to his beneficiary, if any.

Payment of premiums.

SEC. .21.07 *Payment of Premiums:* There shall be a provision that all premiums due under the policy shall be remitted by the employer or employers of the persons insured, by the policyholder, or by some other designated person acting on behalf of the association or group insured, to the insurer on or before the due date thereof with such period of grace as may be specified therein.

Certificates.

SEC. .21.08 *Certificates:* In group disability insurance policies there shall be a provision that the insurer shall issue to the employer, the policyholder, or other person or association in whose name such policy is issued, for delivery to each insured employee or member, an individual certificate setting forth in summary form a statement of the essential features of the insurance coverage, and to whom the benefits thereunder are payable. If family members are insured, only one certificate need be issued for each family. This section shall not apply to blanket disability insurance policies.

Age limitations.

SEC. .21.09 *Age Limitations:* There shall be a provision specifying the ages, if any there be, to which the insurance provided therein shall be limited; and the ages, if any there be, for which additional restrictions are placed on benefits, and the additional restrictions placed on the benefits at such ages.

Examination and autopsy.

SEC. .21.10 *Examination and Autopsy:* There may be a provision that the insurer shall have the right and opportunity to examine the person of the

insured employee, member or dependent when and so often as it may reasonably require during the pendency of claim under the policy and also the right and opportunity to make an autopsy in case of death where it is not prohibited by law.

SEC. .21.11 *Payment of Benefits*: The benefits payable under any policy or contract of group or blanket disability insurance shall be payable to the employee or other insured member of the group or to the beneficiary designated by him, other than the policyholder, employer or the association or any officer thereof as such, subject to provisions of the policy in the event there is no designated beneficiary as to all or any part of any sum payable at the death of the individual insured.

Payment of benefits.

Payable to employee, insured member or designated beneficiary.

SEC. .21.12 *Readjustment of Premiums—Dividends*: Any contract of group disability insurance may provide for the readjustment of the rate of premium based on the experience thereunder at the end of the first year or of any subsequent year of insurance thereunder, and such readjustment may be made retroactive only for such policy year. Any refund under any plan for readjustment of the rate of premium based on the experience under group policies heretofore or hereafter issued, and any dividend paid under such policies may be used to reduce the employer's share of the cost of the coverage, except that if the aggregate refunds or dividends under such group policy and any other group policy or contract issued to the policyholder exceed the aggregate contributions of the employer toward the cost of the coverages, such excess shall be applied by the policyholder for the sole benefit of insured employees.

Readjustment of premium.

Dividends.

ARTICLE TWENTY-TWO

CASUALTY INSURANCE

Casualty insurance.

Assigned risk plans.

Commissioner to approve plan.

Appeals to Commissioner.

SEC. .22.02 *Assigned Risk Plans:* The Commissioner shall, after consultation with the insurers licensed to write motor vehicle liability insurance in this state, approve a reasonable plan or plans for the equitable apportionment among such insurers of applicants for such insurance who are in good faith entitled to but are unable to procure insurance through ordinary methods and, when such plan has been approved, all such insurers shall subscribe thereto and shall participate therein. Any applicant for such insurance, any person insured under such plan and any insurer affected may appeal to the Commissioner from any ruling or decision of the manager or committee designated to operate such plan.

ARTICLE TWENTY-THREE

LIFE INSURANCE AND ANNUITIES

Life insurance and annuities.

Scope of article.

SEC. .23.01 *Scope of Article:* The provisions of this article apply to contracts of life insurance and annuities other than group life insurance, group annuities, and, except for sections .23.26, .23.27, .23.34, and .23.35, other than industrial life insurance.

Standard provisions required.

SEC. .23.02 *Standard Provisions Required:* 1. No policy of life insurance other than industrial, group and pure endowments with or without return of premiums or of premiums and interest, shall be delivered or issued for delivery in this state unless it contains in substance all of the provisions required by section .23.03 to section .23.13 inclusive. This provision shall not apply to annuity contracts.

Annuity contracts excluded.

Single premium or term policies.

2. Any of such provisions or portions thereof not applicable to single premium or term policies shall to that extent not be incorporated therein.

Grace period.

SEC. .23.03 *Grace Period:* There shall be a provision that the insured is entitled to a grace period

of one (1) month, but not less than thirty (30) days, within which the payment of any premium after the first may be made, subject at the option of the insurer to an interest charge not in excess of six per cent (6%) per annum for the number of days of grace elapsing before the payment of the premium, during which periods of grace the policy shall continue in force, but in case the policy becomes a claim during the grace period before the overdue premium is paid, or the deferred premiums of the current policy year, if any, are paid, the amount of such premium or premiums with interest thereon may be deducted in any settlement under the policy.

Interest optional.

Premium deduction.

SEC. .23.04 *Entire Contract*: In all such policies other than those containing a clause making the policy incontestable from date of issue, there shall be a provision that the policy and the application therefor, if a copy thereof has been endorsed upon or attached to the policy at issue and made a part thereof, shall constitute the entire contract between the parties, and that all statements made by the applicant or by the insured, shall, in the absence of fraud, be deemed representations and not warranties.

Entire contract.

SEC. .23.05 *Incontestability*: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue, except for nonpayment of premiums and except, at the option of the insurer, as to provisions relative to benefits in event of total and permanent disability and as to provisions which grant additional insurance specifically against accidental death.

Incontestability.

SEC. .23.06 *Misstatement of Age*: There shall be a provision that if it is found that the age of the insurer (or the age of any other individual considered in determining the premium) has been misstated, the amount payable under the policy

Misstatement of age.

shall be such as the premium would have purchased at the correct age or ages, according to the insurer's rate at date of issue.

Participation in surplus.

SEC. .23.07 *Participation in Surplus:* 1. In all policies which provide for participation in the insurer's surplus, there shall be a provision that the policy shall so participate annually in the insurer's divisible surplus as apportioned by the insurer, beginning not later than the end of the third policy year. Any policy containing provision for annual participation beginning at the end of the first policy year, may also provide that each dividend shall be paid subject to the payment of the premiums for the next ensuing year. The insured under any annual dividend policy shall have the right each year to have the current dividend arising from such participation either paid in cash, or applied in accordance with such other dividend option as may be specified in the policy and elected by the insured. The policy shall further provide which of the options shall be effective if the insured shall fail to notify the insurer in writing of his election within the period of grace allowed for the payment of premium.

To begin not later than end of third year.

May be paid in cash or applied to premium.

Failure of insured to elect.

Exceptions.

2. This section shall not apply to paid-up non-forfeiture benefits nor paid-up policies issued on default in payment of premiums.

Policy loan.

To be made after payment of three years' premium.

SEC. .23.08 *Policy Loan:* 1. There shall be a provision that after three (3) full years' premiums have been paid thereon, the insurer at any time, while the policy is in force, will advance, on proper assignment or pledge of the policy and on the sole security thereof, at a specified rate of interest not exceeding six per cent (6%) per annum, or if payable in advance such interest shall not exceed the rate of five and seven-tenths per cent (5-7/10%), a sum to be determined as follows:

Maximum interest ratio.

(1) If such policy is issued prior to the operative date of section .23.35, the sum, including any interest paid in advance but not beyond the end of the current policy year, shall be equal to or at the option of the owner of the policy less than, the reserve at the end of the current policy year on the policy and on any dividend additions thereto, less a sum not more than two and one-half per cent ($2\frac{1}{2}\%$) of the amount insured by the policy and of any dividend additions thereto. The policy may contain a provision by which the insurer reserves the right to defer the making of the loan, except when made to pay premiums, for a period not exceeding six (6) months after the date of application therefor.

Amount if insured prior to operative date of Sec. .23.35.

May defer loan.

(2) If such policy is issued on or after such operative date, the sum, including any interest to the end of the current policy year shall not exceed the cash surrender value at the end of the current policy year, as required by section .23.35.

Amount if insured on or after operative date of Sec. .23.35.

2. Such policy shall further provide that the insurer may deduct from such loan value any existing indebtedness on the policy (unless such indebtedness has already been deducted in determining the cash surrender value) and any unpaid balance of the premium for the current policy year; and that if the loan is made or repaid on a date other than the anniversary of the policy, the insurer shall be entitled to interest for the portion of the current policy year at the rate of interest specified in the policy.

Deductions by insurer.

3. Such policy may further provide that if the interest on the loan is not paid when due, it shall be added to the existing indebtedness and shall bear interest at the same rate; and that if and when the total indebtedness on the policy, including interest due or accruing, equals or exceeds the amount of the loan value thereof which would otherwise exist

Non-payment of loan.

Termination.

at such time, the policy shall terminate in full settlement of such indebtedness and become void; except, that it shall be stipulated in the policy that no such termination shall be effective prior to the expiration of at least thirty (30) days after notice of the pendency of the termination was mailed by the insurer to the insured and the assignee, if any, at their respective addresses last of record with the insurer.

Notice of termination.

May defer loan on policy issued after operative date of Sec. .23.35.

4. The insurer shall provide in any policy issued on or after the operative date of section .23.35 that the making of any loan, other than a loan to pay premiums, may be deferred for not exceeding six (6) months after the application for the loan has been received by it.

Table of values and options.

SEC. .23.09 *Table of Values and Options:* There shall be a table showing in figures the loan value, if any, and any options available under the policy each year upon default in premium payments, during at least the first twenty (20) years of the policy, or for its life if maturity or expiry occurs in less than twenty (20) years.

Nonforfeiture options.

SEC. .23.10 *Nonforfeiture Options:* There shall be a provision specifying the option to which the policyholder is automatically entitled in the absence of the election of other nonforfeiture options upon default in premium payment after nonforfeiture values become available.

Table of installments.

If not included in policy, Commissioner may authorize filing of tables.

SEC. .23.11 *Table of Installments:* If the policy provides for payment of its proceeds in installments or as an annuity, a table showing the amount and period of such installments or annuity shall be included in the policy. Except, that if in the judgment of the Commissioner it is not practical to include certain tables in the policy, the requirements of this section may be met as to such policy by the insurer filing such tables with the Commissioner.

SEC. .23.12 *Reinstatement*: There shall be a provision that the policy may be reinstated at any time within three (3) years after the date of default in the payment of any premium, unless the policy has been surrendered for its cash value, or the period of any extended insurance provided by the policy has expired, upon evidence of insurability satisfactory to the insurer and the payment of all overdue premiums, and payment (or, within the limits permitted by the then cash values of the policy, reinstatement) of any other indebtedness to the insurer upon the policy with interest as to both premiums and indebtedness at a rate not exceeding six per cent (6%) per annum compounded annually.

Reinstatement.

Conditions.

Maximum interest.

SEC. .23.13 *Settlement on Proof of Death*: There shall be a provision that when a policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death and surrender of the policy.

Settlement on proof of death.

SEC. .23.14 *Annuities and Pure Endowment Contracts—Standard Provisions Required*: No annuity or pure endowment contract, other than reversionary annuities, or survivorship annuities, or group annuities, shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in sections .23.15 to .23.21 inclusive. Any of such provisions not applicable to single premium annuities or single premium pure endowment contracts shall not, to that extent, be incorporated therein.

Annuities and pure endowment contracts—standard provisions required.

This section shall not apply to contracts for deferred annuities included in, or upon the lives of beneficiaries under, life insurance policies.

Exception.

SEC. .23.15 *Annuities and Pure Endowment Contracts—Grace Period*: In such contracts, there shall be a provision that there shall be a period of grace of one (1) month, but not less than thirty (30) days, within which any stipulated payment to the insurer

Annuities and pure endowment contracts—grace period.

Interest
optional.

falling due after the first may be made, subject at the option of the insurer, to an interest charge thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum for the number of days of grace elapsing before such payment, during which period of grace, the contract shall continue in full force; but in case a claim arises under the contract on account of death prior to expiration of the period of grace before the overdue payment to the insurer of the deferred payments of the current contract year, if any, are made, the amount of such payments, with interest on any overdue payments, may be deducted from any amount payable under the contract in settlement.

Premium
deduction.Annuities
and pure
endowment
contracts—
incontestability.

SEC. .23.16 *Annuities and Pure Endowment Contracts—Incontestability*: If any statements, other than those relating to age, sex, and identity, are required as a condition to issuing such an annuity or pure endowment contract, and subject to section .23.18, there shall be a provision that the contract shall be incontestable after it has been in force during the lifetime of the person or of each of the persons as to whom such statements are required, for a period of two (2) years from its date of issue, except for nonpayment of stipulated payments to the insurer; and at the option of the insurer, such contract may also except any provisions relative to benefits in the event of total and permanent disability and any provisions which grant insurance specifically against death by accident.

Annuities
and pure
endowment
contracts—
the entire
contract.

SEC. .23.17 *Annuities and Pure Endowment Contracts—the Entire Contract*: In such contracts there shall be a provision that the contract shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the contract when issued, a provision that the contract and the application therefor shall constitute the entire contract between the parties.

SEC. .23.18 *Annuities and Pure Endowment Contracts—Misstatement of Age or Sex:* In such contracts there shall be a provision that if the age or sex of the person or persons upon whose life or lives the contract is made, or if any of them has been misstated, the amount payable or benefit accruing under the contract shall be such as the stipulated payment or payments to the insurer would have purchased according to the correct age or sex; and that if the insurer shall make or has made any overpayment or overpayments on account of any such misstatement, the amount thereof, with interest at the rate to be specified in the contract but not exceeding six per cent (6%) per annum, may be charged against the current or next succeeding payment or payments to be made by the insurer under the contract.

Annuities and pure endowment contracts—misstatement of age or sex.

SEC. .23.19 *Annuities and Pure Endowment Contracts—Dividends:* If such contract is participating, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the contract.

Annuities and pure endowment contracts—dividends.

SEC. .23.20 *Annuities and Pure Endowment Contracts—Nonforfeiture Benefits:* Such contracts issued after the operative date of section .23.36 shall contain:

Annuities and pure endowment contracts—nonforfeiture benefits.

(1) A provision that in the event of default in any stipulated payment, the insurer will grant a paid-up nonforfeiture benefit on a plan stipulated in the contract, effective as of such date, of such value as is hereinafter specified.

Contracts issued after operative date of Sec. .23.36.

(2) A statement of the mortality table and interest rate used in calculating the paid-up nonforfeiture benefit available under the contract.

(3) An explanation of the manner in which the paid-up non-forfeiture benefits are altered by the existence of any paid-up additions credited to the contract or any indebtedness to the insurer on the contract.

Annuities and pure endowment contracts—reinstatement.

SEC. .23.21 *Annuities and Pure Endowment Contracts—Reinstatement:* In such contracts there shall be a provision that the contract may be reinstated at any time within one (1) year from the date of default in making stipulated payments to the insurer, unless the cash surrender value has been paid, but all overdue stipulated payments and any indebtedness to the insurer on the contract shall be paid or reinstated, with interest thereon at a rate to be specified in the contract but not exceeding six per cent (6%) per annum payable annually, and in cases where applicable, the insurer may also include a requirement of evidence of insurability satisfactory to the insurer.

Conditions.

Maximum interest.

Reversionary annuities—standard provisions required.

SEC. .23.22 *Reversionary Annuities—Standard Provisions Required:* No contract for a reversionary annuity shall be delivered or issued for delivery in this state unless it contains in substance each of the provisions specified in sections .23.23 and .23.24. Any of such provisions not applicable to single premium annuities shall not, to that extent, be incorporated therein.

Exceptions.

This section shall not apply to group annuities or to annuities included in life insurance policies.

Reversionary annuities—provisions same as for other annuities.

SEC. .23.23 *Reversionary Annuities—Provisions Same as for Other Annuities:* Any such reversionary annuity contract shall contain the provisions specified in sections .23.15 to .23.19 inclusive, except that under section .23.15 the insurer may at its option provide for an equitable reduction of the amount of the annuity payments in settlement of an overdue or deferred payment in lieu of providing for a deduction of such payments from an amount payable upon a settlement under the contract.

Insurer may provide reduction of payments in settlement of unpaid premiums.

Reversionary annuities—reinstatement.

SEC. .23.24 *Reversionary Annuities—Reinstatement:* In such reversionary annuity contracts there shall be a provision that the contract may be reinstated at any time within three (3) years from the

date of default in making stipulated payments to the insurer, upon production of evidence of insurability satisfactory to the insurer, and upon condition that all overdue payments and any indebtedness to the insurer on account of the contract be paid, or, within the limits permitted by the then cash values of the contract, reinstated, with interest as to both payments and indebtedness at a rate to be specified in the contract but not exceeding six per cent (6%) per annum compounded annually.

Conditions.

Maximum interest.

SEC. .23.25 *Supplemental Benefits*: The Commissioner may make reasonable rules and regulations concerning the conditions in provisions granting additional benefits in event of the insured's accidental death, or in event the insured becomes totally and permanently disabled, which are a part of or supplemental to life insurance contracts.

Supplemental benefits.

Commissioner may make rules and regulations.

SEC. .23.26 *Limitation of Liability*: 1. The insurer may in any life insurance policy or annuity or pure endowment contract limit its liability to a determinable amount not less than the full reserve of the policy and of dividend additions thereto in event only of death occurring:

Limitation of liability.

May limit to full reserve and dividend additions to policy.

(1) As a result of war, or any act of war, declared or undeclared, or of service in the military, naval or air forces or in civilian forces auxiliary thereto, or from any cause while a member of any such military, naval or air forces of any country at war, declared or undeclared.

War and military service.

(2) As a result of suicide of the insured, whether sane or insane, within two (2) years from date of issue of the policy.

Suicide.

(3) As a result of aviation under conditions specified in the policy.

Aviation.

2. An insurer may specify conditions pertaining to the items of paragraph one of this section which in the Commissioner's opinion are more favorable to the policyholder.

Other conditions.

Incontestability after reinstatement.

SEC. .23.27 *Incontestability After Reinstatement:*
 The reinstatement of any policy of life insurance or contract of annuity hereafter delivered or issued for delivery in this state may be contestable on account of fraud or misrepresentation of facts material to the reinstatement only for the same period following reinstatement as the policy provides with respect to contestability after original issuance.

Premium deposits. Subject to approval of Commissioner.

SEC. .23.29 *Premium Deposits:* 1. A life insurer may, under such policy provisions or agreements as have been approved by the Commissioner consistent with this section, contract for and accept premium deposits in addition to the regular premiums specified in the policy, for the purpose of paying future premiums, or to facilitate conversion of the policy, or to increase the benefits thereof.

Accumulation.

2. The unused accumulation from such deposits shall be held and accounted for as a premium deposit fund, and the policy or agreement shall provide for the manner of application of the premium deposit fund to the payment of premiums otherwise in default and for the disposition of the fund if it is not sufficient to pay the next premium.

3. Such fund shall

Surrender of policy.

(1) be available upon surrender of the policy, in addition to the cash surrender value; and

Death of insured or maturity of policy.

(2) be payable upon the insured's death or upon maturity of the policy; and

Payment to insured.

(3) be paid to the insured whenever the cash surrender value together with the premium deposit fund equals or exceeds the amount of insurance provided by the policy, unless the amount of the deposit does not exceed that which may be required to facilitate conversion of the policy to another plan in accordance with its terms.

Payment as provided in policy or agreement.

4. No part of the premium deposit fund shall be paid to the insured during the continuance of the policy except at such times and in such amounts

as is specified in the policy or in the deposit agreement.

Policy settlements.

SEC. .23.30 *Policy Settlements*: Any life insurer shall have the power to hold under agreement the proceeds of any policy issued by it, upon such terms and restrictions as to revocation by the policyholder and control by beneficiaries, and with such exemptions from the claims of creditors of beneficiaries other than the policyholder as set forth in the policy or as agreed to in writing by the insurer and the policyholder. Upon maturity of a policy in the event the policyholder has made no such agreement, the insurer shall have the power to hold the proceeds of the policy under an agreement with the beneficiaries. The insurer shall not be required to segregate funds so held but may hold them as part of its general assets.

According to contract with insured or beneficiary.

SEC. .23.31 *Indebtedness Deducted From Proceeds*: In determining the amount due under any life insurance policy heretofore or hereafter issued, deduction may be made of

Indebtedness deducted from proceeds.

(1) any unpaid premiums or installments thereof for the current policy year due under the terms of the policy, and of

Unpaid premiums.

(2) the amount of principal and accrued interest of any policy loan or other indebtedness against the policy then remaining unpaid, such principal increased by unpaid interest and compounded as provided in this article.

Loan principal and interest.

SEC. .23.32 *Miscellaneous Proceeds*: Upon the death of the insured and except as is otherwise expressly provided by the policy or premium deposit agreement, a life insurer may pay to the surviving spouse, children, beneficiary, or other person other than the insured's estate, appearing to the insurer to be equitably entitled thereto, sums then held by it and comprising:

Miscellaneous proceeds.

Advance premiums paid.

(1) Premiums paid in advance, and which premiums did not fall due prior to such death, or funds held on deposit for the payment of future premiums.

Dividends declared.

(2) Dividends theretofore declared on the policy and held by the insurer under the insured's option.

Dividends payable after death.

(3) Dividends becoming payable on or after the death of the insured.

Dealing in dividends.

SEC. .23.33 *Dealing in Dividends:* No life insurer nor any of its representatives, agents, or affiliates, shall buy, take by assignment other than in connection with policy loans, or otherwise deal or traffic in any rights to dividends existing under participating life insurance policies issued by the insurer.

Prohibited policy plans.

SEC. .23.34 *Prohibited Policy Plans:* No life insurer shall hereafter issue for delivery or deliver in this state any life insurance policy:

Benefits on death of another policyholder.

(1) Issued under any plan for the segregation of policyholders into mathematical groups and providing benefits for a surviving policyholder of a group arising out of the death of another policyholder of such group, or under any other similar plan.

Benefits contingent on lapse or termination of other policies.

(2) Providing benefits or values for surviving or continuing policyholders contingent upon the lapse or termination of the policies of other policyholders, whether by death or otherwise.

Standard nonforfeiture law—life insurance contracts.

SEC. .23.35 *Standard Nonforfeiture Law—Life Insurance Contracts:* 1. This section shall be known as the Standard Nonforfeiture Law.

2. Nonforfeiture Provisions—Life: In the case of policies issued on or after the operative date of this section as defined in paragraph eight, no policy of life insurance, except as stated in paragraph seven, shall be delivered or issued for delivery in this state unless it shall contain in substance the following provisions, or corresponding provisions

which in the opinion of the Commissioner are at least as favorable to the defaulting or surrendering policyholder:

(1) That, in the event of default in any premium payment, the insurer will grant, upon proper request not later than sixty (60) days after the due date of the premium in default, a paid-up nonforfeiture benefit on a plan stipulated in the policy, effective as of such due date, of such value as may be hereinafter specified.

Default in
premium
payment.

(2) That, upon surrender of the policy within sixty (60) days after the due date of any premium payment in default after premiums have been paid for at least three (3) full years in the case of ordinary insurance or five (5) full years in the case of industrial insurance, the insurer will pay, in lieu of any paid-up nonforfeiture benefit, a cash surrender value of such amount as may be hereinafter specified.

Surrender
of policy.

(3) That a specified paid-up nonforfeiture benefit shall become effective as specified in the policy unless the person entitled to make such election elects another available option not later than sixty (60) days after the due date of the premium in default.

Election
by person
entitled.

(4) That, if the policy shall have become paid-up by completion of all premium payments or if it is continued under any paid-up nonforfeiture benefit which became effective on or after the third policy anniversary in the case of ordinary insurance or the fifth policy anniversary in the case of industrial insurance, the insurer will pay, upon surrender of the policy within thirty (30) days after any policy anniversary, a cash surrender value of such amount as may be hereinafter specified.

Cash
surrender
if premiums
paid up or
continued
under paid-
up nonforfeiture
benefit.

(5) A statement of the mortality table and interest rate used in calculating the cash surrender values and the paid-up nonforfeiture benefits avail-

Mortality
table and
interest rate
used in com-
puting value
and benefits.

Table of values and benefits.

able under the policy, together with a table showing the cash surrender value, if any, and paid-up nonforfeiture benefit, if any, available under the policy on each policy anniversary either during the first twenty (20) policy years or during the term of the policy, whichever is shorter, such values and benefits to be calculated upon the assumption that there are no dividends or paid-up additions credited to the policy and that there is no indebtedness to the insurer on the policy.

Additional statements required.

(6) A statement that the cash surrender values and the paid-up nonforfeiture benefits available under the policy are not less than the minimum values and benefits required by or pursuant to the insurance law of this state; an explanation of the manner in which the cash surrender values and the paid-up nonforfeiture benefits are altered by the existence of any paid-up additions credited to the policy or any indebtedness to the insurer on the policy; if a detailed statement of the method of computation of the values and benefits shown in the policy is not stated therein, a statement that such method of computation has been filed with the insurance supervisory official of the state in which the policy is delivered; and a statement of the method to be used in calculating the cash surrender value and paid-up nonforfeiture benefit available under the policy on any policy anniversary beyond the last anniversary for which such values and benefits are consecutively shown in the policy.

Inapplicable provisions may be omitted.

Any of the foregoing provisions or portions thereof not applicable by reason of the plan of insurance may, to the extent inapplicable, be omitted from the policy.

Insurer's right to defer payment of cash surrender value.

The insurer shall reserve the right to defer the payment of any cash surrender value for a period of six (6) months after demand therefor with surrender of the policy.

3. Cash Surrender Value—Life: Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary, whether or not required by paragraph two of this section, shall be an amount not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits which would have been provided for by the policy including any existing paid-up additions, if there had been no default, over the sum of (a) the then present value of the adjusted premiums as defined in paragraph five of this section, corresponding to premiums which would have fallen due on and after such anniversary, and (b) the amount of any indebtedness to the insurer on account of or secured by the policy. Any cash surrender value available within thirty (30) days after any policy anniversary under any policy paid-up by completion of all premium payments or any policy continued under any paid-up nonforfeiture benefits, whether or not required by such paragraph two, shall be an amount not less than the present value, on such anniversary, of the future guaranteed benefits provided for by the policy including any existing paid-up additions, decreased by any indebtedness to the insurer on account of or secured by the policy.

Cash surrender value—life.

Minimum on default of premium payment.

Ratio.

Minimum on paid-up premiums or nonforfeiture benefits.

4. Paid-up Nonforfeiture Benefit—Life: Any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment due on any policy anniversary shall be such that its present value as of such anniversary shall be at least equal to the cash surrender value then provided for by the policy or, if none is provided for, that cash surrender value which would have been required by this section in the absence of the condition that premiums shall have been paid for at least a specified period.

Paid-up nonforfeiture benefit—life.

5. The Adjusted Premium—Life: The adjusted premiums for any policy shall be calculated on an

The adjusted premium—life.

annual basis and shall be such uniform percentage of the respective premiums specified in the policy for each policy year, excluding extra premiums on a substandard policy, that the present value, at the date of issue of the policy, of all such adjusted premiums shall be equal to the sum of (I) the then present value of the future guaranteed benefits provided for by the policy; (II) two per cent (2%) of the amount of insurance, if the insurance be uniform in amount, or of the equivalent uniform amount, as hereinafter defined, if the amount of insurance varies with duration of the policy; (III) forty per cent (40%) of the adjusted premium for the first policy year; (IV) twenty-five per cent (25%) of either the adjusted premium for the first policy year or the adjusted premium for a whole life policy of the same uniform or equivalent uniform amount with uniform premiums for the whole of life issued at the same age for the same amount of insurance, whichever is less. *Provided, however,* That in applying the percentages specified in (III) and (IV) above, no adjusted premium shall be deemed to exceed four per cent (4%) of the amount of insurance or level amount equivalent thereto. Whenever the plan or term of a policy has been changed, either by request of the insured or automatically in accordance with the provisions of the policy, the date of inception of the changed policy for the purposes of determining a nonforfeiture benefit or cash surrender value shall be the date as of which the age of the insured is determined for the purposes of the changed policy.

Method of computing.

Not to exceed 4% of amount of insurance or level amount equivalent.

Change in plan or term of policy.

Policy providing varying amount of insurance.

In the case of a policy providing an amount of insurance varying with duration of the policy, the equivalent level amount thereof for the purpose of this paragraph shall be deemed to be the level amount of insurance provided by an otherwise similar policy, containing the same endowment benefit or benefits, if any, issued at the same age and for

the same term, the amount of which does not vary with duration and the benefits under which have the same present value at the date of issue as the benefits under the policy.

All adjusted premiums and present values referred to in this section shall be calculated on the basis of the Commissioners 1941 Standard Ordinary Mortality Table for ordinary insurance and the 1941 Standard Industrial Mortality Table for industrial insurance and the rate of interest, not exceeding three and one-half per cent ($3\frac{1}{2}\%$) per annum, specified in the policy for calculating cash surrender values and paid-up nonforfeiture benefits. *Provided, however,* That in calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than one hundred and thirty per cent (130%) of the rates of mortality according to such applicable table. *Provided, further,* that for insurance issued on a substandard basis, the calculation of any such adjusted premiums and present values may be based on such other table of mortality as may be specified by the insurer and approved by the Commissioner.

6. Calculation of Values—Life: Any cash surrender value and any paid-up nonforfeiture benefit, available under the policy in the event of default in a premium payment due at any time other than on the policy anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional premiums beyond the last preceding policy anniversary. All values referred to in paragraphs three, four and five of this section may be calculated upon the assumption that any death benefit is payable at the end of the policy year of death. The net value of any paid-up additions, other than paid-up term additions, shall be not less than the dividends used to provide such additions. Notwithstanding the provisions of paragraph three of

Basis of calculating adjusted premiums and present values.

Paid up term with accompanying pure endowment.

Insurance issued on substandard basis.

Calculation of values—life.

Items to be considered.

this section, additional benefits payable (a) in the event of death or dismemberment by accident or accidental means, (b) in the event of total and permanent disability, (c) as reversionary annuity or deferred reversionary annuity benefits, (d) as decreasing term insurance benefits provided by a rider or supplemental policy provision to which, if issued as a separate policy, this section would not apply, and (e) as other policy benefits additional to life insurance and endowment benefits, and premiums for all such additional benefits, shall be disregarded in ascertaining cash surrender values and nonforfeiture benefits required by this section, and no such additional benefits shall be required to be included in any paid-up nonforfeiture benefits.

Exceptions.

7. Exceptions: This section shall not apply to any reinsurance, group insurance, pure endowment, annuity or reversionary annuity contract, nor to any term policy of uniform amount, or renewal thereof, of fifteen (15) years or less expiring before age sixty-six (66), for which uniform premiums are payable during the entire term of the policy, nor to any term policy of decreasing amount on which each adjusted premium, calculated as specified in paragraph five of this section, is less than the adjusted premium so calculated, on such fifteen (15) year term policy issued at the same age and for the same initial amount of insurance, nor to any policy which shall be delivered outside this state through an agent or other representative of the insurer issuing the policy.

Operative date.

8. Operative Date: After the effective date of this section, any insurer may file with the Commissioner a written notice of its election to comply with the provisions of this section after a specified date before July first, nineteen hundred and forty-eight. After the filing of such notice, then upon such specified date (which shall be the operative date for such in-

surer), this section shall become operative with respect to the policies thereafter issued by such insurer. If an insurer makes no such election, the operative date of this section for such insurer shall be July first, nineteen hundred and forty-eight.

SEC. .23.36 *Calculation of Nonforfeiture Benefits on Annuities*: 1. Nonforfeiture Benefits: Any paid-up nonforfeiture benefit available under any annuity or pure endowment contract pursuant to section .23.20, in the event of default in a consideration due on any contract anniversary shall be such that its present value as of such anniversary shall be not less than the excess, if any, of the present value, on such anniversary, of the future guaranteed benefits (excluding any total disability benefits attached to such contracts) which would have been provided for by the contract including any existing paid-up additions, if there had been no default, over the sum of (a) the then present value of the net considerations defined in paragraph two of this section corresponding to considerations which would have fallen due on and after such anniversary, and (b) the amount of any indebtedness to the company on the contract, including interest due or accrued. In determining the benefits referred to in this section and in calculating the net considerations referred to in such paragraph two, in the case of annuity contracts under which an election may be made to have annuity payments commence at optional dates, the annuity payments shall be deemed to commence at the latest date permitted by the contract for the commencement of such payments and the considerations shall be deemed to be payable until such date, which, however, shall not be later than the contract anniversary nearest the annuitant's seventieth birthday.

Calculation of nonforfeiture benefits on annuities.

2. Net Considerations: The net considerations for any annuity or pure endowment contract referred to in paragraph one of this section shall be calculated on an annual basis, shall be such that the present

Net considerations.

value thereof at date of issue of the annuity shall equal the then present value of the future benefits thereunder (excluding any total disability benefits attached to such contracts) and shall be not less than the following percentages of the respective considerations specified in the contracts for the respective contract years:

First Year	50 %
Second and Subsequent Years...	92½ %

Provided, however, that in the case of participating annuity contracts the percentages hereinbefore specified for the second and subsequent contract years may be decreased by five.

Basis of calculation.

3. Basis of Calculation: All net considerations and present values referred to in this section shall be calculated on the basis of the 1937 Standard Annuity Mortality Table (or such table with reasonable adjustment of the age of the life or lives on which the contract is based) and the rate of interest not exceeding three per cent (3%) per annum specified in the contract for calculating cash surrender values, if any, and paid-up nonforfeiture benefits.

Calculations on default.

4. Calculations on Default: Any cash surrender value and any paid-up nonforfeiture benefit, available under any such contract in the event of default in the payment of any consideration due at any time other than on the contract anniversary, shall be calculated with allowance for the lapse of time and the payment of fractional considerations beyond the last preceding contract anniversary. All values herein referred to may be calculated upon the assumption that any death benefit is payable at the end of the contract year of death.

Proportionate payments.

5. Proportionate Payments: An insurer may provide in lieu of the paid-up values provided in paragraph one of this section, for a paid-up annuity or pure endowment contract in an amount bearing the same proportion to the original annuity or pure endowment contract as the number of considerations

which have been paid to the insurer bear to the total number of considerations required to be paid to the insurer under contract, and if there be any indebtedness to the insurer under the contract the amount of such paid-up annuity or pure endowment shall be reduced by an amount bearing the same proportion to such paid-up annuity or pure endowment as such indebtedness bears to the current cash value (if any) on such paid-up annuity or pure endowment, computed according to the standard adopted by the insurer in accordance with this code.

6. **Deferment of Payment:** If an insurer provides for the payment of a cash surrender value, it shall reserve the right to defer the payment of such value for a period of six (6) months after demand therefor with surrender of the contract. Deferment
of payment.

7. **Lump Sum in Lieu:** Notwithstanding the requirements of this section, any deferred annuity contract may provide that if the annuity allowed under any paid-up nonforfeiture benefit would be less than one hundred twenty dollars (\$120) annually, the insurer may at its option grant a cash surrender value in lieu of such paid-up nonforfeiture benefit of such amount as may be required by paragraph three of this section. Lump sum
in lieu.

8. **Operative Date:** If no election is made by an insurer for an operative date prior to July first, nineteen hundred forty-eight, such date shall be the operative date for this section. Operative
date.

ARTICLE TWENTY-FOUR GROUP LIFE AND ANNUITIES

SEC. .24.01 *Must Meet Group Requirements:* 1. Must meet
group re-
quirements.
No contract of life insurance shall hereafter be delivered or issued for delivery in this state insuring the lives of more than one individual unless to one of the groups as provided for in this article, and unless in compliance with the other provisions of this article.

This section not applicable to certain life insurance contracts.

2. Paragraph one of this section shall not apply to contracts of life insurance

(1) insuring only individuals related by marriage, by blood, or by legal adoption; or

(2) insuring only individuals having a common interest through ownership of a business enterprise, or of a substantial legal interest or equity therein, and who are actively engaged in the management thereof.

Employee groups.

SEC. .24.02 *Employee Groups*: The lives of a group of individuals may be insured under a policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustee is deemed the policyholder, insuring employees of the employer for the benefit of persons other than the employer, subject to the following requirements:

Employee groups eligible.

(1) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes thereof determined by conditions pertaining to their employment. The policy may provide that the term "employees" shall include the employees of one or more subsidiary corporations, and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietors or partnerships if the business of the employer and of such affiliated corporations, proprietors or partnerships is under common control through stock ownership, contract or otherwise. The policy may provide that the term "employees" shall include the individual proprietor or partners if the employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include retired employees.

Employer must pay part of premium.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the employer's funds or funds contributed by him, or partly from

such funds and partly from funds contributed by the insured employees. No policy may be issued on which the entire premium is to be derived from funds contributed by the insured employees. A policy on which part of the premium is to be derived from funds contributed by the insured employees may be placed in force only if at least seventy-five per cent (75%) of the then eligible employees, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured employees must insure all eligible employees, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) employees at date of issue. Twenty-five employees.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the employees or by the employer or trustees. No policy may be issued which provides insurance on any employee which together with any other insurance under any group life insurance policies issued to the employer or to the trustees of a fund established by the employer exceeds twenty thousand dollars (\$20,000); except, that this limitation shall not apply to amounts of group insurance issued in connection with a pension plan which do not exceed the amount required at normal retirement date to provide the pension specified by the plan. Amounts of insurance.
Limitations.

SEC. 24.03 *Dependents of Employees*: 1. Insurance under any group life insurance policy issued pursuant to section .24.02 may, if seventy-five per cent (75%) of the then insured employees elect, be extended to insure the spouse and minor children, or any class or classes thereof, of each insured em- Dependents of employees.

ployee who so elects, in amounts in accordance with a plan which precludes individual selection by the employees or by the employer or trustee and which on the life of any one family member shall not be in excess of fifty per cent (50%) of the insurance on the life of the insured employee or the amount shown in the schedule below, whichever is less:

<i>Age of Family Member at Death</i>	<i>Maximum Insurance</i>
Under 6 months.....	\$100
6 months and under 2 years.....	\$200
2 years and under 3 years.....	\$400
3 years and under 4 years.....	\$600
4 years and under 5 years.....	\$800
5 years and over.....	\$1,000

Premiums. Premiums for the insurance on such family members shall be paid by the policyholder, either from the employer's funds or funds contributed by him, or from funds contributed by the insured employees, or from both.

Conversion right of spouse. 2. Such a spouse insured pursuant to this section shall have the same conversion right as to the insurance on his or her life as is vested in the employee under this article.

Debtor groups. **SEC. .24.04 Debtor Groups:** The lives of a group of individuals may be insured under a policy issued to a creditor, who shall be deemed the policyholder, to insure debtors of the creditor, subject to the following requirements:

Classes of debtors eligible. (1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor whose indebtedness is repayable in installments, or all of any class or classes thereof determined by conditions pertaining to the indebtedness or to the purchase giving rise to the indebtedness. The policy may provide that the term "debtors" shall include the debtors or one or more subsidiary corporations, and the debtors of one or more affiliated corporations, proprietors or partnerships if the business of the policyholder and of such affiliated corporations,

proprietors or partnerships is under common control through stock ownership, contract, or otherwise.

(2) The premium for the policy shall be paid by the policyholder, either from the creditor's funds, or from charges collected from the insured debtors, or from both. A policy on which part or all of the premium is to be derived from the collection from the insured debtors of identifiable charges not required of uninsured debtors shall not include, in the class or classes of debtors eligible for insurance, debtors under obligations outstanding at its date of issue without evidence of individual insurability unless at least seventy-five per cent (75%) of the then eligible debtors elect to pay the required charges. A policy on which no part of the premium is to be derived from the collection of such identifiable charges must insure all eligible debtors, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

Premium.

75% of debtors must pay.

(3) The policy may be issued only if the group of eligible debtors is then receiving new entrants at the rate of at least one hundred (100) persons yearly, or may reasonably be expected to receive at least one hundred (100) new entrants during the first policy year, and only if the policy reserves to the insurer the right to require evidence of individual insurability if less than seventy-five per cent (75%) of the new entrants become insured.

Issuance of policy.

(4) The amount of insurance on the life of any debtor shall at no time exceed the amount owed by him which is repayable in installments to the creditor, or five thousand dollars (\$5,000), whichever is less.

Limitation of amount.

(5) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.

Payable to policyholder.

Effect of usury law.

(6) Payment by the debtor insured under any such group life insurance contract of the premium charged the creditor by the insurer for such insurance pertaining to the debtor, shall not be deemed to constitute a charge upon a loan in violation of any usury law.

Labor union groups.

SEC. 24.05 *Labor Union Groups*: The lives of a group of individuals may be insured under a policy issued to a labor union, which shall be deemed the policyholder, to insure members of such union for the benefit of persons other than the union or any of its officials, representatives or agents, subject to the following requirements:

Members eligible.

(1) The members eligible for insurance under the policy shall be all of the members of the union, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the union, or both.

Premium.

(2) The premium for the policy shall be paid by the policyholder, either wholly from the union's funds, or partly from such funds and partly from funds contributed by the insured members specifically for their insurance. No policy may be issued of which the entire premium is to be derived from funds contributed by the insured members specifically for their insurance. A policy on which the premium is to be derived in part from funds contributed by the insured members specifically for their insurance may be placed in force only if at least seventy-five per cent (75%) of the then eligible members, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, elect to make the required contributions. A policy on which no part of the premium is to be derived from funds contributed by the insured members specifically for their insurance must insure all eligible members, or all except any as to whom evi-

Union must pay part of premium.

75% must contribute.

dence of individual insurability is not satisfactory to the insurer.

(3) The policy must cover at least twenty-five (25) members at date of issue. Twenty-five members.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the union. No policy may be used which provides insurance on any union member which together with any other insurance under any group life insurance policies issued to the union, exceeds twenty thousand dollars (\$20,000). Amounts of insurance.

SEC. 24.06 *Public Employee Associations:* The lives of a group of individuals may be insured under a policy issued to an association of public employees formed for purposes other than obtaining insurance and having, when the policy is placed in force, a membership in the classes eligible for insurance of not less than seventy-five per cent (75%) of the number of employees eligible for membership in such classes, which association shall be deemed the policyholder, to insure members of such association for the benefit of persons other than the association or any of its officials, subject to the following requirements: Public employee associations.

(1) The persons eligible for insurance under the policy shall be all of the members of the association, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the association, or both. Persons eligible.

(2) The premium for the policy shall be paid by the policyholder, either from the association's own funds, or from charges collected from the insured members specifically for the insurance, or from both. Any charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall Premium.

Pay-roll deductions.

be collected through deductions by the employer from the salaries of the members. Such deductions from salary may be paid by the employer to the association or directly to the insurer. No policy may be placed in force unless and until at least seventy-five per cent (75%) of the then eligible members of the association, excluding any as to whom evidence of individual insurability is not satisfactory to the insurer, have elected to be covered and have authorized their employer to make the required deductions from salary.

75% must be covered.

Determination of charges.

(3) Charges collected from the insured members specifically for the insurance, and the dues of the association if they include the cost of insurance, shall be determined according to each attained age or in not less than four (4) reasonably spaced attained age groups. In no event shall the rate of such dues or charges be level for all members regardless of attained age.

Fifty persons.

(4) The policy must cover at least fifty (50) persons at date of issue.

Amounts of insurance.

(5) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the members or by the association. Such amounts shall in no event exceed three thousand dollars (\$3,000) in the case of any member, and shall not exceed five hundred dollars (\$500) in the case of retired members and members over age sixty-five (65).

"Public employees."

As used herein, "public employees" means employees of the United States government, or of any state, or of any political subdivision or instrumentality of any of them.

Trustee groups.

SEC. .24.07 *Trustee Groups:* The lives of a group of individuals may be insured under a policy issued to the trustees of a fund established by two (2) or more employers in the same industry or by two (2) or more labor unions, which trustees shall be

deemed the policyholder, to insure employees of the employers or members of the unions for the benefit of persons other than the employers or the unions, subject to the following requirements:

(1) The persons eligible for insurance shall be all of the employees of the employers or all of the members of the unions, or all of any class or classes thereof determined by conditions pertaining to their employment, or to membership in the unions, or to both. The policy may provide that the term "employees" shall include the individual proprietor or partners if an employer is an individual proprietor or a partnership. The policy may provide that the term "employees" shall include the trustees or their employees, or both, if their duties are connected with such trusteeship. The policy may provide that the term "employees" shall include retired employees.

Persons eligible.

(2) The premium for the policy shall be paid by the trustees wholly from funds contributed by the employers of the insured persons. Such funds may be derived by the employers in part from contributions by the employees insured. The policy must insure all eligible persons, or all except any as to whom evidence of individual insurability is not satisfactory to the insurer.

Premium.

(3) The policy must cover at least one hundred (100) persons at date of issue.

One hundred persons.

(4) The amounts of insurance under the policy must be based upon some plan precluding individual selection either by the insured persons or by the policyholder, employers, or unions. No policy may be issued which provides insurance on any person which together with any other insurance under any group life insurance policies issued to the trustees exceeds ten thousand dollars (\$10,000); except, that this limitation shall not apply to amounts of group insurance issued in connection with a pension plan

Amounts of insurance.

which does not exceed the amount required at normal retirement date to provide the pension specified by the plan.

Washington State Patrol groups.

SEC. .24.09 *Washington State Patrol Groups:* The lives of a group of individuals may be insured under a policy issued to the commanding officer, which commanding officer shall be deemed the policyholder, to insure not less than twenty-five (25) of the members of the Washington State Patrol. Such policy shall be for the benefit of beneficiaries as designated by the individuals so insured, and the premium thereon may be paid by such members. Not less than seventy-five per cent (75%) of all eligible members of such Washington State Patrol, or of any unit thereof determined by conditions pertaining to their employment, may be so insured.

Standard provisions required.

SEC. .24.10 *Standard Provisions Required:* No policy of group life insurance shall be delivered or issued for delivery in this state unless it contains in substance the standard provisions as required by sections .24.11 to .24.20 inclusive, or provisions which in the opinion of the Commissioner are more favorable to the individuals insured, or at least as favorable to such individuals and more favorable to the policyholder; except that:

Exceptions.

(1) Provisions set forth in sections .24.16 to .24.20 inclusive shall not apply to policies issued to a creditor to insure its debtors.

Nonforfeiture benefits.

(2) If the group life insurance policy is on a plan of insurance other than the term plan, it shall contain a nonforfeiture provision or provisions which in the opinion of the Commissioner is or are equitable to the insured persons and to the policyholder, but such nonforfeiture benefits are not required to be the same as those required for individual life insurance policies.

Group life—standard provision—grace period.

SEC. .24.11 *Group Life—Standard Provision—Grace Period:* There shall be a provision that the

policyholder is entitled to a grace period of thirty-one (31) days for the payment of any premium due except the first, during which grace period the death benefit coverage shall continue in force, unless the policyholder has given the insurer written notice of discontinuance in advance of the date of discontinuance and in accordance with the terms of the policy. The policy may provide that the policyholder shall be liable to the insurer for the payment of a *pro rata* premium for the time the policy was in force during such grace period.

SEC. .24.12 *Group Life—Standard Provision—Incontestability*: There shall be a provision that the validity of the policy shall not be contested, except for nonpayment of premiums, after it has been in force for two (2) years from its date of issue; and that no statement made by an individual insured under the policy relating to his insurability shall be used in contesting the validity of the insurance with respect to which such statement was made after such insurance has been in force prior to the contest for a period of two (2) years during such individual's lifetime nor unless it is contained in a written instrument signed by him.

Group life
—standard
provision—
incontesta-
bility.

SEC. .24.13 *Group Life—Standard Provision—the Contract—Representations*: There shall be a provision that a copy of the application, if any, of the policyholder shall be attached to the policy when issued and become a part of the contract; that all statements made by the policyholder or by the persons insured shall be deemed representations and not warranties, and that no statement made by any person insured shall be used in any contest unless a copy of the instrument containing the statement is or has been furnished to such person or to his beneficiary.

Group life
—standard
provision—
the contract
—representa-
tions.

SEC. .24.14 *Group Life—Standard Provision—Insurability*: There shall be a provision setting

Group life
—standard
provision—
insurability.

forth the conditions, if any, under which the insurer reserves the right to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to the insurer as a condition to part or all of his coverage.

Group life
—standard
provision—
misstatement
of age.

SEC. .24.15 *Group Life—Standard Provision—Misstatement of Age:* There shall be a provision specifying an equitable adjustment of premiums or of benefits or of both to be made in the event the age of a person insured has been misstated, such provision to contain a clear statement of the method of adjustment to be used.

Group life
—standard
provision—
beneficiary.

SEC. .24.16 *Group Life—Standard Provision—Beneficiary:* There shall be a provision that any sum becoming due by reason of the death of the individual insured shall be payable to the beneficiary designated by such individual, subject to the provisions of the policy in the event there is no designated beneficiary, as to all or any part of such sum, living at the death of the individual insured and subject to any right reserved by the insurer in the policy and set forth in the certificate to pay at its option a part of such sum not exceeding two hundred and fifty dollars (\$250) to any person appearing to the insurer to be equitably entitled thereto by reason of having incurred funeral or other expenses incident to the last illness or death of the individual insured.

Group life
—standard
provision—
certificates.

SEC. .24.17 *Group Life—Standard Provision—Certificates:* There shall be a provision that the insurer will issue to the policyholder for delivery to each individual insured an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth in sections .24.18, .24.19 and .24.20, following.

SEC. .24.18 *Group Life—Standard Provision—Conversion on Termination of Eligibility:* There shall be a provision that if the insurance, or any portion of it, on an individual covered under the policy, other than the child of an employee insured pursuant to section .24.03, ceases because of termination of employment or of membership in the class or classes eligible for coverage under the policy, such individual shall be entitled to have issued to him by the insurer, without evidence of insurability, an individual policy of life insurance without disability or other supplementary benefits, provided application for the individual policy shall be made, and the first premium paid to the insurer, within thirty-one (31) days after such termination, and provided further that,

Group life—standard provision—conversion on termination of eligibility.

Individual policy to be issued.

(1) the individual policy shall, at the option of such individual, be on any one of the forms, except term insurance, then customarily issued by the insurer at the age and for the amount applied for;

Form of individual policy.

(2) the individual policy shall be in an amount not in any event in excess of the amount of life insurance which ceases because of such termination nor less than one thousand dollars (\$1,000) unless a smaller amount of coverage was provided for such individual under the group policy, provided that any amount of insurance which matures on the date of such termination or has matured prior thereto under the group policy as an endowment payable to the individual insured, whether in one sum or in installments or in the form of an annuity, shall not, for the purposes of this provision, be included in the amount which is considered to cease because of such termination; and

Amount of individual policy.

(3) the premium on the individual policy shall be at the insurer's then customary rate applicable to the form and amount of the individual policy, to

Premium.

the class of risk to which such individual then belongs, and to his age attained on the effective date of the individual policy.

Group life—
standard
provision—
conversion on
termination
of policy.

SEC. .24.19 *Group Life—Standard Provision—Conversion on Termination of Policy:* There shall be a provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured individuals, every individual insured thereunder at the date of such termination, other than a child of an employee insured pursuant to section .24.03, whose insurance terminates and who has been so insured for at least five (5) years prior to such termination date shall be entitled to have issued to him by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by section .24.18 above, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (a) the amount of the individual's life insurance protection ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which he is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one (31) days of such termination and (b) two thousand dollars (\$2,000).

Group life—
standard
provision—
death
pending
conversion.

SEC. .24.20 *Group Life—Standard Provision—Death Pending Conversion:* There shall be a provision that if a person insured under the group policy dies during the period within which he would have been entitled to have an individual policy issued to him in accordance with sections .24.18 and .24.19, and before such an individual policy shall have become effective, the amount of life insurance which he would have been entitled to have issued to him under such individual policy shall be payable as a claim under the group policy, whether or not applica-

tion for the individual policy or the payment of the first premium therefor has been made.

SEC. .24.21 *Limitation of Liability*: 1. The insurer may in any group life insurance contract provide that it is not liable, or is liable only in a reduced amount, for losses resulting:

Limitation of liability.

(1) From war or any act of war, declared or undeclared, or of service in the military, naval or air forces or in civilian forces auxiliary thereto, or from any cause while a member of any such military, naval or air forces, of any country at war, declared or undeclared.

War.

(2) From aviation under conditions specified in the policy.

Aviation.

2. The insurer may in any such contract provide that any amount of insurance in excess of one thousand dollars (\$1,000) on an individual life may be reduced to one thousand dollars (\$1,000) or to any greater amount upon attainment of any age not less than age sixty-five (65) or upon the anniversary of the policy nearest attainment of such age.

Attainment of age of sixty-five.

SEC. .24.24 *Readjustment of Premium*: Any group life insurance contract may provide for a readjustment of the premium rate based on experience under that contract, at the end of the first or of any subsequent year of insurance, and which readjustment may be made retroactive for such policy year only.

Readjustment of premium.

SEC. .24.26 *Application of Dividends, Rate Reductions*: Any policy dividends hereafter declared, or reduction in rate of premiums hereafter made or continued for the first or any subsequent year of insurance, under any policy of group life insurance heretofore or hereafter issued to any policyholder may be applied to reduce the policyholder's part of the cost of such insurance, except that if the aggregate dividends or refunds or credits under such group policy and any other group policy or contract issued to the policyholder exceed the aggregate contribu-

Application of dividends, rate reductions.

tions of the policyholder toward the cost of the coverages, such excess shall be applied by the policyholder for the sole benefit of insured individuals.

ARTICLE TWENTY-FIVE

INDUSTRIAL LIFE INSURANCE

Scope of article.

SEC. .25.01 *Scope of Article:* The provisions of this article apply only to industrial life insurance contracts.

"Industrial" life insurance.

SEC. .25.02 *Industrial Life Insurance Defined:* "Industrial" life insurance is any life insurance provided by an individual insurance contract issued in face amount of less than one thousand dollars (\$1,000), under which premiums are payable monthly or oftener, and bearing the words "industrial policy" printed upon the policy as a part of the descriptive matter.

Compliance required.

SEC. .25.03 *Compliance Required:* No policy of industrial life insurance shall be delivered or be issued for delivery in this state after January first, nineteen hundred and forty-eight, except in compliance with the provisions of this article and with other applicable provisions of this code.

Standard provisions required.

SEC. .25.04 *Standard Provisions Required:* No such policy shall be so issued or delivered unless it contains in substance the provisions as required by this article, or provisions which in the opinion of the Commissioner are more favorable to the policyholder.

Grace period.

SEC. .25.05 *Grace Period:* There shall be a provision that the insured is entitled to a grace period of four (4) weeks within which the payment of any premium after the first may be made, except that in policies the premiums for which are payable monthly, the period of grace shall be one (1) month but not less than thirty (30) days; and that during the period of grace the policy shall continue in full force, but if during the grace period the policy be-

comes a claim, then any overdue and unpaid premiums may be deducted from any settlement under the policy.

SEC. .25.06 *Entire Contract*: There shall be a provision that the policy shall constitute the entire contract between the parties, or, if a copy of the application is endorsed upon or attached to the policy when issued, a provision that the policy and the application therefor shall constitute the entire contract. If the application is so made a part of the contract, the policy shall also provide that all statements made by the applicant in such application shall, in the absence of fraud, be deemed to be representations and not warranties.

Entire
contract.

SEC. .25.07 *Incontestability*: There shall be a provision that the policy shall be incontestable after it has been in force during the lifetime of the insured for a period of two (2) years from its date of issue except for nonpayment of premiums, and except, at the option of the insurer, as to supplemental provisions providing benefits for total and permanent disability or specifically for accidental death.

Incontesta-
bility.

SEC. .25.08 *Misstatement of Age*: There shall be a provision that if it is found that the age of the individual insured, or the age of any other individual considered in determining [determining] the premium, has been misstated, any amount payable or benefit accruing under the policy shall be such as the premium would have purchased at the correct age or ages.

Misstatement
of age.

SEC. .25.09 *Participation*: If a participating policy, there shall be a provision that the insurer shall annually ascertain and apportion any divisible surplus accruing on the policy, and that dividends arising from such apportionment shall be credited annually beginning not later than the fifth contract year. This provision shall not prohibit the payment of additional dividends on default of payment of premiums or termination of the policy.

Participation.

Nonforfeiture benefits.

SEC. .25.10 *Nonforfeiture Benefits*: There shall be a provision for nonforfeiture benefits as required by section .23.35.

Cash surrender value.

SEC. .25.11 *Cash Surrender Value*: There shall be a provision for a cash surrender value as required by section .23.35.

Reinstatement.

SEC. .25.12 *Reinstatement*: There shall be a provision that the policy may be reinstated at any time within two (2) years from the due date of the premium in default unless the cash surrender value has been paid, or the extension period expired, upon the production of evidence of insurability satisfactory to the insurer and the payment of all overdue premiums and payment or reinstatement of any unpaid loans or advances made by the insurer against the policy with interest at a rate not exceeding six per cent (6%) per annum and payable annually.

Settlement.

SEC. .25.13 *Settlement*: There shall be a provision that when the policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death or after a specified period not exceeding two (2) months after receipt of such proof.

Authority to alter contract.

SEC. .25.14 *Authority to Alter Contract*: There shall be a provision that no agent shall have the power or authority to waive, change or alter any of the terms or conditions of any policy; except that, at the option of the insurer, the terms or conditions may be changed by an endorsement signed by a duly authorized officer of the insurer.

Beneficiary.

SEC. .25.15 *Beneficiary*: 1. Each such policy shall have a space on the front or back page of the policy for the name of the beneficiary designated with a reservation of the right to designate or change the beneficiary after the issuance of the policy.

Change of beneficiary.

2. The policy may also provide that no designation or change of beneficiary shall be binding on the insurer until endorsed on the policy by the insurer,

and that the insurer may refuse to endorse the name of any proposed beneficiary who does not appear to the insurer to have an insurable interest in the life of the insured.

SEC. .25.16 *Facility of Payment Clause*: Such a policy may also provide that if the beneficiary designated in the policy does not surrender the policy with due proof of death within the period stated in the policy, which shall not be less than thirty (30) days after the death of the insured, or if the beneficiary is the estate of the insured or is a minor, or dies before the insured or is not legally competent to give a valid release, then the insurer may make payment thereunder to the executor or administrator of the insured, or to any of the insured's relatives by blood or legal adoption or connection by marriage, or to any person appearing to the insurer to be equitably entitled thereto by reason of having been named beneficiary, or by reason of having incurred expense for the maintenance, medical attention or burial of the insured. Such policy may also include a similar provision applicable to any other payment due under the policy.

Facility of
payment
clause.

SEC. .25.17 *Premiums Paid Direct*: In the case of weekly premium policies, there may be a provision that upon proper notice to the insurer while premiums on the policy are not in default beyond the grace period, of the intention to pay future premiums directly to the insurer at its home office or any office designated by the insurer for the purpose, the insurer will, at the end of each period of a year from the due date of the first premium so paid, for which period such premiums are so paid continuously without default beyond the grace period, refund a stated percentage of the premiums in an amount which fairly represents the savings in collection expense.

Premiums
paid direct.

SEC. .25.18 *Conversion—Weekly Premium Policies*: There shall be a provision in the case of weekly

Conversion—
weekly
premium
policies.

premium policies granting, upon proper written request and upon presentation of evidence of the insurability of the insured satisfactory to the insurer, the privilege of converting his weekly premium industrial insurance to any form of life insurance with less frequent premium payments regularly issued by the insurer, in accordance with terms and conditions agreed upon with the insurer. The privilege of making such conversion need be granted only if the insurer's weekly premium industrial policies on the life insured, in force as premium paying insurance and on which conversion is requested, grant benefits in event of death, exclusive of additional accidental death benefits and exclusive of any dividend additions, in an amount not less than the minimum amount of such insurance with less frequent premium payments issued by the insurer at the age of the insured on the plan of industrial or ordinary insurance desired.

Conversion—
monthly
premium
policies.

SEC. .25.19 *Conversion—Monthly Premium Policies:* There shall be a provision, in the case of monthly premium industrial policies, granting, upon proper written request and upon presentation of evidence of the insurability of the insured satisfactory to the insurer, the privilege of converting his monthly premium industrial insurance to any form of ordinary life insurance regularly issued by the insurer, in accordance with terms and conditions agreed upon with the insurer. The privilege of making such conversions need be granted only if the insurer's monthly premium industrial policies on the life insured, in force as premium paying insurance and on which conversion is requested, grant benefits in event of death, exclusive of additional accidental death benefits and exclusive of any dividend additions, in an amount not less than the minimum amount of ordinary insurance issued by the insurer

at the age of the insured on the plan of ordinary insurance desired.

SEC. .25.20 *Title on Policy*: There shall be a title on the face of each such policy briefly describing its form.

Title on policy.

SEC. .25.21 *Application to Term and Specified Insurance*: Any of the provisions required by this article or any portion thereof which are not applicable to single premium or term policies or to policies issued or granted pursuant to nonforfeiture provisions, shall to that extent not be incorporated therein.

Application to term and specified insurance.

SEC. .25.22 *Prohibited Provisions*: No such policy shall contain:

Prohibited provisions.

(1) A provision by which the insurer may deny liability under the policy for the reason that the insured has previously obtained other insurance from the same insurer.

Other insurance from same insurer.

(2) A provision giving the insurer the right to declare the policy void because the insured has had any disease or ailment, whether specified or not, or because the insured has received institutional, hospital, medical or surgical treatment or attention, except a provision which gives the insurer the right to declare the policy void if the insured has, within two (2) years prior to the issuance of the policy, received institutional, hospital, medical or surgical treatment or attention and if the insured or claimant under the policy fails to show that the condition occasioning such treatment or attention was not of a serious nature or was not material to the risk.

Disease.

Received treatment.

Exception.

(3) A provision giving the insurer the right to declare the policy void because the insured had been rejected for insurance, unless such right be conditioned upon a showing by the insurer, that knowledge of such rejection would have led to a refusal by the insurer to make such contract.

Previous rejection of insured.

Limitation of liability.

SEC. .25.23 *Limitation of Liability:* The insurer may in any such policy limit its liability for the same causes and to the same extent as is provided in section .23.26 for other life insurance contracts.

ARTICLE TWENTY-SIX
MARINE AND TRANSPORTATION INSURANCE

ARTICLE TWENTY-SEVEN
PROPERTY INSURANCE

Over-insurance prohibited.

SEC. .27.01 *Over-Insurance Prohibited:* 1. Over-insurance shall be deemed to exist if property or an insurable interest therein is insured by one or more insurance contracts against the same hazard in any amount in excess of the fair value of the property or of such interest, as determined as of the effective date of the insurance or of any renewal thereof.

"Fair value."

2. For the purposes of this section only the term "fair value" means the cost of replacement less such depreciation as is properly applicable to the subject insured.

Unlawful act.

3. No person shall knowingly issue, place, procure, or accept any insurance contract which would result in over-insurance of the property or interest therein proposed to be insured, except as is provided in section .27.02.

Penalty.

4. Each violation of this section shall subject the violator to the penalties provided by this code.

Replacement insurance.

SEC. .27.02 *Replacement Insurance:* By any contract of insurance of real property or of any insurable interest therein, the insurer may in connection with a special provision or endorsement made a part of the policy insure the cost of repair or replacement of such property, if damaged or destroyed by a hazard insured against, and without deduction of depreciation.

ARTICLE TWENTY-EIGHT
SURETY INSURANCE

SEC. .28.01 *Requirements Deemed Met By Surety Insurer:* Whenever by law or by rule of any court, public official, or public body, any surety bond, recognizance, obligation, stipulation or undertaking is required or is permitted to be given, any such bond, recognizance, obligation, stipulation, or undertaking which is otherwise proper and the conditions of which are guaranteed by an authorized surety insurer, or by an unauthorized surety insurer as a surplus line pursuant to article fifteen of this code, shall be approved and accepted and shall be deemed to fulfill all requirements as to number of sureties, residence or status of sureties, and other similiar requirements, and no justification by such surety shall be necessary.

Requirements deemed met by surety insurer.

SEC. .28.02 *Fiduciary Bonds, Expense:* Any fiduciary required by law to give bonds, may include as part of his lawful expense to be allowed by the court or official by whom he was appointed, the reasonable amount paid as premium for such bonds to the authorized surety insurer or to the surplus line surety insurer which issued or guaranteed such bonds.

Fiduciary bonds, expense.

SEC. .28.03 *Court Bonds, Costs:* In any proceeding the party entitled to recover costs may include therein such reasonable sum as was paid to such surety insurer as premium for any bond or undertaking required therein, and as may be allowed by the court having jurisdiction of such proceeding.

Court bonds, costs.

SEC. .28.04 *Public Officers' Bonds, Costs:* The premium for bonds given by such surety insurers for appointive or elective public officers and for such of their deputies or employees as are required to give bond shall be paid by the state, political subdivision, or public body so served.

Public officers' bonds, costs.

Release from liability.

SEC. .28.05 *Release From Liability:* A surety insurer may be released from its liability on the same terms and conditions as are provided by law for the release of individuals as sureties.

ARTICLE TWENTY-NINE

TITLE INSURERS

Scope of article.

SEC. .29.01 *Scope of Article:* 1. This article relates only to title insurers.

Does not apply to abstracts.

2. None of the provisions of this code shall be deemed to apply to persons engaged in the business of preparing and issuing abstracts of title to property and certifying to the correctness thereof so long as such persons do not guarantee or insure such titles.

Qualifications.

SEC. .29.02 *Qualifications:* A title insurer shall not be entitled to have a certificate of authority unless it otherwise qualifies therefor, nor unless:

Stock corporation.

(1) It is a stock corporation.

Tract indexes.

(2) It owns and maintains a complete set of tract indexes of the county in which its principal office within this state is located.

Guaranty fund deposit.

(3) It deposits and keeps on deposit with the State Treasurer through the Commissioner a guaranty fund in amount as set forth in section .29.03 and comprised of cash or securities of the kind made eligible under this code for the investment of funds of domestic life insurers.

Amount of deposit.

SEC. .29.03 *Amount of Deposit:* 1. The amount of the required guaranty fund deposit shall be determined by the population, as at last official United States or official state census, of the county within which the insurer is to be authorized to transact its business, as follows:

More than	County Population but not more than	Amount of Guaranty Fund Deposit Required	
0	15,000	\$10,000.00	Schedule.
15,000	35,000	\$15,000.00	
35,000	60,000	\$25,000.00	
60,000	100,000	\$50,000.00	
100,000	150,000	\$75,000.00	
150,000	300,000	\$100,000.00	
300,000	500,000	\$150,000.00	
500,000		\$200,000.00	

2. An insurer with a guaranty fund deposit amounting to not less than two hundred thousand dollars (\$200,000) may be authorized to transact business throughout the entire state. Minimum deposit.

SEC. .29.04 *Additional Counties:* 1. Subject to paragraph two of this section a title insurer may be authorized to transact business in two (2) or more counties by having a guaranty fund deposit in the largest amount required for any one (1) of such counties. Additional counties.

2. A title insurer having its principal offices in one county may be authorized to transact business in another county in which is located the principal offices of another title insurer if its guaranty fund deposit otherwise required is increased by the amount required for such additional county as determined pursuant to section .29.03. Additional deposit.

SEC. .29.05 *Deposit Fee:* 1. On or before the second Monday in January of each year the insurer shall pay to the State Treasurer for the use of the state a deposit fee in amount equal to one-tenth of one per cent (1/10 of 1%) of the value of the guaranty fund deposit of the insurer as of the preceding December thirty-first. Deposit fee.

2. Upon termination of the guaranty fund deposit, such deposit fee shall be computed upon the value of the deposit as of the first day of January of the calendar year in which termination takes place, and shall be due and payable prior to the release of the securities comprising the deposit. Computation of fee upon termination of deposit.

Failure to
pay fee.

3. Upon failure of the insurer to pay the deposit fee within thirty (30) days after date due, the State Treasurer shall sell sufficient of the securities comprising the deposit to pay the fee.

Impairment
of deposit.

SEC. .29.06 *Impairment of Deposit:* If an insurer's guaranty fund deposit becomes impaired for any cause, the Commissioner shall forthwith give notice thereof to the insurer, requiring that the impairment be cured within thirty (30) days after the date of the notice. If the impairment is not so cured, the Commissioner shall forthwith revoke the insurer's certificate of authority.

Levy of
execution
upon deposit.

SEC. .29.07 *Levy of Execution Upon Deposit:* If an insurer fails to satisfy any judgment against it arising out of its liability under any title insurance policy or certificate of title issued, insured, or assumed by it, within thirty (30) days after the finality of the judgment became fixed, the judgment may be enforced against the insurer's guaranty fund deposit through the following procedure:

Judgment
creditor to
petition.

(1) The judgment creditor shall petition the court wherein the judgment is entered and as part of the same cause, truthfully setting forth the facts regarding the insurer's failure to satisfy the judgment as required by this section.

Special
execution.

(2) Upon such petition the court shall direct issuance of a special execution directed to the Sheriff of Thurston County, requiring that the sheriff sell so much of the securities on deposit as may be required to satisfy the judgment and pay the costs of the levy.

Service
on State
Treasurer.

(3) The court's order for issuance of the special execution shall also direct that a copy of the judgment and of the petition be served upon the State Treasurer within five (5) days after the date of the order.

Securities
delivered to
sheriff.

(4) Upon issuance of such special execution and upon such service upon the State Treasurer, the

State Treasurer shall deliver to such sheriff sufficient of such securities as may be required for sale to satisfy the judgment and to pay such costs.

SEC. .29.08 *Registration of Securities:* The securities comprising the guaranty fund deposit shall be registered in the name of or endorsed or assigned to the State Treasurer.

Registration of securities.

SEC. .29.09 *Condition of Deposit:* 1. The securities comprising the guaranty fund deposit shall be held by the State Treasurer as a special guaranty fund securing the faithful performance by the insurer of all its undertakings and liabilities as to any title guaranteed or insured by it.

Condition of deposit.

2. Such deposit shall not be subject to any other liabilities of the insurer until after all its liabilities named in paragraph one of this section have been discharged.

Insurance liabilities have priority.

SEC. .29.10 *Termination of Deposit:* 1. A guaranty fund deposit shall be terminated only upon the existence of any of the following conditions:

Termination of deposit.

(1) Upon termination of all liabilities of the insurer, other than through reinsurance, under all guaranties or insurances of titles made, issued, or assumed by it.

Termination of liabilities.

(2) Upon reinsurance of all such liabilities of the insurer, with the Commissioner's approval, in another insurer holding a certificate of authority as a title insurer in this state.

Reinsurance by another insurer.

2. For the purposes of this section only, all liability of the insurer with regard to a title guaranteed or insured by it shall be deemed terminated upon the expiration of twenty-one (21) years from the date of the guaranty or insurance, unless prior thereto a claim of loss has been made with reference thereto and settlement of such loss then remains pending.

When liability deemed terminated.

Release of securities.

SEC. .29.11 *Release of Securities*: 1. Upon any termination of the guaranty fund deposit, the State Treasurer shall release the securities comprising it to the insurer after the following conditions have been complied with:

Application.

(1) The insurer shall make written application for such release, verified by the oaths of its president and secretary.

Examination by State Treasurer.

(2) The State Treasurer shall in due course following upon such application make such examination of the records of the insurer, and of the insurer's officers under oath, as he deems reasonably necessary to determine that the conditions for termination of the deposit have been met.

Revocation of certificate of authority.

2. Upon release of the securities, the Commissioner shall revoke the insurer's certificate of authority.

Special reserve fund.

SEC. .29.12 *Special Reserve Fund*: 1. Each title insurer shall annually apportion to a special reserve fund an amount determined by applying the rate of twenty-five cents (\$.25) for each one thousand dollars (\$1,000) of net increase of insurance it has in force as at the end of such year. Such apportionment shall be continued or resumed as needed to maintain the special reserve fund at an amount equal to not less than the guaranty fund deposit required of the insurer.

Is an additional guaranty fund.

2. The special reserve fund shall be held by the insurer as an additional guaranty fund, and shall be used only for the payment of losses after the insurer's liquid resources available for the payment of losses, other than such special reserve fund or the guaranty fund deposit, have been exhausted.

Computation of fund.

3. For the purposes of computing the special reserve fund as provided in paragraph one of this section, net increase of insurance in force resulting from reinsurance of the risks of another title insurer shall not be included to the extent that a like

special reserve fund on such insurance is maintained by the ceding insurer.

SEC. .29.13 *Investments*: The funds of a domestic title insurer, other than those representing its guaranty fund deposit, shall be invested as follows: Investments.

(1) Funds in amount not less than its required special reserve shall be kept invested in investments eligible for domestic life insurers. Special reserve.

(2) Other funds may be invested in: Other funds.

(a) The insurer's plant and equipment.

(b) Stocks and bonds of abstract companies when approved by the Commissioner.

(c) Investments eligible for the investment of funds of any domestic insurer.

SEC. .29.14 *Premium Rates*: 1. Premium rates for the insuring or guaranteeing of titles shall not be excessive, inadequate, or unfairly discriminatory. Premium rates.

2. Each title insurer shall forthwith file with the Commissioner a schedule showing the premium rates to be charged by it. Every addition to or modification of such schedule or of any rate therein contained shall likewise be filed with the Commissioner, and no such addition or modification shall be effective until expiration of fifteen (15) days after date of such filing. Schedule to be filed with Commissioner.

3. The Commissioner may order the modification of any premium rate or schedule of premium rates found by him after a hearing to be excessive, or inadequate, or unfairly discriminatory. No such order shall require retroactive modification. Modification of rates.

SEC. .29.15 *Taxation of Title Insurers*: Title insurers and their property shall be taxed by this state in accordance with the general laws relating to taxation, and not otherwise. Taxation of title insurers.

ARTICLE THIRTY

UNFAIR PRACTICES AND FRAUDS

Unfair practices in general.

SEC. .30.01 *Unfair Practices in General:* 1. No person engaged in the business of insurance shall engage in unfair methods of competition or in unfair or deceptive acts or practices in the conduct of such business as such methods, acts, or practices are defined pursuant to paragraph two of this section.

Commissioner may define unfair practices by regulations.

2. In addition to such unfair methods and unfair or deceptive acts or practices as are expressly defined and prohibited by this code, the Commissioner may from time to time by regulations promulgated only after a hearing thereon, define other methods of competition and other acts and practices in the conduct of such business reasonably found by him to be unfair or deceptive.

Effective date of such regulations.

3. No such regulation shall be made effective prior to the expiration of thirty (30) days after the date of the order on hearing by which it is promulgated.

Filing regulations.

4. The Commissioner shall forthwith file a copy of every such regulation in the office of the County Auditor of each county of this state.

Orders to cease and desist.

5. If the Commissioner has cause to believe that any person is violating any such regulation he shall order such person to cease and desist therefrom. The Commissioner shall deliver such order to such person direct or mail it to the person by registered mail with return receipt requested. If the person fails to comply therewith before expiration of ten (10) days after the cease and desist order has been received by him, he shall forfeit to the people of this state a sum not to exceed two hundred and fifty dollars (\$250) for each violation committed thereafter, such penalty to be recovered by an action prosecuted by the Commissioner.

Delivery.

Penalty.

Compacts prohibited.

SEC. .30.02 *Anti-Compact Law:* 1. No person shall either within or outside of this state enter into

any contract, understanding or combination with any other person to do jointly or severally any act or engage in any practice for the purpose of

(1) controlling the rates to be charged for insuring any risk or any class of risks in this state; or

Controlling rates.

(2) unfairly discriminating against any person in this state by reason of his plan or method of transacting insurance, or by reason of his affiliation or nonaffiliation with any insurance organization; or

Unfair discrimination.

(3) establishing or perpetuating any condition in this state detrimental to free competition in the business of insurance or injurious to the insuring public.

Injuring free competition.

2. This section shall not apply relative to ocean marine and foreign trade insurances.

Insurances to which section does not apply.

3. This section shall not be deemed to prohibit the doing of things permitted to be done in accordance with the provisions of article nineteen of this code.

Article nineteen not affected.

4. Whenever the Commissioner has knowledge of any violation of this section he shall forthwith order the offending person to discontinue such practice immediately or show cause to the satisfaction of the Commissioner why such order should not be complied with. If the offender is an insurer or a licensee under this code and fails to comply with such order within thirty (30) days after receipt thereof, the Commissioner may forthwith revoke the offender's certificate of authority or licenses.

Power of Commissioner.

Penalty.

SEC. 30.03 *False Financial Statements:* No person shall knowingly file with any public official nor knowingly make, publish, or disseminate any financial statement of an insurer which does not accurately state the insurer's financial condition.

False financial statements.

SEC. 30.04 *False Information and Advertising:* No person shall knowingly make, publish, or disseminate any false, deceptive or misleading repre-

False information and advertising.

sentation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein.

Advertisement must show name, domicile.

SEC. .30.05 *Advertisement Must Show Name, Domicile:* Every advertisement of, by, or on behalf of an insurer shall set forth the name in full of the insurer and the location of its home office or principal office, if any, in the United States (if an alien insurer).

Insurer name.

SEC. .30.06 *Insurer Name:* No person who is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer.

Advertisement of financial condition.

SEC. .30.07 *Advertisement of Financial Condition:* 1. Every advertisement by or on behalf of any insurer purporting to show its financial condition may be in a condensed form but shall in substance correspond with the insurer's last verified statement filed with the Commissioner.

Last verified statement.

Actual assets.

2. No insurer or person in its behalf shall advertise assets except those actually owned and possessed by the insurer in its own exclusive right, available for the payment of losses and claims, and held for the protection of its policyholders and creditors.

Defamation of insurers.

SEC. .30.08 *Defamation of Insurers:* No person shall make, publish, or disseminate, or aid, abet or encourage the making, publishing, or dissemination of any information or statement which is false or maliciously critical and which is designed to injure in its reputation or business any authorized insurer or any domestic corporation or reciprocal being formed pursuant to this code for the purpose of becoming an insurer.

Misrepresentation of policies.

SEC. .30.09 *Misrepresentation of Policies:* No person shall make, issue or circulate, or cause to be made, issued or circulated any misrepresentation of the terms of any policy or the benefits or advantages promised thereby, or the dividends or share of sur-

plus to be received thereon, or use any name or title of any policy or class of policies misrepresenting the nature thereof.

SEC. .30.10 *Dividends Not To Be Guaranteed*: No insurer, agent, broker, solicitor, or other person, shall guarantee or agree to the payment of future dividends or future refunds of unused premiums or savings in any specific or approximate amounts or percentages on account of any insurance contract.

Dividends not to be guaranteed.

SEC. .30.11 *Political Contributions*: 1. No insurer or fraternal benefit society doing business in this state shall directly or indirectly pay or use, or offer, consent or agree to pay or use any money or thing of value for or in aid of any political party; nor for or in aid of any candidate for any political office, nor for the nomination for such office; nor for reimbursement or indemnification of any person for money or property so used.

Political contributions.

2. Any individual who violates any provision of this section. or who participates in, aids, abets, advises, or consents to any such violation, or who solicits or knowingly receives any money or thing of value in violation of this section, shall be guilty of a gross misdemeanor and shall be liable to the insurer or society for the amount so contributed or received.

Penalty.

SEC. .30.12 *Misconduct of Directors, Officers, Employees*: No director, officer, agent, attorney-in-fact, or employee of an insurer shall:

Misconduct of directors, officers, employees.

(1) Knowingly receive or possess himself of any of its property, otherwise than in payment for a just demand, and with intent to defraud, omit to make or to cause or direct to be made, a full and true entry thereof in its books and accounts; nor,

Receive insurer's property wrongfully.

(2) make or concur in making any false entry, or concur in omitting to make any material entry, in its books or accounts; nor,

False entries in records.

False financial statement.

(3) knowingly concur in making or publishing any written report, exhibit or statement of its affairs or pecuniary condition containing any material statement which is false, or omit or concur in omitting any statement required by law to be contained therein; nor,

Fail to make proper entries in books.

(4) having the custody or control of its books, willfully fail to make any proper entry in the books of the insurer as required by law, or to exhibit or allow the same to be inspected and extracts to be taken therefrom by any person entitled by law to inspect the same, or take extracts therefrom; nor,

Fail to disclose service of process.

(5) if a notice of an application for an injunction or other legal process affecting or involving the property or business of the insurer is served upon him, fail to disclose the fact of such service and the time and place of such application to the other directors, officers, and managers thereof; nor,

Fail to make reports.

(6) fail to make any report or statement lawfully required by a public officer.

Guilt of directors.

SEC. .30.13 *Guilt of Directors:* A director of an insurer is deemed to have such knowledge of its affairs as to enable him to determine whether any act, proceeding, or omission of its directors is a violation of any provision of this article. If present at a meeting of directors at which any act, proceeding, or omission of its directors which is a violation of any such provision occurs, he must be deemed to have concurred therein unless at the time he causes or in writing requires his dissent therefrom to be entered on the minutes of the directors.

Presumption of concurrence of absent director.

If absent from such meeting, he must be deemed to have concurred in any such violation if the facts constituting such violation appear on the records or minutes of the proceedings of the board of directors, and he remains a director of the insurer for six (6) months thereafter without causing or in writing

requiring his dissent from such violation to be entered upon such record or minutes.

SEC. .30.14 *Rebates*: 1. Except to the extent provided for in an applicable filing with the Commissioner then in effect, no insurer, general agent, agent, broker, or solicitor shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract, or any commission thereon, or earnings, profits, dividends, or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy. Rebates unlawful.

2. Paragraph one of this section shall not apply as to commissions paid to a licensed agent, general agent, broker, or solicitor for insurance placed on his own property or risks, if the aggregate of such commissions does not exceed five per cent (5%) of the total net commissions received by the agent, general agent, broker, or solicitor during the same twelve-month period. Exception.

3. This section shall not apply to the allowance by any marine insurer, or marine insurance agent, general agent, broker, or solicitor, to any insured, in connection with marine insurance, of such discount as is sanctioned by custom among marine insurers as being additional to the agent's or broker's commission. Customary discounts permitted.

SEC. .30.15 *Illegal Inducements*: No insurer, general agent, agent, broker, solicitor, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, or sell, buy, or offer or promise to buy or give, or promise, or allow to the insured or pros- Illegal inducements.

pective insured or to any other person on his behalf in any manner whatsoever:

Securities.

(1) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto; or,

Contract for profits.

(2) any special advisory board contract, or other contract, agreement, or understanding of any kind, offering, providing for, or promising any profits or special returns or special dividends; or,

Prizes.

(3) any prizes, goods, wares, or merchandise of an aggregate value in excess of one dollar (\$1).

License revocation for rebates.

SEC. .30.16 *License Revocation for Rebates:* The Commissioner shall revoke the certificates of authority or licenses of any insurer, general agent, agent, broker, or solicitor guilty of violating any provision contained in sections .30.14 and .30.15. No such insurer, general agent, agent, broker, or solicitor shall, following any such revocation, be eligible for a certificate of authority or license within one (1) year after such revocation.

Receiving rebate.

SEC. .30.17 *Receiving Rebate:* 1. No insured person shall receive or accept, directly or indirectly, any rebate of premium or part thereof, or any favor, advantage, share in dividends, or other benefits, or any valuable consideration or inducement not specified or provided for in the policy, or any commission on any insurance policy to which he is not lawfully entitled as a licensed agent, broker, or solicitor. The retention by the nominal policyholder in any group life insurance contract of any part of any dividend or reduction of premium thereon contrary to the provisions of section .24.26, shall be deemed the acceptance and receipt of a rebate and shall be punishable as provided by this code.

Reduction of insurance.

2. The amount of insurance whereon the insured has so received or accepted any such rebate or any such commission, other than as to life or disability insurances, shall be reduced in the proportion that

the amount or value of the rebate or commission bears to the premium for such insurance. In addition to such reduction of insurance, if any, any such insured shall be liable to a fine of not more than two hundred dollars (\$200). Penalty.

SEC. .30.18 *"Twisting" Prohibited:* No person shall by misrepresentations or by misleading comparisons, induce or tend to induce any insured to lapse, terminate, forfeit, surrender, retain, or convert any insurance policy. "Twisting" prohibited.

SEC. .30.19 *Illegal Dealing in Premiums:* 1. No person shall willfully collect any sum as premium for insurance, which insurance is not then provided or is not in due course to be provided by an insurance policy issued by an insurer as authorized by this code. Illegal dealing in premiums.
Insurance not provided.

2. No person shall willfully collect as premium for insurance any sum in excess of the amount actually expended or in due course is to be expended for insurance applicable to the subject on account of which the premium was collected. Over-charging.

3. No person shall willfully or knowingly fail to return to the person entitled thereto within a reasonable length of time any sum collected as premium for insurance in excess of the amount actually expended for insurance applicable to the subject on account of which the premium was collected. Failure to return excess

4. Each violation of this section which does not amount to a felony shall constitute a misdemeanor. Penalty.

SEC. .30.20 *Hypothecation of Notes Prohibited:* It shall be unlawful for any insurer or its representative, or any agent or broker, to hypothecate, sell, or dispose of any promissory note, received in payment for any premium or part thereof on any contract of life insurance or of disability insurance applied for, prior to delivery of the policy to the applicant. Hypothecation of notes prohibited.

SEC. .30.21 *Misrepresentations in Application for Insurance:* Any agent, solicitor, broker, examining Misrepresentations in application for insurance

physician or other person who makes a false or fraudulent statement or representation in or relative to an application for insurance in an insurer transacting insurance under the provisions of this code, shall be guilty of a misdemeanor, and the license of any such agent, solicitor, or broker so guilty shall be revoked.

Willful destruction or injury of property.

SEC. .30.22 *Willful Destruction or Injury of Property*: Any person, who, with intent to defraud or prejudice the insurer thereof, willfully burns or in any manner injures or destroys property which is insured at the time against loss or damage by fire or by any other casualty, under such circumstances not making the offense arson, is guilty of a felony.

False claims or proofs.

SEC. .30.23 *False Claims or Proofs*: Any person, who, knowing it to be such:

(1) Presents, or causes to be presented, a false or fraudulent claim, or any proof in support of such a claim, for the payment of a loss under a contract of insurance; or,

Penalty.

(2) prepares, makes, or subscribes any false or fraudulent account, certificate, affidavit, or proof of loss, or other document or writing, with intent that it be presented or used in support of such a claim, is guilty of a gross misdemeanor.

Rate war prohibited.

SEC. .30.24 *Rate War Prohibited*: 1. Any insurer which precipitates, or aids in precipitating or conducting a rate war and by so doing writes or issues a policy of insurance at a less rate than permitted under its schedules filed with the Commissioner, or below the rate deemed by him to be proper and adequate to cover the class of risk insured, shall have its certificate of authority to do business in this state suspended until such time as the Commissioner is satisfied that it is charging a proper rate of premium.

2. Any insurer which has precipitated, or aided in precipitating or conducting a rate war for the purpose of punishing or eliminating competitors or stifling competition, or demoralizing the business, or

for any other purpose, and has ordered the cancellation or rewriting of policies at a rate lower than that provided by its rating schedules where such rate war is not in operation, and has paid or attempted to pay to the insured any return premiums, on any risk so to be rewritten, on which its agent has received or is entitled to receive his regular commission, such insurer shall not be allowed to charge back to such agent any portion of his commission on the ground that the same has not been earned.

Commissions cannot be charged back

ARTICLE THIRTY-ONE

MERGERS, REHABILITATION, LIQUIDATION

SEC. .31.01 *Merger or Consolidation*: 1. Subject to the provisions of section .08.08, relating to the mutualization of stock insurers, section .09.35, relating to the conversion or reinsurance of mutual insurers, and section .10.33, relating to the consolidation or conversion of reciprocal insurers, a domestic insurer may merge or consolidate with another insurer, subject to the following conditions:

Merger or consolidation.

(1) The plan of merger or consolidation must be submitted to and be approved by the Commissioner in advance of the merger or consolidation.

Approved by Commissioner.

(2) The Commissioner shall not approve any such plan unless, after a hearing, he finds that it is fair, equitable, consistent with law, and that no reasonable objection exists. If the Commissioner fails to approve the plan, he shall state his reasons for such failure in his order made on such hearing.

Plan must be fair.

Disapproval.

(3) No director, officer, member, or subscriber of any such insurer, except as is expressly provided by the plan of merger or consolidation, shall receive any fee, commission, other compensation or valuable consideration whatsoever, for in any manner aiding, promoting or assisting in the merger or consolidation.

Certain fees prohibited.

(4) Any merger or consolidation as to an incorporated domestic insurer shall in other respects be

Business corporation law applies.

Approval by domestic mutual insurers.

governed by the general laws of this state relating to business corporations. Except, that as to domestic mutual insurers, approval by two-thirds ($\frac{2}{3}$) of its members who vote thereon pursuant to such notice and procedure as was approved by the Commissioner shall constitute approval of the merger or consolidation as respects the insurer's members.

When reinsurance deemed consolidation.

2. Reinsurance of all or substantially all of the insurance in force of a domestic insurer by another insurer shall be deemed a consolidation for the purposes of this section.

"Insurer."

SEC. .31.02 *Scope:* For the purposes of this article, other than as to section .31.01, and in addition to persons included under section .31.11, the term "insurer" shall be deemed to include all persons purporting to be engaged as insurers in the business of insurance in this state, and to persons in process of organization to become insurers.

Grounds for rehabilitation.

SEC. .31.03 *Grounds for Rehabilitation:* The Commissioner may apply for an order directing him to rehabilitate a domestic insurer upon one or more of the following grounds: That the insurer

Insolvency.

(1) is insolvent; or,

Refusal to be examined.

(2) has refused to submit its books, records, accounts or affairs to the reasonable examination of the Commissioner; or,

Violation of Commissioner's orders.

(3) has failed to comply with the Commissioner's order, made pursuant to law, to make good an impairment of capital (if a stock insurer) or an impairment of surplus (if a mutual or reciprocal insurer) within the time prescribed by law; or,

Unauthorized merger.

(4) has transferred or attempted to transfer substantially its entire property or business, or has entered into any transaction the effect of which is to merge substantially its entire property or business in that of any other insurer without first having obtained the written approval of the Commissioner; or,

(5) is found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, or to its creditors, or to its members, subscribers, or stockholders, or to the public; or,

Hazardous condition.

(6) has willfully violated its charter or any law of this state; or,

Violation of law or charter.

(7) has an officer, director, or manager who has refused to be examined under oath, concerning its affairs, for which purpose the Commissioner is authorized to conduct and to enforce by all appropriate and available means any such examination under oath in any other state or territory of the United States, in which any such officer, director or manager may then presently be, to the full extent permitted by the laws of any such other state or territory, this special authorization considered; or,

Refusal of officer or director to testify.

(8) has been the subject of an application for the appointment of a receiver, trustee, custodian or sequestrator of the insurer or of its property, or if a receiver, trustee, custodian, or sequestrator is appointed by a federal court or if such appointment is imminent; or,

Receiver appointed or appointment imminent.

(9) has consented to such an order through a majority of its directors, stockholders, members, or subscribers; or,

Consent to appointment.

(10) has failed to pay a final judgment rendered against it in any state upon any insurance contract issued or assumed by it, within thirty (30) days after the judgment became final or within thirty (30) days after time for taking an appeal has expired, or within thirty (30) days after dismissal of an appeal before final determination, whichever date is the later.

Failure to pay final judgment.

SEC. 31.04 *Order of Rehabilitation—Termination:*

1. An order to rehabilitate a domestic insurer shall direct the Commissioner forthwith to take possession of the property of the insurer and to conduct the busi-

Order of rehabilitation.

ness thereof, and to take such steps toward removal of the causes and conditions which have made rehabilitation necessary as the court may direct.

Order of liquidation.

2. If at any time the Commissioner deems that further efforts to rehabilitate the insurer would be useless, he may apply to the court for an order of liquidation.

Termination of rehabilitation proceeding.

3. The Commissioner, or any interested person upon due notice to the Commissioner, at any time may apply for an order terminating the rehabilitation proceeding and permitting the insurer to resume possession of its property and the conduct of its business, but no such order shall be granted except when, after a full hearing, the court has determined that the purposes of the proceedings have been fully accomplished.

Grounds for liquidation.

SEC. 31.05 *Grounds for Liquidation:* The Commissioner may apply for an order directing him to liquidate the business of a domestic insurer or of the United States branch of an alien insurer having trusteed assets in this state, regardless of whether or not there has been a prior order directing him to rehabilitate such insurer, upon any of the grounds specified in section 31.03 or upon any one or more of the following grounds: That the insurer

Ceased business.

(1) has ceased transacting business for a period of one (1) year; or,

Insolvency.

(2) is an insolvent insurer and has commenced voluntary liquidation or dissolution, or attempts to commence or prosecute any action or proceeding to liquidate its business or affairs, or to dissolve its corporate charter, or to procure the appointment of a receiver, trustee, custodian, or sequestrator under any law except this code; or,

Voluntary liquidation.

No certificate of authority.

(3) has not organized or completed its organization and obtained a certificate of authority as an insurer prior to the expiration or revocation of its solicitation permit.

SEC. .31.06 *Order of Liquidation:* 1. An order to liquidate the business of a domestic insurer shall direct the Commissioner forthwith to take possession of the property of the insurer to liquidate its business, to deal with the insurer's property and business in his own name as Commissioner or in the name of the insurer as the court may direct, to give notice to all creditors who may have claims against the insurer to present such claims.

Order of liquidation.

2. The Commissioner may apply under this article for an order dissolving the corporate existence of a domestic insurer:

Dissolution.

(1) Upon his application for an order of liquidation of such insurer, or at any time after such order has been granted; or,

(2) upon the grounds specified in item three of section .31.05, regardless of whether an order of liquidation is sought or has been obtained.

SEC. .31.07 *Liquidation of Alien Insurers:* An order to liquidate the business of the United States branch of an alien insurer having trusteed assets in this state shall be in the same terms as those prescribed for domestic insurers, except that only the assets of the business of such United States branch shall be included therein.

Liquidation of alien insurers.

SEC. .31.08 *Conservation of Assets of Foreign Insurer:* The Commissioner may apply for an order directing him to conserve the assets within this state of a foreign insurer upon any one or more of the following grounds:

Conservation of assets of foreign insurer.

(1) Upon any of the grounds specified in items one to nine inclusive of section .31.03 and in item two of section .31.05.

Grounds.

(2) That its property has been sequestered in its domiciliary sovereignty or in any other sovereignty.

SEC. .31.09 *Conservation of Assets of Alien Insurer:* The Commissioner may apply for an order directing him to conserve the assets within this state

Conservation of assets of alien insurer.

Grounds. of an alien insurer upon any one or more of the following grounds:

(1) Upon any of the grounds specified in items one to nine inclusive of section .31.03 and in item two of section .31.05; or,

(2) that the insurer has failed to comply, within the time designated by the Commissioner, with an order of the Commissioner pursuant to law to make good an impairment of its trusted funds; or,

(3) that the property of the insurer has been sequestrated in its domiciliary sovereignty or elsewhere.

Foreign or alien insurers.

SEC. .31.10 *Order of Conservation or Ancillary Liquidation of Foreign or Alien Insurers:* 1. An order to conserve the assets of a foreign or alien insurer shall direct the Commissioner forthwith to take possession of the property of the insurer within this state and to conserve it, subject to the further direction of the court.

Order of conservation.

Ancillary receiver.

2. Whenever a domiciliary receiver is appointed for any such insurer in its domiciliary state which is also a reciprocal state, as defined in section .31.11, the court shall on application of the Commissioner appoint the Commissioner as the ancillary receiver in this state, subject to the provisions of the Uniform Insurers Liquidation Act.

Uniform insurers liquidation act.

Definitions.

SEC. .31.11 *Uniform Insurers Liquidation Act:* This section and sections .31.12 to .31.18 inclusive comprise and may be cited as the Uniform Insurers Liquidation Act. For the purposes of this act:

"Insurer."

(1) "Insurer" means any person, firm, corporation, association, or aggregation of persons doing an insurance business and subject to the insurance supervisory authority of, or to liquidation, rehabilitation, reorganization, or conservation by, the Commissioner, or the equivalent insurance supervisory official of another state.

(2) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing, or conserving such insurer.

"Delinquency proceeding."

(3) "State" means any state of the United States, and also the District of Columbia, Alaska, Hawaii and Puerto Rico.

"State."

(4) "Foreign country" means territory not in any state.

"Foreign country."

(5) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an insurer incorporated or organized in a foreign country, the state in which such insurer, having become authorized to do business in such state, has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and assets held on deposit for the benefit of its policyholders or policyholders and creditors in the United States; and any such insurer is deemed to be domiciled in such state.

"Domiciliary state."

(6) "Ancillary state" means any state other than a domiciliary state.

"Ancillary state."

(7) "Reciprocal state" means any state other than this state in which in substance and effect the provisions of this act are in force, including the provisions requiring that the Insurance Commissioner or equivalent insurance supervisory official be the receiver of a delinquent insurer.

"Reciprocal state."

(8) "General assets" means all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or a limited class or classes of persons, and as to such specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policyholders,

"General assets."

or all policyholders and creditors in the United States, shall be deemed general assets.

"Preferred claim."

(9) "Preferred claim" means any claim with respect to which the law of a state or of the United States accords priority of payment from the general assets of the insurer.

"Special deposit claim."

(10) "Special deposit claim" means any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any general assets.

"Secured claim."

(11) "Secured claim" means any claim secured by mortgage, trust, deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which more than four (4) months prior to the commencement of delinquency proceedings in the state of the insurer's domicile have become liens upon specific assets by reason of judicial process.

"Receiver."

(12) "Receiver" means receiver, liquidator, rehabilitator, or conservator as the context may require.

Conduct of delinquency proceedings against insurers domiciled in this state.

SEC. 31.12 *Conduct of Delinquency Proceedings Against Insurers Domiciled in This State:* 1. Whenever under the laws of this state a receiver is to be appointed in delinquency proceedings for an insurer domiciled in this state, the court shall appoint the Commissioner as such receiver. The court shall direct the Commissioner forthwith to take possession of the assets of the insurer and to administer the same under the orders of the court.

Commissioner is receiver.

Commissioner has title.

2. As domiciliary receiver the Commissioner shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer wherever located, as of the date of entry of the order directing him to rehabilitate or liquidate a domestic insurer, or to liquidate the United States branch of

an alien insurer domiciled in this state, and he shall have the right to recover the same and reduce the same to possession; except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are hereinafter prescribed for ancillary receivers appointed in this state as to assets located in this state.

3. The filing or recording of the order directing possession to be taken, or a certified copy thereof, in the office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale, or other evidence of title duly filed or recorded.

Filing or recording order as notice.

4. The Commissioner as domiciliary receiver shall be responsible on his official bond for the proper administration of all assets coming into his possession or control. The court may at any time require an additional bond from him or his deputies if deemed desirable for the protection of the assets.

Bond.

5. Upon taking possession of the assets of an insurer the domiciliary receiver shall, subject to the direction of the court, immediately proceed to conduct the business of the insurer or to take such steps as are authorized by the laws of this state for the purpose of liquidating, rehabilitating, reorganizing, or conserving the affairs of the insurer.

Conduct business.

Liquidate.

Reorganize.

6. In connection with delinquency proceedings the Commissioner may appoint one or more special deputy commissioners to act for him, and may employ such counsel, clerks, and assistants as he deems necessary. The compensation of the special deputies, counsel, clerks, or assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be fixed by the receiver, subject to the approval of the court, and shall be paid out of the funds or assets of the insurer. Within the

Commissioner may appoint assistants.

Payment of compensation.

limits of the duties imposed upon them special deputies shall possess all the powers given to, and, in the exercise of those powers, shall be subject to all of the duties imposed upon the receiver with respect to such proceedings.

Conduct of delinquency proceedings against insurers not domiciled in this state.

SEC. .31.13 *Conduct of Delinquency Proceedings Against Insurers not Domiciled in This State:* 1. Whenever under the laws of this state an ancillary receiver is to be appointed in delinquency proceedings for an insurer not domiciled in this state, the court shall appoint the Commissioner as ancillary receiver. The Commissioner shall file a petition requesting the appointment (a) if he finds that there are sufficient assets of such insurer located in this state to justify the appointment of an ancillary receiver, or (b) if ten (10) or more persons resident in this state having claims against such insurer file a petition with the Commissioner requesting the appointment of such ancillary receiver.

Commissioner is ancillary receiver.

Domiciliary receiver has title.

2. The domiciliary receiver for the purpose of liquidating an insurer domiciled in a reciprocal state, shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in this state, and he shall have the immediate right to recover balances due from local agents and to obtain possession of any books and records of the insurer found in this state. He shall also be entitled to recover the other assets of the insurer located in this state except that upon the appointment of an ancillary receiver in this state, the ancillary receiver shall during the ancillary receivership proceedings have the sole right to recover such other assets. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in this state, and shall pay the necessary expenses of the proceed-

Duties of ancillary receiver.

ings. All remaining assets he shall promptly transfer to the domiciliary receiver. Subject to the foregoing provisions the ancillary receiver and his deputies shall have the same powers and be subject to the same duties with respect to the administration of such assets, as a receiver of an insurer domiciled in this state.

3. The domiciliary receiver of an insurer domiciled in a reciprocal state may sue in this state to recover any assets of such insurer to which he may be entitled under the laws of this state.

Suits in this state.

SEC. .31.14 *Claims of Nonresidents Against Domestic Insurers:* 1. In a delinquency proceeding begun in this state against an insurer domiciled in this state, claimants residing in reciprocal states may file claims either with the ancillary receivers, if any, in their respective states, or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceedings.

Claims of nonresidents against domestic insurers.

Filing claims.

2. Controverted claims belonging to claimants residing in reciprocal states may either (a) be proved in this state as provided by law, or (b), if ancillary proceedings have been commenced in such reciprocal states, may be proved in those proceedings. In the event a claimant elects to prove his claim in ancillary proceedings, if notice of the claim and opportunity to appear and be heard is afforded the domiciliary receiver of this state as provided in section .31.15 with respect to ancillary proceedings in this state, the final allowance of such claim by the courts in the ancillary state shall be accepted in this state as conclusive as to its amount, and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within the ancillary state.

Proving controverted claims.

SEC. .31.15 *Claims Against Foreign Insurers:* 1. In a delinquency proceedings in a reciprocal state

Claims against foreign insurers.

against an insurer domiciled in that state, claimants, against such insurer, who reside within this state may file claims either with the ancillary receiver, if any, appointed in this state, or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filing of claims in the domiciliary delinquency proceeding.

Filing.

Proving
controversited
claims.

2. Controverted claims belonging to claimants residing in this state may either (a) be proved in the domiciliary state as provided by the law of that state, or (b), if ancillary proceedings have been commenced in this state, be proved in those proceedings. In the event that any such claimant elects to prove his claim in this state, he shall file his claim with the ancillary receiver in the manner provided by the law of this state for the proving of claims against insurers domiciled in this state, and he shall give notice in writing to the receiver in the domiciliary state, either by registered mail or by personal service at least forty (40) days prior to the date set for hearing. The notice shall contain a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any. If the domiciliary receiver, within thirty (30) days after the giving of such notice, shall give notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of his intention to contest such claim, he shall be entitled to appear or to be represented in any proceeding in this state involving the adjudication of the claim. The final allowance of the claim by the courts of this state shall be accepted as conclusive as to its amount, and shall also be accepted as conclusive as to its priority, if any, against special deposits or other security located within this state.

Notice of
hearing.

Allowance.

Priority
of certain
claims.

SEC. .31.16 *Priority of Certain Claims:* 1. In a delinquency proceeding against an insurer domiciled in this state, claims owing to residents of ancillary

states shall be preferred claims if like claims are preferred under the laws of this state. All such claims whether owing to residents or nonresidents shall be given equal priority of payment from general assets regardless of where such assets are located.

Residents
and non-
residents.

General
assets.

2. In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this state shall be preferred if like claims are preferred by the laws of that state.

Reciprocity.

3. The owners of special deposit claims against an insurer for which a receiver is appointed in this or any other state shall be given priority against their several special deposits in accordance with the provisions of the statutes governing the creation and maintenance of such deposits. If there is a deficiency in any such deposit so that the claims secured thereby are not fully discharged therefrom, the claimants may share in the general assets, but such sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

Special
deposit
claims.

Deficiency.

Sharing in
general
assets.

4. The owner of a secured claim against an insurer for which a receiver has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors. If the amount of the deficiency has been adjudicated in ancillary proceedings as provided in this act, or if it has been adjudicated by a court of competent jurisdiction in proceedings in which the domiciliary receiver has had notice and opportunity to be heard, such amount

Secured
claims.

Deficiency
is claim
against
general
assets.

shall be conclusive; otherwise the amount shall be determined in the delinquency proceeding in the domiciliary state.

Attachment and garnishment of assets.

SEC. .31.17 *Attachment and Garnishment of Assets:* During the pendency of delinquency proceedings in this or any reciprocal state no action or proceeding in the nature of an attachment, garnishment, or execution shall be commenced or maintained in the courts of this state against the delinquent insurer or its assets. Any lien obtained by any such action or proceeding within four (4) months prior to the commencement of any such delinquency proceeding or at any time thereafter shall be void as against any rights arising in such delinquency proceeding.

Constitutionality.

SEC. .31.18 *Constitutionality- Uniformity of Interpretation:* 1. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Uniform interpretation.

2. This Uniform Insurers Liquidation Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states that enact it. To the extent that its provisions, when applicable, conflict with other provisions of this article, the provisions of this act shall control.

Commencement of a proceeding.

SEC. .31.19 *Commencement of a Proceeding:* 1. Proceedings under this article involving a domestic insurer shall be commenced in the superior court for the county in which is located the insurer's home office. Proceedings under this article involving other insurers shall be commenced in the Superior Court for Thurston County.

Venue.

Order to show cause.

2. The Commissioner shall commence any such proceeding, the Attorney General representing him,

by an application to the court or to any judge thereof, for an order directing the insurer to show cause why the Commissioner should not have the relief prayed for. On the return of such order to show cause, and after a full hearing, the court shall either deny the application or grant the application together with such other relief as the nature of the case and the interests of policyholders, creditors, stockholders, members, subscribers, or the public may require.

Court order.

SEC. .31.20 *Injunctions*: 1. Upon application by the Commissioner for such an order to show cause or at any time thereafter, the court may without notice issue an injunction restraining the insurer, its officers, directors, stockholders, members, subscribers, agents, and all other persons from the transaction of its business or the waste or disposition of its property until the further order of the court.

Injunctions.

Enjoining
business,
waste, and
transfers.

2. The court may at any time during a proceeding under this article issue such other injunctions or orders as may be deemed necessary to prevent interference with the Commissioner or the proceeding, or waste of the assets of the insurer, or the commencement or prosecution of any actions, or the obtaining of preferences, judgments, attachments or other liens, or the making of any levy against the insurer or against its assets or any part thereof.

Other
injunctions.

SEC. .31.21 *Removal of Proceedings*: At any time after the commencement of a proceeding under this article the Commissioner may apply to the court for an order changing the venue of, and removing the proceeding to Thurston County, or to any other county of this state in which he deems that such proceeding may be most economically and efficiently conducted.

Removal of
proceedings.

SEC. .31.22 *Deposit of Moneys Collected*: The moneys collected by the Commissioner in a proceeding under this article, shall be, from time to time, deposited in one or more state or national banks,

Deposit
of moneys
collected.

savings banks, or trust companies, and in the case of the insolvency or voluntary or involuntary liquidation of any such depository which is an institution organized and supervised under the laws of this state, such deposits shall be entitled to priority of payment on an equality with any other priority given by the banking law of this state. The Commissioner may in his discretion deposit such moneys or any part thereof in a national bank or trust company as a trust fund.

Exemption
from filing
fees.

SEC. .31.23 *Exemption from Filing Fees:* The Commissioner shall not be required to pay any fee to any public officer in this state for filing, recording, issuing a transcript or certificate, or authenticating any paper or instrument pertaining to the exercise by the Commissioner of any of the powers or duties conferred upon him under this article, whether or not such paper or instrument be executed by the Commissioner or his deputies, employees, or attorneys of record and whether or not it is connected with the commencement of an action or proceeding by or against the Commissioner, or with the subsequent conduct of such action or proceeding.

Borrowing
on pledge of
assets.

SEC. .31.24 *Borrowing on Pledge of Assets:* For the purpose of facilitating the rehabilitation, liquidation, conservation or dissolution of an insurer pursuant to this article the Commissioner may, subject to the approval of the court, borrow money and execute, acknowledge and deliver notes or other evidences of indebtedness therefor and secure the repayment of the same by the mortgage, pledge, assignment, transfer in trust, or hypothecation of any or all of the property whether real, personal or mixed of such insurer, and the Commissioner, subject to the approval of the court, shall have power to take any and all other action necessary and proper to consummate any such loans and to provide for the repayment thereof. The Commissioner shall be

under no obligation personally or in his official capacity as Commissioner to repay any loan made pursuant to this section.

SEC. .31.25 *Report to the Legislature:* The Commissioner shall transmit to the legislature in his annual report, the names of all insurers proceeded against under this article together with such facts as shall acquaint the policyholders, creditors, stockholders, and the public with the proceedings. To that end the special deputy commissioner in charge of any such insurer shall file annually with the Commissioner a report of the affairs of the insurer.

Report to the legislature.

SEC. .31.26 *Date Rights Fixed on Liquidation:* The rights and liabilities of the insurer and of its creditors, policyholders, stockholders, members, subscribers, and all other persons interested in its estate shall, unless otherwise directed by the court, be fixed as of the date on which the order directing the liquidation of the insurer is filed in the office of the clerk of the court which made the order, subject to the provisions of section .31.30 with respect to the rights of claimants holding contingent claims.

Date rights fixed on liquidation.

SEC. .31.27 *Voidable Transfers:* 1. Any transfer of, or lien upon, the property of an insurer which is made or created within four (4) months prior to the granting of an order to show cause under this article with the intent of giving to any creditor or of enabling him to obtain a greater percentage of his debt than any other creditor of the same class and which is accepted by such creditor having reasonable cause to believe that such a preference will occur, shall be voidable.

Voidable transfers.

Preference.

2. Every director, officer, employee, stockholder, member, subscriber, and any other person acting on behalf of such insurer who shall be concerned in any such act or deed and every person receiving thereby any property of such insurer or the benefit

Who liable.

thereof shall be personally liable therefor and shall be bound to account to the Commissioner.

Recovery.

3. The Commissioner as liquidator, rehabilitator or conservator in any proceeding under this article, may avoid any transfer of, or lien upon the property of an insurer which any creditor, stockholder, subscriber or member of such insurer might have avoided and may recover the property so transferred unless such person was a bona fide holder for value prior to the date of the granting of an order to show cause under this article. Such property or its value may be recovered from anyone who has received it except a bona fide holder for value as above specified.

Priority of claims for compensation.

SEC. .31.28 *Priority of Claims for Compensation:*

3 months.

\$300.

1. Compensation actually owing to employees other than officers of an insurer, for services rendered within three (3) months prior to the commencement of a proceeding against the insurer under this article, but not exceeding three hundred dollars (\$300) for each such employee, shall be paid prior to the payment of any other debt or claim, and in the discretion of the Commissioner may be paid as soon as practicable after the proceeding has been commenced; except, that at all times the Commissioner shall reserve such funds as will in his opinion be sufficient for the expenses of administration.

Other laws not applicable.

2. Such priority shall be in lieu of any other similar priority which may be authorized by law as to the wages or compensation of such employees.

Offsets allowed.

SEC. .31.29 *Offsets:* 1. In all cases of mutual debts or mutual credits between the insurer and another person in connection with any action or proceeding under this article, such credits and debts shall be set off and the balance only shall be allowed or paid, except as provided in paragraph two of this section.

2. No offset shall be allowed in favor of any such person where (a) the obligation of the insurer to such person would not at the date of the entry of any liquidation order, or otherwise, as provided in section .31.26, entitle him to share as a claimant in the assets of the insurer, or (b) the obligation of the insurer to such person was purchased by or transferred to such person with a view of its being used as an offset, or (c) the obligation of such person is to pay an assessment levied against the members of a mutual insurer, or against the subscribers of a reciprocal insurer, or is to pay a balance upon a subscription to the capital stock of a stock insurer.

Exceptions.
Not provable claim.
Assigned for use as an off-set.
Assessment or subscription.

SEC. .31.30 *Allowance of Certain Claims:* 1. No contingent claim shall share in a distribution of the assets of an insurer which has been adjudicated to be insolvent by an order made pursuant to section .31.31 except that such claims shall be considered, if properly presented, and may be allowed to share where

Allowance of certain claims.
Contingent claims.
When allowed.

(1) such claim becomes absolute against the insurer on or before the last day fixed for filing of proofs of claim against the assets of such insurer, or

Claim becomes absolute.

(2) there is a surplus and the liquidation is thereafter conducted upon the basis that such insurer is solvent.

Insurer is solvent.

2. Where an insurer has been so adjudicated to be insolvent any person who has a cause of action against an insured of such insurer under a liability insurance policy issued by such insurer, shall have the right to file a claim in the liquidation proceeding, regardless of the fact that such claim may be contingent, and such claim may be allowed

Claim on liability insurance policy.

(1) if it may be reasonably inferred from the proof presented upon such claim that such person would be able to obtain a judgment upon such cause of action against such insured; and,

Judgment obtainable.

No further claims.

(2) if such person shall furnish suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against such insurer arising out of his cause of action other than those already presented can be made; and,

Limitation on total liability.

(3) if the total liability of such insurer to all claimants arising out of the same act of its insured shall be no greater than its maximum liability would be were it not in liquidation.

When judgment not evidence of liability or damages.

No judgment against such an insured taken after the date of the entry of the liquidation order shall be considered in the liquidation proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured taken by default, inquest or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the liquidation proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

Allowance of several claims.

3. No claim of any secured claimant shall be allowed at a sum greater than the difference between the value of the claim without security and the value of the security itself as of the date of the entry of the order of liquidation or such other date set by the court for fixation of rights and liabilities as provided in section .31.26 unless the claimant shall surrender his security to the Commissioner in which event the claim shall be allowed in the full amount for which it is valued.

Time to file claims.

SEC. .31.31 *Time to File Claims:* 1. If upon the granting of an order of liquidation under this article or at any time thereafter during the liquidation proceeding, the insurer shall not be clearly solvent, the court shall after such notice and hearing as it deems proper, make an order declaring the insurer to be insolvent. Thereupon, regardless of any prior notice which may have been given to creditors, the Com-

Order of insolvency.

missioner shall notify all persons who may have claims against such insurer and who have not filed proper proofs thereof, to present the same to him, at a place specified in such notice, within four (4) months from the date of the entry of such order, or, if the Commissioner shall certify that it is necessary, within such longer time as the court shall prescribe. The last day for the filing of proofs of claim shall be specified in the notice. Such notice shall be given in a manner determined by the court.

Notice.

2. Proofs of claim may be filed subsequent to the date specified, but, no such claim shall share in the distribution of the assets until all allowed claims, proofs of which have been filed before said date, have been paid in full with interest.

Subsequent filing.

SEC. .31.32 *Report for Assessment:* Within three (3) years from the date an order of rehabilitation or liquidation of a domestic mutual insurer or a domestic reciprocal insurer was filed in the office of the clerk of the court by which such order was made, the Commissioner may make a report to the court setting forth

Report for assessment.

When made.

Contents.

- (1) the reasonable value of the assets of the insurer;
- (2) the insurer's probable liabilities; and,
- (3) the probable necessary assessment, if any, to pay all claims and expenses in full, including expenses of administration.

SEC. .31.33 *Levy of Assessment:* 1. Upon the basis of the report provided for in section .31.32 including any amendments thereof, the court, ex parte, may levy one or more assessments against all members of such insurer who, as shown by the records of the insurer, were members (if a mutual insurer) or subscribers (if a reciprocal insurer) at any time within one (1) year prior to the date of issuance of the order to show cause under section .31.19.

Levy of assessment.

What assessment covers.

2. Such assessment or assessments shall cover the excess of the probable liabilities over the reasonable value of the assets, together with the estimated cost of collection and percentage of uncollectibility thereof. The total of all assessments against any member or subscriber with respect to any policy, whether levied pursuant to this article or pursuant to any other provisions of this code, shall be for no greater amount than that specified in the policy or policies of the member or subscriber and as limited under this code; except that if the court finds that the policy was issued at a rate of premium below the minimum rate lawfully permitted for the risk insured, the court may determine the upper limit of such assessment upon the basis of such minimum rate.

Limitation.

Exception.

Non-assessable policies not assessed.

3. No assessment shall be levied against any member or subscriber with respect to any nonassessable policy issued in accordance with this code.

Order to pay assessment.

SEC. .31.34 *Order to Pay Assessment:* After levy of assessment as provided in section .31.33, upon the filing of a further detailed report by the Commissioner, the court shall issue an order directing each member (if a mutual insurer) or each subscriber (if a reciprocal insurer) if he shall not pay the amount assessed against him to the Commissioner on or before a day to be specified in the order, to show cause why he should not be held liable to pay such assessment together with costs as set forth in section .31.36 and why the Commissioner should not have judgment therefor.

Assessment order.

SEC. .31.35 *Publication and Transmittal of Assessment Order:* The Commissioner shall cause a notice of such assessment order setting forth a brief summary of the contents of such order to be

Publication.

(1) published in such manner as shall be directed by the court; and,

(2) enclosed in a sealed envelope, addressed and mailed postage prepaid to each member or subscriber liable thereunder at his last known address as it appears on the records of the insurer, at least twenty (20) days before the return day of the order to show cause provided for in section .31.34.

Transmittal.

SEC. .31.36 *Judgment Upon the Assessment:*
 1. On the return day of the order to show cause provided for in section .31.34 if the member or subscriber does not appear and serve verified objections upon the Commissioner, the court shall make an order adjudging that such member or subscriber is liable for the amount of the assessment against him together with ten dollars (\$10) costs, and that the Commissioner may have judgment against the member or subscriber therefor.

Judgment upon the assessment.

2. If on such return day the member or subscriber shall appear and serve verified objections upon the Commissioner there shall be a full hearing before the court or a referee to hear and determine, who, after such hearing, shall make an order either negating the liability of the member or subscriber to pay the assessment or affirming his liability to pay the whole or some part thereof together with twenty-five dollars (\$25) costs and the necessary disbursements incurred at such hearing, and directing that the Commissioner in the latter case may have judgment therefor.

Objections.

Hearing.

Costs.

3. A judgment upon any such order shall have the same force and effect, and may be entered and docketed, and may be appealed from as if it were a judgment in an original action brought in the court in which the proceeding is pending.

Force and effect of judgment.

ARTICLE THIRTY-TWO

FRATERNAL

SEC. .32.01 *Fraternal Benefit Society Defined:*
 Any corporation, society, order, or voluntary association, without capital stock, organized and carried

Fraternal benefit society defined.

on solely for the mutual benefit of its members and their beneficiaries, and not for profit, and having a lodge system with ritualistic form of work and representative form of government, and which shall make provision for the payment of benefits in accordance with section .32.05 hereof, is hereby declared to be a fraternal benefit society.

Lodge system defined.

SEC. .32.02 *Lodge System Defined:* Any society having a supreme governing or a legislative body and subordinate lodges or branches by whatever name known, into which members shall be elected, initiated, and admitted in accordance with its constitution, laws, rules, regulations, and prescribed ritualistic ceremonies, which subordinate lodges or branches shall be required by the laws of such societies to hold regular or stated meetings at least once in each month, shall be deemed to be operating on the lodge system.

Representative form of government defined.

SEC. .32.03 *Representative Form of Government Defined:* Any such society shall be deemed to have a representative form of government when it shall provide in its constitution and laws for a supreme legislative or governing body, composed of representatives elected either by the members or by delegates elected directly or indirectly by the members, together with such other members as may be prescribed by its constitution and laws: *Provided,* That the elective members shall constitute a majority in the number and have not less than two-thirds ($\frac{2}{3}$) of the votes, nor less than the votes required to amend its constitution and laws: *Provided further,* That the meetings of the supreme or governing body, and the election of officers, representatives, or delegates shall be held as often as once in four (4) years. The members, officers, representatives, or delegates of a fraternal benefit society shall not vote by proxy.

Exemptions.

SEC. .32.04 *Exemptions:* Except as herein provided, such societies shall be governed by the provi-

sions of this article and shall be exempt from all other provisions of the insurance laws of this state, not only in governmental relations with the state, but for every other purpose, and no law hereinafter enacted shall apply to them unless they be expressly designated therein.

SEC. .32.05 *Benefits:* (1) Every society trans-acting business under this article shall provide for the payment of death benefits, and may provide for the payment of benefits in case of temporary or permanent physical disability, either as the result of disease, accident or old age: *Provided,* That the period of life at which the payment of benefits for disability on account of old age shall commence, shall not be under seventy (70) years, and may provide for monuments or tombstones to the memory of the deceased members and for the payment of funeral benefits. Such society shall have the power to give a member, when permanently disabled or on attaining the age of seventy (70), all or such portion of the face value of his certificates as the laws of the society may provide: *Provided,* That nothing in this article contained shall be so construed as to prevent the issuing of benefit certificates for a term of years less than the whole of life which are payable upon the death or disability of the member occurring within the terms for which the benefit certificates may be issued. Such society shall, upon written application of the members, have the power to accept a part of the periodical contributions in cash, and charge the remainder, not exceeding one-half of the periodical contributions, against the certificate with interest payable or compounded annually at a rate not lower than four per cent (4%) per annum: *Provided,* That this privilege shall not be granted except to societies which have readjusted or may hereafter readjust their rates of contribution and to contracts affected by such readjustment.

Benefits.

Death and disability benefits.

70 years is minimum age for disability payments.

May issue certificates for term of years.

May charge part of contribution against certificate.

Applicable only to societies with readjusted contributions.

Extended or
paid-up
protection.

(2) Any society which shall show by the annual valuation hereinafter provided for that it is accumulating and maintaining the reserve necessary to enable it to do so, under a table of mortality not lower than the American Experience Table and four per cent (4%) interest, may grant to its members, extended and paid-up protection or such withdrawal equities as its constitution and laws may provide: *Provided*, That such grants shall in no case exceed in value the portion of the reserve to the credit of such members to whom they are made.

Division of
membership
into classes.

(3) Power and authority is hereby given to a society to divide its membership into separate classes, each class having a separate form of contract of similar or general plan and character in its purpose, and that the assets or mortuary collections made from the members of each class respectively shall be carried and maintained separate for such class, and that the required reserve accumulation of such class, if the contract therefor provides for such fund, shall be set apart and held specifically and separately for the use and benefit of such particular class, and shall not thereafter be mingled with the assets or mortuary collections of any other class of the society.

Beneficiaries.
Relatives.

SEC. .32.06 *Beneficiaries*: The payment of death benefits shall be confined to wife, husband, relative by blood to the fourth degree ascending or descending, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather, stepmother, step-children, children by legal adoption, or to a person or persons dependent upon the member, or the member or applicant, may with the consent of the society, make his or her estate the beneficiary: *Provided*, That if after the issuance of the original certificate the member shall become dependent upon a home maintained by the society for the dependent members or upon a subordinate lodge or society of the

Home.
maintained
by the
society.

order of which he is a member, or upon an incorporated charitable institution, he shall have the privilege with the consent of the society, of making such home, lodge, society or institution his beneficiary. Within the above restrictions each member shall have the right to designate his beneficiary, and, from time to time, have the same changed in accordance with the laws, rules, or regulations of the society, and no beneficiary shall have or obtain any vested interest in the said benefit until the same has become due and payable upon the death of the said member: *Provided*, That any society may, by its laws, limit the scope of beneficiaries within the above classes.

Beneficiaries may be limited.

SEC. .32.07 *Qualifications for Membership*: Any society may admit to beneficiary membership any person not less than sixteen (16) and not more than sixty (60) years of age, who has been examined by a legally qualified practicing physician and whose examination has been supervised and approved in accordance with the laws of the society: *Provided*, That any beneficiary member of such society who shall apply for a certificate providing for disability benefits, need not be required to pass an additional medical examination therefor. Nothing herein contained shall prevent such society from accepting general or social members, or from admitting any person to beneficiary membership who is not less than sixteen (16) nor more than sixty (60) years of age, without medical examination: *Provided*, That such person so admitted shall have made a declaration of insurability acceptable to the society: *And provided further*, That the amount of the certificate issued to such person admitted without medical examination shall not exceed the sum of one thousand dollars (\$1,000).

Qualification for membership.

Age limitations.

Medical examination.

General or social members.

Certificate amount limited if issued without medical examination.

SEC. .32.08 *Certificate*: Every certificate issued by any such society shall specify the amount of

Certificate.

benefit provided thereby and the plan of insurance upon which it is written and shall provide that the certificate, the charter or articles of incorporation, or if a voluntary association, the articles of association, the constitution and laws of the society, and the application for membership signed by the applicant, and all amendments to each thereof shall constitute the agreement between the society and the member, and copies of the same certified by the secretary of the society, or corresponding officer, shall be received in evidence of the terms and conditions thereof, and any changes, additions or amendments to said charter or articles of incorporation, or articles of association if a voluntary association, constitution or laws duly made or enacted subsequent to the issuance of the benefit certificates, shall bind the member and his beneficiaries and shall govern and control the agreement in all respects the same as though such changes, additions or amendments had been made prior to and were in force at the time of the application for membership.

Funds.

Use of surplus subject to laws of society.

SEC. .32.09 *Funds*: (1) Any society may create, maintain, invest, disburse, and apply an emergency, surplus or other similar fund in accordance with its law. Unless otherwise provided in the contract, such funds shall be held, invested, and disbursed for the use and benefit of the society, and no member or beneficiary shall have or acquire individual rights therein or become entitled to any apportionment or the surrender of any part thereof, except as provided in section .32.05 of this article. The funds from which benefits shall be paid and the funds from which the expenses of the society shall be defrayed, shall be derived from periodical or other payments by the members of the society and accretions of said funds: *Provided*, That no society, domestic or foreign, shall hereafter be incorporated or admitted to transact business in this state, which

does not provide for stated periodical contributions sufficient to provide for meeting the mortuary obligations contracted, when valued upon the basis of the National Fraternal Congress Table of Mortality as adopted by the National Fraternal Congress, August twenty-third, eighteen hundred and ninety-nine, or any higher standard with interest assumption not more than four per cent (4%) per annum, nor write or accept members for temporary or permanent disability benefits except upon tables based upon reliable experience, with an interest assumption not higher than four per cent (4%) per annum.

Contributions must meet obligations.

(2) Deferred payments or installments of claims shall be considered as fixed liabilities on the happening of the contingency upon which such payments or installments are thereafter to be paid. Such liability shall be the present value of such future payments or installments upon the rate of interest and mortality assumed by the society for valuation, and every society shall maintain a fund sufficient to meet such liability regardless of proposed future collections to meet any such liabilities.

Maintenance of fund to meet liabilities.

SEC. .32.10 *Investments*: Every society shall invest its funds only in securities permitted by the laws of this state for the investment of the assets of life insurance companies: *Provided*, That any foreign society permitted or seeking to do business in this state, which invests its funds in accordance with the laws of the state in which it is incorporated, shall be held to meet the requirements of this article for the investment of funds.

Investments.

SEC. .32.11 *Distribution of Funds*: Every provision of the laws of the society for payment by members of such society, in whatever form made, shall distinctly state the purpose of the same and the proportion thereof which may be used for expenses, and no part of the money collected for mor-

Distribution of funds.

tuary or disability purposes, or the net accretions of either for any of said funds, shall be used for expenses.

Organization. **SEC. .32.12 *Organization:*** Seven (7) or more
Persons. persons, citizens of the United States, and a major-
 ity of whom are citizens of this state, who desire to
 form a fraternal benefit society, as defined by this
 article, may make and sign, giving their addresses,
 and acknowledge before some officer competent to
 take acknowledgment of deeds, articles of incor-
 poration, in which shall be stated:

Corporate **First.**—The proposed corporate name of the so-
name. ciety, which shall not so closely resemble the name
 of any society or insurance company already trans-
 acting business in this state as to mislead the public
 or to lead to confusion.

Purposes. **Second.**—The purpose for which it is formed,
 which shall not include more liberal powers than
 are granted in this article: *Provided,* That any
 lawful social, intellectual, educational, charitable,
 benevolent, moral, or religious advantages may be
 set forth among the purposes of the society, and the
 mode in which its corporate powers are to be
 exercised.

Officers. **Third.**—The names, residences, and official titles
 of all the officers, trustees, directors, or other per-
 sons who are to have and exercise the general con-
 trol and management of the affairs and funds of the
 society for the first year or until the ensuing election
 at which all such officers shall be elected by the su-
 preme legislative or governing body, which election
 shall be held not later than one (1) year from the
 date of issuance of the permanent certificate. Such
 articles of incorporation and duly certified copies of
 the constitution and laws, rules and regulations, and
 copies of all proposed forms of benefit certificates,
 applications therefor and circulars to be issued by
 such society, and a bond in the sum of five thousand

Articles,
 constitution,
 by-laws,
 rules, reg-
 ulations, ap-
 plication and
 form of
 certificate
 to be filed.

dollars (\$5,000), with sureties approved by the Commissioner, conditioned upon the return of the advanced payments, as provided in this section, to applicants, if the organization is not completed within one (1) year, shall be filed with the Commissioner, who may require such further information as he deems necessary, and if the purposes of the society conform to the requirements of this article, and all provisions of law have been complied with, the Commissioner shall so certify and retain and record, or file, the articles of incorporation, and furnish the incorporators a preliminary certificate authorizing said society to solicit members as hereinafter provided.

Bond.

Preliminary certification by Commissioner.

Upon receipt of said certificate from the Commissioner, said society may solicit members for the purpose of completing its organization and shall collect from each applicant the amount of not less than one (1) regular monthly payment, in accordance with its table of rates as provided by its constitution and laws, and shall issue to each such applicant, a receipt for the amount so collected. But no such society shall incur any liability other than for such advanced payments, nor issue any benefit certificate, nor pay or allow, or offer or promise to pay or allow, to any person any death or disability benefit until actual bona fide applications for death benefit certificates have been secured upon at least five hundred (500) lives for at least one thousand dollars (\$1,000) each, and all such applicants for death benefits shall have been regularly examined by legally qualified practicing physicians, and certificates of such examinations have been duly filed and approved by the chief medical examiner of such society, nor until there shall be established ten (10) subordinate lodges or branches into which said five hundred applicants have been initiated, nor until there has been submitted to the Commissioner,

Solicitation of and collection from members.

Minimum number of applications.

Branches or lodges.

List of
members.

under oath of the president and secretary, or corresponding officers of such society, a list of such applicants, giving their names, addresses, date examined, date approved, date initiated, name and number of the subordinate branch of which each applicant is a member, amount of benefits to be granted, rate of stated periodical contributions which shall be sufficient to provide for meeting the mortuary obligation contracted, when valued for death benefits upon the basis of the National Fraternal Congress Table of Mortality, as adopted by the National Fraternal Congress, August twenty-third, eighteen hundred and ninety-nine, or any higher standard at the option of the society, and for disability benefits by tables based upon reliable experience and for combined death and permanent total disability benefits by tables based upon reliable experience, with an interest assumption not higher than four per cent (4%) per annum, nor until it shall be shown to the Commissioner by the sworn statement of the treasurer, or corresponding officer of such society, that at least five hundred (\$500) applicants have each paid in cash at least one (1) regular monthly payment as herein provided per one thousand dollars (\$1,000) of indemnity to be effected, which payments in the aggregate shall amount to at least twenty-five hundred dollars (\$2,500), all of which shall be credited to the mortuary or disability fund on account of such applicants, and no part of which may be used for expenses.

Sworn
statement
as to cash
paid in.

Payments
held in trust.

Said advanced payments shall, during the period of organization, be held in trust, and, if the organization is not completed within one (1) year as hereinafter provided, returned to said applicants.

Examination
by Com-
missioner.

The Commissioner may make such examination and require such further information as he deems advisable, and upon presentation of satisfactory evidence that the society has complied with all the

provisions of law, he shall issue to such society a certificate to that effect. Such certificate shall be prima facie evidence of the existence of such society at the date of such certificate. The Commissioner shall cause a record of such certificate to be made and a certified copy of such record may be given in evidence with like effect as the original certificate.

Certificate
by Com-
missioner.

No preliminary certificate granted under the provisions of this section shall be valid after one (1) year from its date, or after such further period, not exceeding one (1) year, as may be authorized by the Commissioner, upon cause shown, unless the five hundred (500) applicants herein required have been secured and the organization has been completed as herein provided, and the articles of incorporation and all proceedings thereunder shall become null and void in one (1) year from the date of said preliminary certificate, or at the expiration of said extended period, unless such society shall have completed its organization and commenced business as herein provided. When any domestic society shall have discontinued business for the period of one (1) year, or has less than four hundred (400) members, its charter shall become null and void.

Limitation
on
preliminary
certificate.

Every society shall have the power to make a constitution and by-laws for the government of the society, the admission of its members, the management of its affairs, and the fixing and readjusting of the rates of contribution of its members from time to time; and it shall have the power to change, alter, add to or amend such constitution and by-laws and shall have such other powers as are necessary and incidental to carrying into effect the objects and purposes of the society.

Society
may make
constitution
and by-laws.

SEC. .32.13 *Powers Retained—Reincorporation—Amendments:* Any society now engaged in transacting business in this state may exercise, after the passage of this act, all of the rights conferred thereby, and all of the rights, powers and privileges now ex-

Powers re-
tained—rein-
corpora-
tion—
amendments.

exercised or possessed by it under its charter or articles of incorporation not inconsistent with this act, if incorporated; or, if it be a voluntary association, it may incorporate hereunder. But no society already organized shall be required to reincorporate hereunder, and any such society may amend its articles of incorporation from time to time in the manner provided herein or in its constitution and laws and all such amendments shall be filed as original articles of incorporation are required to be filed, and shall become operative upon such filing, unless a later time be provided in such amendments or in its articles of incorporation, constitution or laws.

Mergers and transfers.

Contract in writing.

SEC. .32.14 *Mergers and Transfers*: No domestic society shall merge with or accept the transfer of the membership or funds of any other society unless such merger or transfer is evidenced by a contract in writing, setting out in full the terms and conditions of such merger or transfer which shall be filed as original articles of incorporation are required to be filed, together with a sworn statement of the financial condition of each of said societies, by its president and secretary, or corresponding officers, and a certificate of such officers duly verified under oath of said officers of each of the contracting societies, that such merger or transfer has been approved by a vote of two-thirds ($\frac{2}{3}$) of the members of the supreme legislative or governing body of each of said societies.

Approval by $\frac{2}{3}$ rds vote of governing body.

Examination and approval by Commissioner.

Upon the submission of said contract, financial statements and certificates, the Commissioner shall examine the same, and, if he shall find such financial statements to be correct and the said contract to be in conformity with the provisions of this section, and that such merger or transfer is just and equitable to the members of each of said societies, he shall approve said merger or transfer, issue his certificate to that effect and thereupon the said

contract of merger or transfer shall be of full force and effect.

In case such contract is not approved, the fact of its submission and its contents shall not be disclosed by the State Insurance Commissioner.

When not to be disclosed by Commissioner.

SEC. 32.15 *Annual License*: Societies which are now authorized to transact business in this state may continue such business until the first day of April next succeeding the passage of this act, and the authority of such societies may thereafter be renewed annually, but in all cases to determine on the first day of the succeeding April: *Provided*, That the license shall continue in full force and effect until the new license be issued or specifically refused. For each such license or renewal the society shall pay the Commissioner ten dollars (\$10). A duly certified copy or duplicate of such license shall be prima facie evidence that the licensee is a fraternal benefit society within the meaning of this article.

Annual license.

Renewal.

Prima facie evidence.

SEC. 32.16 *Admission of Foreign Society*: No foreign society now transacting business, organized prior to the passage of this act, which is not now authorized to transact business in this state, shall transact any business herein without a license from the Commissioner. Any such society shall be entitled to a license to transact business within this state upon filing with the Commissioner a duly certified copy of its charter or articles of association; a copy of its constitution and laws, certified by its secretary or corresponding officer, a power of attorney to the Commissioner as hereinafter provided; a statement of its business under oath of its president and secretary, or corresponding officers, in the form required by the Commissioner, duly verified by an examination made by the supervising insurance official of its home state or other state satisfactory to the Commissioner of this state; a certificate from the proper official in its home state,

Admission of foreign society.

License requirement.

Filings with Commissioner.

Statement of business.

Copy of contract.

Other information required by Commissioner.

License fee.

Renewal.

Decision in writing by Commissioner.

Review.

Power of attorney and service of process.

province, or country that the society is legally organized; a copy of its contract, which must show that benefits are provided for by periodical, or other payments by persons holding similar contracts, and upon furnishing the Commissioner such other information as he may deem necessary to a proper exhibit of its business and plan of working, and upon showing that its assets are invested in accordance with the laws of the state, territory, district, province, or country where it is organized, he shall issue a license to such society to do business in this state until the first day of the succeeding April: *Provided*, That such license shall continue in full force and effect until the new license be issued or specifically refused. Any foreign society desiring admission to this state shall have the qualifications required of domestic societies organized under this article and have its assets invested as required by the laws of the state, territory, district, country, or province where it is organized. For each such license or renewal the society shall pay the Commissioner ten dollars (\$10). When the Commissioner refuses to license any society, or revokes its authority to do business in this state, he shall reduce his ruling, order or decision to writing and file the same in his office, and shall furnish a copy thereof, together with a statement of his reasons, to the officers of the society, upon request, and the action of the Commissioner shall be reviewable by proper proceedings in any court of competent jurisdiction within the state: *Provided*, That nothing contained in this or the preceding section shall be taken or construed as preventing any such society from continuing in good faith all contracts made in this state during the time such society was legally authorized to transact business herein.

SEC. .32.17 *Power of Attorney and Service of Process*: Every society, whether domestic or foreign, now transacting business in this state shall,

within thirty (30) days after this act takes effect, and every such society hereafter applying for admission, shall before being licensed, appoint in writing the Insurance Commissioner and his successors in office to be its true and lawful attorney, upon whom all legal process in any action or proceeding against it shall be served, and in such writing shall agree that any lawful process against it which is served upon such attorney shall be of the same legal force and validity as if served upon the society and that the authority shall continue in force so long as any liability remains outstanding in this state.

Appointment of Commissioner in writing.

Copies of such appointment, certified by said Commissioner, shall be deemed sufficient evidence thereof, and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. Service shall only be made upon such attorney, must be made in duplicate upon the Commissioner, in his absence upon the person in charge of his office, and shall be deemed sufficient service upon such society: *Provided*, That no such service shall be valid or binding against any such society when it is required thereunder to file its answer, pleading or defense in less than forty (40) days from the date of mailing the copy of such service to such society. When legal process against any such society is served upon said Commissioner, he shall forthwith forward by registered mail, one of the duplicate copies prepaid and directed to its secretary or corresponding officer. Legal process shall not be served upon any such society except in the manner provided herein.

Service to be made in duplicate upon Commissioner.

Forty days for answer.

Copy to be mailed to society.

SEC. .32.18 *Place of Meeting—Location of Office:* Any domestic society may provide that the meetings of its legislative or governing body may be held in any state, district, province, or territory wherein such society has subordinate branches and all business transacted at such meetings shall be as valid

Place of meeting—location of office.

in all respects as if such meetings were held in this state. But its principal office shall be located in this state.

No personal liability.

SEC. .32.19 *No Personal Liability:* Officers and members of the supreme, grand, or any subordinate body of any such incorporated society shall not be individually liable for the payment of any disability or death benefit provided for in the laws and agreements of such society, but the same shall be payable only out of the funds of such society and in the manner provided by its laws.

Waiver of the provisions of the laws.

SEC. .32.20 *Waiver of the Provisions of the Laws:* The constitution and laws of the society may provide that no subordinate body, nor any of its subordinate officers or members shall have the power or authority to waive any of the provisions of the laws and constitution of the society, and the same shall be binding on the society and each and every member thereof and on all beneficiaries of members.

Benefits not attachable.

SEC. .32.21 *Benefits Not Attachable:* No money or other benefit, charity or relief or aid to be paid, provided, or rendered by any such society shall be liable to attachment, garnishment, or other process, or to be seized, taken, appropriated, or applied by any legal or equitable process, or operation of law to pay any debt or liability of a member or beneficiary or any other person who may have a right thereunder, either before or after payment.

Constitution and laws—amendment.

SEC. .32.22 *Constitution and Laws—Amendment:* Every society transacting business under this act, shall file with the Commissioner a duly certified copy of all amendments of or additions to its constitution and laws, within ninety (90) days after the enactment of the same. Printed copies of the constitution and laws as amended, changed, or added to, certified by the secretary or corresponding officer of the society shall be prima facie evidence of the legal adoption thereof.

Prima facie evidence.

SEC. .32.23 *Annual Reports*: Every society transacting business in this state shall annually, on or before the fifteenth day of March, file with the Commissioner in such form as he may require, a statement under oath of its president and secretary, or corresponding officers, of its condition and standing on the thirty-first day of December next preceding, and of its transactions for one (1) year ending on that date, and also shall furnish such other information as the Commissioner may deem necessary to a proper exhibit of its business and plan of working. The Commissioner may at other times require any further statement he may deem necessary to be made relating to such society.

Annual reports.

To be filed with Commissioner.

In addition to the annual report herein required, each society shall annually report to the Commissioner in valuation of its certificates in force on the thirty-first day of December last preceding excluding those issued within the year for which the report is filed, in cases where the contributions for the first year in whole or in part are used for current mortality and expenses: *Provided*, That the first report of valuation shall be made as of December thirty-first, nineteen hundred and thirty-one. Such report of valuation shall show, as contingent liabilities, the present mid-year value of the promised benefits provided in the constitution and laws of such society under certificates then subject to valuation; and, as contingent assets, the present mid-year value of the future net contributions provided in the constitution and laws as the same are in practice actually collected. At the option of any society, in lieu of the above, the valuation may show the net value of the certificates subject to valuation hereinbefore provided, and said net value, when computed in case of monthly contributions, may be the mean of the terminal values for the end of the preceding and of the current insurance years. Such valuation shall be

Annual report on valuation of certificates.

Optional feature.

Certification
of report.

Legal
standard
of valuation.

certified by a competent accountant or actuary, or, at the request and expense of the society, verified by the actuary of the department of insurance of the home state of the society, and shall be filed with the Commissioner within ninety (90) days after the submission of the last preceding annual report. The legal minimum standard of valuation for all certificates, except for disability benefits, shall be the National Fraternal Congress Table of Mortality as adopted by the National Fraternal Congress August twenty-third, eighteen hundred and ninety-nine, or, at the option of the society, any higher table, or at its option, it may use a table based upon the society's own experience of at least twenty years and covering not less than one hundred thousand (100,000) lives with interest assumption not more than four per cent (4%) per annum. Each such valuation report shall set forth clearly and fully the mortality and interest basis and the method of valuation. Each society shall value its certificates according to the plan named therein. Any society providing for disability benefits shall keep the net contributions for such benefits in a fund separate and apart from all other benefit and expense funds and the valuation of all other business of the society: *Provided*, That where a combined contribution table is used by a society for both death and permanent total disability benefits, the valuation shall be according to tables of reliable experience and in such case a separation of the funds shall not be required.

Report to
be mailed to
members.

Publication
optional.

An annual report of such valuation and an explanation of the facts concerning the condition of the society thereby disclosed shall be printed and mailed to each beneficiary member of the society not later than June first of each year, or, in lieu thereof, such report of valuation and showing of the society's condition as thereby disclosed may be published in the society's official paper and the issue containing the same mailed to each beneficiary member of the

society. The laws of such society shall provide that if the stated periodical contributions of its members, together with the admitted assets, are insufficient to mature its certificates in full, and to provide for the creation and maintenance of the funds required by its laws, additional, increased or extra rates of contribution shall be collected from the members to meet such deficiency; and such laws may provide that, upon the written application or consent of the member, his certificate may be charged with its proportion of any deficiency disclosed by valuation, with interest not exceeding five per cent (5%) per annum.

Increased
contri-
butions.

SEC. .32.24 Provisions to Insure Future Security: If the valuation of the certificates as hereinbefore provided, on December thirty-first, nineteen hundred and thirty-one, shall show that the present value of future net contributions together with the admitted assets is less than ninety per cent (90%) of present value of the promised benefits and accrued liabilities, such society shall be required thereafter to reduce such deficiency not less than ten per centum (10%) of the total deficiency on said December thirty-first, nineteen hundred and thirty-one, at each succeeding triennial valuation. If at any succeeding triennial valuation such society does not show such percentage of improvement, the Commissioner shall direct that it thereafter comply with the requirements herein specified. If the next succeeding triennial valuation after the receipt of such notice shall show that the society has not made the percentage of improvement required herein, the Commissioner may, in the absence of good cause shown for such failure, institute proceedings for the dissolution of such society in accordance with the provisions of section .32.25 of this act, or in the case of a foreign society, he may cancel its license to transact business in this state.

Provisions
to insure
future
security.

Improvement
of
deficiency.

Failure to
improve.

Commis-
sioner may
institute
proceedings
to dissolve or
may revoke
license.

Failure to
make re-
quired im-
provement
as to new
members.

Any such society shown by any triennial valuation subsequent to December thirty-first, nineteen hundred and thirty-one, not to have made the improvements herein required, shall, within one (1) year thereafter, complete such deficient improvement, or thereafter as to all new members admitted be subject, so far as stated rates of contributions are concerned, to the provisions of section .32.12 of this act applicable to the organization of new societies: *Provided*, That the contributions and funds of such new members shall be kept separate and apart from the other funds of the society until the required improvement shall be shown by valuation. If such required improvement is not shown by the succeeding triennial valuation, then the said new members shall be placed in a separate class and their certificates valued as an independent society in respect to contributions and funds.

New
members.

Accounts to
be separated.

Examina-
tions of
domestic
societies
by Com-
missioner.

SEC. .32.25 *Examinations of Domestic Societies:* The Commissioner, or his deputy or examiner, shall have the power of visitation and examination into the affairs of any domestic society. He may employ assistants for the purpose of such examinations, and he or his deputy, or examiner, shall have free access to all the books, papers, and documents that relate to the business of the society and may summon and qualify as witness under oath and examine its officers, agents, and employees or other persons in relation to the affairs, transactions, and condition of the society.

Expense of
examination.

The expense of such examination shall be paid by the society examined, upon statement furnished by the Commissioner, and the examination shall be made at least once in three (3) years.

Failure to
comply with
this act.

Whenever after examination the Commissioner is satisfied that any domestic society has failed to comply with any provisions of this act, or is exceeding its powers, or is not carrying out its contracts in

good faith, or is transacting business fraudulently, or whenever any domestic society, after the existence of one (1) year or more, shall have a membership of less than four hundred (400), or shall determine to discontinue business, the Commissioner may present the facts relating thereto to the Attorney General, who shall, if he deem the circumstances warrant, commence an action in quo warranto in a court of competent jurisdiction, and such court shall thereupon notify the officers of such society of a hearing, and if it shall then appear that such society should be closed, said society shall be enjoined from carrying on any further business, and the Commissioner shall be appointed receiver of such society, as is provided in case of insolvency of insurance companies, and shall proceed at once to take possession of the books, papers, moneys and other assets of the society, and shall forthwith, under the direction of the court, proceed to close the affairs of the society and to distribute its funds to those entitled thereto.

Quo warranto by the Attorney General.

Injunction and appointment of Commissioner as receiver.

No such proceedings shall be commenced by the Attorney General against any such society until, after notice has been duly served on the chief executive officers of the society and a reasonable opportunity given to it, on a date to be named in said notice, to show cause why such proceedings should not be commenced.

Preliminary service of notice.

SEC. .32.26 *Application for Receiver, Etc.*: No application for injunction against or proceedings for the dissolution of or appointment of a receiver for any such domestic society or branch thereof shall be entertained by any court in this state unless the same is made by the Attorney General.

Application for receiver, etc.

SEC. .32.27 *Examination of Foreign Societies*: The Commissioner, or any person whom he may appoint, may examine any foreign society transacting or applying for admission to transact business in this state. The said Commissioner may employ as-

Examination of foreign societies.

sistants, and he, or any person he may appoint, shall have free access to all the books, papers, and documents that relate to the business of the society, and may summon and qualify as witness under oath and examine its officers, agents, and employees and other persons in relation to the affairs, transactions and condition of the society. He may, in his discretion, accept in lieu of such examinations, the examination of the insurance department of the state, territory, district, province, or country where such society is organized. The actual expenses of examiners making any such examination, shall be paid by the society upon statement furnished by the Commissioner.

Commissioner may accept in lieu other examinations.

Expense.

Revocation or suspension of license on failure to submit.

If any such society or its officers refuses to submit to such examination or to comply with the provisions of the section relative thereto, the authority of such society to write new business in this state shall be suspended or license refused until satisfactory evidence is furnished the Commissioner, relating to the condition and affairs of the society, and during such suspension the society shall not write new business in this state.

No adverse publications.

Service of copy by Commissioner an opportunity to answer or make showing.

SEC. .32.28 *No Adverse Publications:* Pending, during or after an examination or investigation of any such society, either domestic or foreign, the Commissioner shall make public no financial statement, report or finding, nor shall he permit to become public any financial statement, report, or finding affecting the status, standing, or rights of any such society, until a copy thereof shall have been served upon such society, at its home office, nor until such society shall have been afforded a reasonable opportunity to answer any such financial statement, report, or finding and to make such showing in connection therewith as it may desire.

Revocation of license.

SEC. .32.29 *Revocation of License:* When the Commissioner on investigation is satisfied that any

foreign society transacting business under this act has exceeded its powers, or has failed to comply with any provisions of this act, or is conducting business fraudulently, or is not carrying out its contracts in good faith he shall notify the society of his findings, and state in writing the grounds of his dissatisfaction and after reasonable notice require said society, on a date named, to show cause why its license should not be revoked. If on the date named in said notice such objections have not been removed to the satisfaction of the said Commissioner or the society does not present good and sufficient reasons why its authority to transact business in this state should not at that time be revoked, he may revoke the authority of the society to continue business in this state. All decisions and findings of the Commissioner made under the provisions of this section may be reviewed by proper proceedings in any court of competent jurisdiction as provided in section .32.16 of this act.

Notice and show cause.

Commissioner may revoke.

Review.

SEC. .32.30 *Exemption of Certain Societies:* Nothing contained in this act shall be construed to affect or apply to grand or subordinate lodges of Masons, Odd Fellows, Improved Order of Red Men, Fraternal Order of Eagles, Loyal Order of Moose, or Knights of Pythias, exclusive of the insurance department of the Supreme Lodge of Knights of Pythias, the Grand Aerie Fraternal Order of Eagles, and the Junior Order of United American Mechanics, exclusive of the beneficiary degree or insurance branch of the National Council Junior Order United American Mechanics, or societies which limit their membership to any one hazardous occupation, nor to similar societies which do not issue insurance certificates, nor to any association of local lodges of a society now doing business in this state which provides death benefits not exceeding three hundred dollars (\$300) to any one person, or dis-

Exemption of certain societies.

ability benefit not exceeding three hundred dollars (\$300) in any one year to any one person, or both, nor to any contracts of reinsurance business on such plan in this state, nor to domestic societies which limit their membership to the employees of a particular city or town, designated firm, business house or corporation, nor to domestic lodges, orders or associations of a purely religious, charitable and benevolent description, which do not provide for a death benefit of more than one hundred dollars (\$100), or for disability benefits of more than one hundred and fifty dollars (\$150) to any one person in any one year: *Provided always*, That any such domestic order or society which has more than five hundred (500) members, and provides for death or disability benefits, and any such domestic lodge, order or society which issues to any person a certificate providing for the payment of benefits, shall not be exempt by the provisions of this section, but shall comply with all the requirements of this article. The Commissioner may require from any society such information as will enable him to determine whether such society is exempt from the provisions of this article.

Commissioner may require information.

Compensation for securing members prohibited.

No society, which is exempt by the provisions of this section from the requirement of this article shall give or allow or promise to give or allow, to any person any compensation for procuring new members.

Societies providing solely for accidental death or disability benefits.

Any fraternal benefit society, heretofore organized and incorporated and operating within the definition set forth in sections .32.01, .32.02, and .32.03 of this act, providing for benefits in case of death or disability resulting solely from accidents, but which does not obligate itself to pay death or sick benefits, may be licensed under the provisions of this act, and shall have all the privileges and shall be subject to all the provisions and regulations of this article, except that the provisions of this article requiring

medical examinations, valuations of benefit certificates, and that the certificate shall specify the amount of benefits, shall not apply to such society.

SEC. .32.31 *May Provide Accident and Health Benefits:* Any corporation, society, order or voluntary association operating within the definition set forth in sections .32.01, .32.02, and .32.03 of this act, organized during the war in which the United States entered on April sixth, nineteen hundred and seventeen, with the purposes of assisting the government of the United States in maintaining and increasing the production of commodities essential for the prosecution of that war, and of developing loyalty to the United States, or whose membership is limited to veterans of that war, may be licensed under the provisions of this act and shall have all the privileges and shall be subject to all the provisions and regulations of this article, except that the provisions of this article requiring death benefits of at least one thousand dollars (\$1,000), medical examinations, valuations of benefit certificates, shall not apply to such society, but such society may provide benefits in case of death or disability resulting solely from accidents in an amount not exceeding one thousand dollars (\$1,000) and may also provide for death or funeral benefits, or both, not exceeding one hundred dollars (\$100) each, and for sick or disability benefits not exceeding five hundred dollars (\$500) to any one person, in any one year. Any corporation, society, order, or voluntary association organized under the provisions of this section shall file with the Insurance Department a copy of all its rates and policy forms, which rates and policy forms must be approved by the said Insurance Department before becoming effective; and all such rates and forms shall be observed by said society until amended rates or forms shall have been filed with and approved by the said Insurance Department.

May provide accident and health benefits.

Societies organized during first world war to assist the United States or with membership of veterans.

Fillings with and approval by the Insurance Department

Taxation.
Exemption.

SEC. .32.32 *Taxation:* Every fraternal benefit society organized or licensed under this act is hereby declared to be a charitable and benevolent institution, and all of its funds shall be exempt from all and every state, county, district, municipal, and school tax, other than taxes on real estate and office equipment.

Penalties.
Solicitation or procuring members.

SEC. .32.33 *Penalties:* Any person who shall solicit membership for, or in any manner assist in procuring membership in any fraternal benefit society not licensed to do business in this state, or who shall solicit membership for, or in any manner assist in procuring membership in any such society not authorized as herein provided, to do business as herein defined in this state, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than fifty [dollars] (\$50) nor more than two hundred dollars (\$200).

Misdemeanor.
Punishment.

Violations.
Punishment.

Any society, or any officer, agent, or employee thereof neglecting or refusing to comply with, or violating any of the provisions of this article, the penalty for which neglect, refusal, or violation is not specified in this section shall be fined not exceeding two hundred dollars (\$200) upon conviction thereof.

Assignment of certificates—payment discharges society.

SEC. .32.34 *Assignment of Certificates—Payment Discharges Society:* Sections .18.36 and .18.37 shall be applicable to fraternal benefit societies, as though such societies were "insurers" as such term is used in such sections, and to the certificates providing death benefits or disability benefits issued by such societies.

Juvenile benefits.

SEC. .32.35 *Juvenile Benefits:* Any fraternal benefit society operating on the lodge system and authorized to transact the business of fraternal insurance in this state, may provide in its constitution and by-laws, in addition to other benefits provided for therein, for the payment of death or annuity

benefits upon the lives of children between the ages of one (1) and eighteen (18) years at next birthday. Any such society may at its option organize and operate branches for such children and membership in local lodges and initiation therein shall not be required of such children, nor shall they have any voice in the management of the society. The total benefits payable, as above provided, shall in no case exceed the amount of two thousand dollars (\$2,000).

Branches optional.

Benefits limited.

SEC. .32.36 *Valuation of Contributions:* The death benefit contributions to be made upon such certificates shall be based upon the "Standard Industrial Mortality Table," or the "English Life Table Number Six," and a rate of interest not greater than four per cent (4%) per annum or upon a higher standard: *Provided*, That contributions may be waived, or returns may be made from any surplus held in excess of reserve and other liabilities, as provided in the by-laws; *And provided, further*, That extra contributions shall be made if the reserves hereafter provided for become impaired.

Valuation of contributions.

May be waived.

May be increased.

SEC. .32.37 *Funds Kept Separate:* Any society entering into such insurance agreements shall maintain in all such contracts the reserve required by the standard of mortality and interest adopted by the society for computing contributions as provided in section .32.36: *Provided*, That a society may provide that when a child reaches the minimum age for initiation into membership in such society, any benefit certificate issued hereunder may be surrendered for cancellation and exchanged for any other forms of certificate issued by the society. Upon the issuance of such new certificate, any reserve upon the original certificate herein provided for shall be transferred to the credit of the new certificate. Neither the person who originally made application for benefits on account of such child, nor the beneficiary named in such original certificate,

Funds kept separate.

Reserve.

Transfer of reserve to new certificate.

No vested right in new certificate.

Beneficiary
to be named
by new
member.

nor the person who paid the contribution, shall have any vested right in such new certificate, the free nomination of a beneficiary under the new certificate to be left to the child so admitted to benefit membership.

Annual
report.

SEC. .32.38 *Annual Report*: A statement of all business transacted on account of juvenile benefit insurance, showing assets and liabilities, shall be included by any society availing itself of the privileges of this act, in its annual report to the Insurance Commissioner. The assets, funds and liabilities required hereby shall not be terminated, rescinded or modified, nor shall the funds be divested for any use other than as specified in section .32.37, as long as any certificate issued hereunder remains in force, and this requirement shall be recognized and enforced in any liquidation, reinsurance, merger, or other change in the condition of the status of the society.

Expense
fund.

SEC. .32.39 *Expense Fund*: Any society shall have the right to provide in its laws and the certificates issued hereunder for specified payments on account of the expense or general fund, which payments shall or shall not be mingled with the general fund of the society as its constitution and by-laws may provide.

Termination
of
membership.

SEC. .32.40 *Termination of Membership*: In the event of the termination of membership in the society by the person responsible for the support of any child on whose account a certificate may have been issued, as provided herein, the certificate may be continued for the benefit of the estate of the child: *Provided*, The contributions are continued or for the benefit of any other person responsible for the support and maintenance of such child, who shall assume the payment of the required contributions.

SEC. 32.41 *Fraternal Mutual Property Insurers:* Fraternal mutual property insurers.

1. A domestic mutual property insurer which is affiliated with and is comprised exclusively of members of a specified fraternal society, which society conducts its business and secures its membership on the lodge system, having ritualistic work and ceremonies, is herein designated as a fraternal mutual insurer. Definition.

2. Only fraternal mutual property insurers which were authorized insurers immediately prior to the effective date of this code may hereafter be so authorized. Limited to those authorized on effective date of code.

3. Such an insurer shall be subject to the applicable provisions of this code governing domestic mutual insurers except only as to the provisions relative to annual meeting, taxes, fees and licenses. Such an insurer shall pay for its annual license and filing its annual statement, the sum of ten dollars (\$10). Such an insurer shall pay the expense of examinations of it by the Commissioner, upon statement furnished by the Commissioner. Exemptions. License fee.

4. Such an insurer may insure corporations, associations, and firms owned by and affiliated with such society and operated for the benefit of its members, and may insure corporations and firms a majority of whose shareholders or members are members of such society. Who insurer may insure.

5. Such an insurer doing business on the assessment premium plan: Assessment premium plan.

(1) Shall be exempt also from the provisions of this code governing financial qualifications. Exemption.

(2) Shall not be authorized to transact any kind of insurance other than property insurance, nor have authority to accept reinsurance. Limited to property insurance.

6. Such an insurer doing business on the cash premium plan: Cash premium plan.

(1) May be authorized to transact additional kinds of insurance, other than life or title insurance, subject to the same requirements as to surplus funds May be authorized to transact other insurance business.

and reserves as apply to domestic mutual insurers on the cash premium plan.

May accept other business from similar insurers.

(2) May accept reinsurance only of such kinds of insurance as it is authorized to transact direct and only from insurers likewise affiliated with and composed solely of the members of the same designated fraternal society.

Fraternal mutual life insurers.

Definition.

SEC. .32.42 *Fraternal Mutual Life Insurers*: 1. A mutual life insurer which is affiliated with and insures exclusively members of a specified fraternal society, which society conducts its business and secures its membership on the lodge system, having ritualistic work and ceremonies, is herein designated as a fraternal mutual life insurer.

Exceptions.

2. Such an insurer shall be subject to the applicable provisions of this code governing mutual life insurers except only as to the provisions relative to annual meeting, taxes, fees and licenses. Such an insurer shall pay for its annual license and filing its annual statement, the sum of ten dollars (\$10). Such an insurer shall pay the expense of examinations of it by the Commissioner, upon statement furnished by the Commissioner.

License fee.

Examinations.

ARTICLE THIRTY-THREE
STATE FIRE MARSHAL

State Fire Marshal.

SEC. .33.01 *State Fire Marshal*: The Commissioner shall ex officio be State Fire Marshal. The Commissioner shall receive no additional compensation on account of his services as State Fire Marshal.

Deputy State Fire Marshals.

SEC. .33.02 *Deputy State Fire Marshals*: 1. The State Fire Marshal may appoint a Chief Deputy State Fire Marshal and such additional deputy state fire marshals as he deems necessary for the discharge of his duties pursuant to this article, and shall fix their compensation and from time to time prescribe their respective duties. The State Fire Marshal may terminate any such appointment at any time.

2. Any power or duty vested in the State Fire Marshal by this article may be exercised or discharged by any deputy state fire marshal acting in the name and by the authority of the State Fire Marshal.

Power may be exercised by deputy.

3. The Commissioner may also designate as an ex officio resident fire marshal, the chief of any organized fire department within this state, and may revoke any such designation so made.

Commissioner may designate resident fire marshal.

SEC. .33.03 *Examination of Premises:* 1. The State Fire Marshal or any deputy state fire marshal shall have authority at all times of day and night, in the performance of duties imposed by this article, to enter upon and examine any building or premises where any fire has occurred and other buildings and premises adjoining or near thereto.

Examination of premises.

Where fires have occurred.

2. The State Fire Marshal or any deputy state fire marshal shall have authority at any reasonable hour to enter into any public building or premises or any building or premises used for public purposes to inspect for fire hazards.

Fire hazards.

3. Within his jurisdiction a resident fire marshal may exercise like powers as are conferred by paragraphs one and two of this section upon the State Fire Marshal. Such power in a resident fire marshal shall not be to the exclusion of any power of the State Fire Marshal or of any deputy state fire marshal.

Resident fire marshal.

SEC. .33.04 *Safety Standards:* 1. In jurisdictions within this state other than those in which there is in force a comprehensive local fire prevention and safety code, the State Fire Marshal or any deputy fire marshal shall have authority to enter upon all premises and into all buildings except private dwellings for the purpose of inspection to ascertain if any fire hazard exists, and to require conformance with minimum standards for the prevention of fire and for the protection of life and

Safety standards.

Inspection all buildings except private dwellings.

property against fire and panic as to use of premises, and may adopt by reference nationally recognized standards applicable to local conditions.

Enforcement of fire and safety laws.

2. A resident fire marshal shall have authority to enforce within his jurisdiction such ordinances and laws relative to fire prevention and safety and use of premises as may be in force therein. In areas outside those covered by such local fire prevention and safety codes, the jurisdiction of any such resident fire marshal shall be subordinate to that of the State Fire Marshal.

Request by local authority.

3. In areas covered by such fire prevention and safety codes the State Fire Marshal may, upon request by the chief fire official or the local governing body or of taxpayers of such area, assist in the enforcement of any such code.

Removal of fire hazards.

Written order.

SEC. .33.05 *Removal of Fire Hazards:* 1. If the State Fire Marshal or his deputy finds in any building or premises subject to their inspection under this article, any combustible material or inflammable conditions or fire hazards dangerous to the safety of the building, premises, or to the public, he shall by written order require such condition to be remedied, and such order shall forthwith be complied with by the owner or occupant of the building or premises.

Appeal to State Fire Marshal.

2. An owner or occupant aggrieved by any such order made by a deputy state fire marshal may within five (5) days after the date of the order appeal to the State Fire Marshal. If the State Fire Marshal confirms the order, the order shall remain in force and be complied with by the owner or occupant.

Failure to comply.

3. Any owner or occupant failing to comply with any such order not appealed from or with any order so confirmed shall be punishable by a fine of not less than ten dollars (\$10) nor more than fifty dollars (\$50) for each day such failure exists.

Fine.

SEC. .33.06 *Reports and Investigation of Fires:*

1. The chief of each organized fire department, or the sheriff having jurisdiction over areas not within the jurisdiction of any fire department, shall forthwith notify the State Fire Marshal of all fires of criminal, suspected, or undetermined origin occurring within the jurisdiction of such fire department or sheriff.

Reports and investigation of fires.

Notification to State Fire Marshal.

2. The State Fire Marshal may investigate any fire for the purpose of determining its cause or origin or the extent of the loss, or both.

Investigation.

SEC. .33.07 *Examination of Witnesses:* In the conduct of any investigation into the cause, origin, or loss resulting from any fire, the State Fire Marshal shall have the same power and rights relative to securing the attendance of witnesses and the taking of testimony under oath as is conferred upon the Commissioner under section .03.07. False swearing by any such witness shall be deemed to be perjury and shall be subject to punishment as such.

Examination of witnesses.

SEC. .33.08 *Prosecution of Arsonists:* If as the result of any such investigation, or because of any information received by him, the State Fire Marshal is of the opinion that there is evidence sufficient to charge any person with any crime, he may cause such person to be arrested and charged with such offense, and shall furnish to the prosecuting attorney of the county in which the offense was committed, the names of witnesses and all pertinent and material evidence and testimony within his possession relative to the offense.

Prosecution of arsonists.

Information to prosecuting attorney.

SEC. .33.09 *Records of Fires:* The State Fire Marshal shall keep on file in his office all reports of fires made to him or to the Commissioner pursuant to this code. Such records shall at all times during business hours be open to public inspection; except, that any testimony taken in a fire investigation may, in the discretion of the State Fire Marshal, be with-

Records of fires

held from public scrutiny. The State Fire Marshal may destroy any such report after five (5) years from its date.

Fire prevention.

SEC. .33.10 *Fire Prevention:* The State Fire Marshal may from time to time disseminate within this state information concerning the causes, prevention, and reduction of damage from fire.

Annual report.

SEC. .33.11 *Annual Report:* The State Fire Marshal shall submit annually as of the first day of January a report to the Governor of this state. The report shall contain a detailed statement of his official acts pursuant to this article.

Forms, blanks, circulars.

SEC. .33.12 *Forms, Blanks, Circulars:* All forms, blanks, circulars, posters and such reports as may be required pursuant to the provisions of this article, shall be furnished at the expense of the state.

Hearings and appeals.

SEC. .33.13 *Hearings and Appeals:* The Commissioner, as State Fire Marshal, shall be subject to and may avail himself of the applicable provisions of article four, relating to hearings and appeals.

ARTICLE THIRTY-FOUR

ACTS REPEALED OR AMENDED

Acts repealed or amended.

SEC. .34.01 The following acts are hereby repealed: Sections 1, 3, 5, 8, 9, 10, 11, 12, 13, 15, 16, 18, 19, 20, 21, 22, 25, 28, 29, 30, 31, 33, 35, 38, 39, 40, 41, 42, 43, 46, 47, 48, 50, 51, 52, 53, 54, 55, 56, 58, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 76, 77, 78, 80, 81, 82, 88, 89, 90, 91, 93, 94, 95, 96, 97, 98, 99, 101, 102, 103, 104, 105, 105½, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 179, 180, 181, 183, 184, 185, 186, 190, 191, 192, 195, 196, 197, 198, 199, 200, 201, 203, 204, 205, 206, 207, 208,

209, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 230, 231, 232, 233, 234, 236, 237, 238, of chapter 49, Laws of 1911 (sections 7032, 7034, 7036, 7039, 7040, 7041, 7042, 7043, 7044, 7047, 7048, 7050, 7051, 7052, 7053, 7054, 7070, 7072, 7073, 7074, 7075, 7077, 7079, 7082, 7083, 7084, 7085, 7086, 7087, 7091, 7092, 7093, 7095, 7096, 7097, 7098, 7099, 7100, 7101, 7103, 7105, 7106, 7107, 7108, 7109, 7110, 7111, 7112, 7113, 7114, 7115, 7116, 7117, 7121, 7122, 7123, 7125, 7126, 7127, 7133, 7134, 7135, 7136, 7138, 7139, 7140, 7141, 7142, 7143, 7144, 7146, 7147, 7148, 7149, 7150, 7151, 7153, 7154, 7155, 7156, 7157, 7158, 7159, 7160, 7161, 7162, 7163, 7164, 7165, 7166, 7167, 7168, 7169, 7170, 7171, 7172, 7173, 7174, 7175, 7176, 7177, 7178, 7179, 7180, 7181, 7182, 7183, 7184, 7185, 7186, 7187, 7188, 7189, 7190, 7191, 7192, 7193, 7194, 7195, 7196, 7197, 7198, 7199, 7200, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7208, 7209, 7210, 7211, 7212, 7213, 7214, 7215, 7216, 7217, 7218, 7219, 7220, 7221, 7222, 7223, 7225, 7226, 7227, 7229, 7230, 7231, 7232, 7243, 7244, 7245, 7248, 7249, 7250, 7251, 7252, 7253, 7254, 7256, 7257, 7258, 7259, 7260, 7261, 7262, 7267, 7268, 7269, 7270, 7271, 7272, 7273, 7274, 7275, 7276, 7277, 7278, 7279, 7280, 7283, 7284, 7285, 7286, 7287, 7290, 7291, 7292, Rem. Rev. Stat. respectively, or sections 2908, 2910, 2912, 2915, 2916, 2917, 2918, 2919, 2920, 2922, 2923, 2925, 2926, 2927, 2928, 2929, 2932, 2935, 2936, 2937, 2938, 2940, 2942, 2945, 2946, 2947, 2948, 2949, 2950, 2954, 2955, 2956, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2966, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2978a, 2979, 2983, 2984, 2985, 2987, 2988, 2989, 2995, 2996, 2997, 2998, 3000, 3001, 3002, 3003, 3004, 3005, 3006, 3008, 3009, 3010, 3011, 3012, 3013, 3015, 3016, 3017, 3018, 3019, 3020, 3021, 3022, 3023, 3024, 3025, 3026, 3027, 3028, 3029, 3030, 3031, 3032, 3033, 3034, 3035, 3036, 3037, 3038, 3039, 3040, 3041, 3042, 3043, 3044, 3045, 3046, 3047, 3048, 3049, 3050, 3051, 3052, 3053, 3054, 3055, 3056, 3057, 3058, 3059, 3060, 3061, 3062,

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Code) section 23 of chapter 49, Laws of 1911, as last amended by section 1, chapter 102, Laws of 1939. (sections 7054-1, 7055, 7056, 7057, 7058, 7059, 7060, 7061, 7062, 7063, 7064, 7065, 7066, 7067, 7068, Rem. Rev. Stat., respectively, or sections 2930, 2930-1, 2930-2, 2930-3, 2930-4, 2930-5, 2930-6, 2930-7, 2930-8, 2930-9, 2930-10, 2930-11, 2930-12, 2930-13, 2930-14 of Pierce Code, respectively), section 24 of chapter 49, Laws of 1911, as last amended by section 24 of chapter 177, Laws of 1915 (section 7069, Rem. Rev. Stat., or section 2931, Pierce Code) section 26 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 28, Laws of 1945 (section 7071, Rem. Rev. Stat., or section 2933, Pierce Code), section 1 of chapter 49, Laws of 1933 (section 7071-1, Rem. Rev. Stat., or section 2933-1, Pierce Code), section 32 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 97, Laws of 1915 (section 7076, Rem. Rev. Stat., or section 2939, Pierce Code), section 34 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 192, Laws of 1915 (section 7073, Rem. Rev. Stat., or section 2941, Pierce Code), section 36 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 84, Laws of 1931 (section 7080, Rem. Rev. Stat., or section 2943, Pierce Code), section 16 of chapter 177, Laws of 1915, as last amended by section 1 of chapter 197, Laws of the Extraordinary Session of 1925 (section 7081, Rem. Rev. Stat., or section 2944, Pierce Code), section 44 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 107, Laws of 1927 (section 7088, Rem. Rev. Stat., or section 2951, Pierce Code), section 45 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 66, Laws of 1937 (section 7089, Rem. Rev. Stat., or section 2952-21, Pierce Code), section 1 of chapter 66, Laws of 1937 (section 7089-1, 7089-2, 7089-3, 7089-4, 7089-5, Rem. Rev. Stat., respectively, or sections 2952-22, 2952-23, 2952-24, 2952-25, 2952-26, Pierce Code, respectively), section

1 of chapter 18, Laws of 1915 (section 7090, Rem. Rev. Stat., or section 2953, Pierce Code), section 57 of chapter 49, Laws of 1911, as last amended by section 10 of chapter 177, Laws of 1915 (section 7102, Rem. Rev. Stat., or section 2965, Pierce Code), section 59 of chapter 49, Laws of 1911, as last amended by section 2 of chapter 265, Laws of 1927 (section 7104, Rem. Rev. Stat., or section 2967, Pierce Code), section 74 of chapter 49, Laws of 1911, as last amended by section 2 of chapter 88, Laws of 1935 (section 7119, Rem. Rev. Stat., or section 2981, Pierce Code), section 3 of chapter 88, Laws of 1935 (section 7119a, Rem. Rev. Stat., or section 2981-1, Pierce Code), section 4 of chapter 88, Laws of 1935 (section 7119b, Rem. Rev. Stat., or section 2981-2, Pierce Code), section 5 of chapter 88, Laws of 1935 (section 7119c, Rem. Rev. Stat., or section 2981-3, Pierce Code), section 6 of chapter 88, Laws of 1935 (section 7119d, Rem. Rev. Stat., or section 2981-4, Pierce Code), section 75 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 164, Laws of 1941 (section 7120, Rem. Rev. Stat., or section 2982, Pierce Code), section 79 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 109, Laws of 1913 (section 7124, Rem. Rev. Stat., or section 2986, Pierce Code), section 1 of chapter 69, Laws of 1939 (section 7126a, Rem. Rev. Stat., or section 2988a, Pierce Code), section 83 of chapter 49, Laws of 1911, as last amended by section 2 of chapter 109, Laws of 1913 (section 7128, Rem. Rev. Stat., or section 2990, Pierce Code), section 1 of chapter 40, Laws of 1941 (section 7128-1, Rem. Rev. Stat., or section 2990-21, Pierce Code), section 84 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 47, Laws of 1919 (section 7129, Rem. Rev. Stat., or section 2991, Pierce Code), section 85 of chapter 49, Laws of 1911, as last amended by section 3 of chapter 40, Laws of 1941 (section 7130, Rem. Rev. Stat., or section 2992, Pierce Code),

section 86 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 39, Laws of 1937 (section 7131, Rem. Rev. Stat., or section 2993, Pierce Code), section 1 of chapter 73, Laws of 1941 (section 7131a, Rem. Rev. Stat., or section 2993-51, Pierce Code), section 1 of chapter 48, Laws of the Extraordinary Session of 1933, as last amended by sections 1, 2, 4, 9, 11, 13, of chapter 42, Laws of 1937 (sections 7131-1, 7131-2, 7131-4, 7131-9, 7131-11, 7131-13, Rem. Rev. Stat., respectively, or sections 3136-21, 3136-22, 3136-24, 3136-29, 3136-31, 3136-33 of Pierce Code), sections 3, 5, 6, 8, 10, 12, 14, 15, 16, 17, of chapter 42, Laws of 1937 (sections 7131-3, 7131-5, 7131-6, 7131-8, 7131-10, 7131-12, 7131-14, 7131-15, 7131-16, 7131-17, Rem. Rev. Stat., respectively, or sections 3136-23, 3136-25, 3136-26, 3136-28, 3136-30, 3136-32, 3136-34, 3136-35, 3136-36, 3136-37, Pierce Code, respectively), section 2 of chapter 48, Laws of the Extraordinary Session of 1933, as last amended by section 7 of chapter 42, Laws of 1937 (section 7131-7, Rem. Rev. Stat., or section 3136-27, Pierce Code), section 87 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 38, Laws of 1937 (section 7132, Rem. Rev. Stat., or section 2994, Pierce Code), section 92 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 111, Laws of 1941 (section 7137, Rem. Rev. Stat., or section 2999, Pierce Code), section 10 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 37, Laws of 1915 (section 7145, Rem. Rev. Stat., or section 3007, Pierce Code), section 106, chapter 49, Laws of 1911, as last amended by section 12 of chapter 177, Laws of 1915 (section 7152, Rem. Rev. Stat., or section 3014, Pierce Code), section 178 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 36, Laws of 1915 (section 7224, Rem. Rev. Stat., or section 3086, Fierce Code), section 1 of chapter 118, Laws of 1939 (section 7230a, Rem. Rev. Stat., or section 3128-21, Pierce Code),

section 187 of chapter 49, Laws of 1911 as last amended by section 1, chapter 124, Laws of 1929 (section 7233, Rem. Rev. Stat., or section 3131, Pierce Code), section 1 of chapter 124, Laws of 1929, as last amended by section 2 of chapter 40, Laws of 1941 (section 7234, Rem. Rev. Stat., or section 3131-2a, Pierce Code), sections 3, 4, 5, 6, of chapter 124, Laws of 1929 (sections 7235, 7237, 7238, 7239, 7240, 7241, Rem. Rev. Stat., respectively, or sections 3131-2b, 3131-2c, 3131-2d, 3131-2d (2nd par.), 3131-2d (3rd par.), 3131-2e, Pierce Code), section 189 of chapter 49, Laws of 1911, as last amended by section 7 of chapter 124, Laws of 1929 (section 7242, Rem. Rev. Stat., or section 3131-2f, Pierce Code), sections 187, 188, 189 of chapter 49, Laws of 1911, as last amended by sections 8, 9 of chapter 124, Laws of 1929 (sections 7242a, 7242b, Rem. Rev. Stat., respectively, or sections 3131g, 3131h, Pierce Code, respectively), section 1 of chapter 300, Laws of 1927, as last amended by sections 1, 2, 3, 4, 5, 6, 7, 8 of chapter 79, Laws of 1939 (sections 7242-1, 7242-2, 7242-2a, 7242-2b, 7242-3, 7242-4, 7242-5, Rem. Rev. Stat., respectively, or sections 3119-51, 3119-52, 3119-53, 3119-54, 3119-55, 3119-56, 3119-57, Pierce Code), section 1 of chapter 116, Laws of 1933 (section 7246, Rem. Rev. Stat., or section 3120, Pierce Code), section 193 of chapter 49, Laws of 1911, as last amended by section 2 of chapter 116, Laws of 1933 (section 7246-1, Rem. Rev. Stat., or section 3120a, Pierce Code), section 194 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 208, Laws of 1943 (section 7247, Rem. Rev. Stat., or section 3121, Pierce Code), section 202 of chapter 49, Laws of 1911, as last amended by section 14 of chapter 177, Laws of 1915 (section 7255, Rem. Rev. Stat., or section 3142, Pierce Code), section 210 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 194, Laws of 1919 (section 7263, Rem. Rev. Stat., or section 3092, Pierce Code), section 211 of chapter 49,

Laws of 1911, as last amended by section 1 of chapter 227, Laws of 1943 (section 7264, Rem. Rev. Stat., or section 3093, Pierce Code), section 212 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 99, Laws of 1939 (section 7265, Rem. Rev. Stat., or section 3094, Pierce Code), section 213 of chapter 49, Laws of 1911, as last amended by section 1 of chapter 101, Laws of 1931 (section 7266, Rem. Rev. Stat., or section 3095, Pierce Code), section 228 of chapter 49, Laws of 1911, as last amended by section 2 of chapter 101, Laws of 1931 (section 7281, Rem. Rev. Stat., or section 3110, Pierce Code), section 229 of chapter 49, Laws of 1911, as last amended by section 3 of chapter 101, Laws of 1931 (section 7282, Rem. Rev. Stat., or section 3111, Pierce Code), section 235 of chapter 49, Laws of 1911 as last amended by section 1 of chapter 112, Laws of 1941 (section 7288, Rem. Rev. Stat., or section 3117, Pierce Code), section 1 of chapter 62, Laws of 1921 (section 7289, Rem. Rev. Stat., or section 3117-1, Pierce Code), section 1 of chapter 159, Laws of 1919, as last amended by section 1 of chapter 26, Laws of 1933 (section 7293, Rem. Rev. Stat., or section 3119-1, Pierce Code), section 2 of chapter 159, Laws of 1919, as last amended by section 2 of chapter 102, Laws of 1931 (section 7294, Rem. Rev. Stat., or section 3119-2, Pierce Code), section 3 of chapter 159, Laws of 1919, as last amended by section 3 of chapter 102, Laws of 1931 (section 7295, Rem. Rev. Stat., or section 3119-3, Pierce Code), section 4 of chapter 159, Laws of 1919, as last amended by section 4 of chapter 102, Laws of 1931 (section 7296, Rem. Rev. Stat., or section 3119-4, Pierce Code), section 5 of chapter 159, Laws of 1919 (section 7297, Rem. Rev. Stat., or section 3119-5, Pierce Code), section 6 of chapter 159, Laws of 1919 (section 7298, Rem. Rev. Stat., or section 3119-6, Pierce Code), section 1 of chapter 92, Laws of 1927 (section 569, Rem. Rev. Stat., or section 7854-1, Pierce Code), section 2 of chapter 92, Laws of 1927,

as last amended by section 1 of chapter 179, Laws of 1939 (section 7230-1, Rem. Rev. Stat., or section 7854-2, Pierce Code), section 1 of chapter 110, Laws of 1945 (section 7033-1, Rem. Rev. Stat., or section 666-18, Pierce Code), section 1 of chapter 49, Laws of 1945 (section 7068-5, Rem. Rev. Stat., or section 663-51, Pierce Code), sections 1, 2, 3, 4 of chapter 97, Laws of 1939 (sections 7230-2, 7230-3, 7230-4, 7230-5, Rem. Rev. Stat., or sections 3136-51, 3136-52, 3136-53, 3136-54, Pierce Code), and all other acts or parts of acts inconsistent with the provisions of this act.

Act amended.

SEC. .34.02 *Act Amended:* Section 73, chapter 49, Laws of 1911 as last amended by section 1 of chapter 103, Laws of 1939, the same being section 7118 of Remington's Revised Statutes or section 2980 of the Pierce Code, is amended to read as follows:

Filing of rates and schedules.

Every insurer as to casualty insurance shall file with the Insurance Commissioner its rates and rating schedules, or it may adopt advisory rules and rates of rating organizations. Unless disapproved by the Commissioner prior thereto, any such filing shall become effective upon expiration of thirty days from date of filing.

Effective date of filing.

Adherence to filings.

Every such insurer and its agents shall adhere to its filings, and shall not amend such filings or deviate therefrom until it shall have filed amendatory schedules or rates or notice of such deviation with the Commissioner for a period of thirty days; except that such amendatory schedules or deviations shall not become effective if disapproved by the Commissioner within such thirty-day period.

Amendment of filing.

Waiver of waiting period.

The Commissioner may waive any such waiting period or any part thereof as to any filing by giving notice thereof to the insurer.

Passed the Senate February 20, 1947.

Passed the House February 27, 1947.

Approved by the Governor March 7, 1947.

CHAPTER 80.

[H. B. 5.]

TEACHERS' RETIREMENT SYSTEM.

AN ACT relating to the Washington State Teachers' Retirement System, repealing chapter 221, Laws of 1937, as amended by chapters 40 and 86, Laws of 1939, chapter 97, Laws of 1941, and chapter 116, Laws of 1943 (secs. 4995-1 to 4995-15a, incl., Rem. Rev. Stat.; secs. 773-1 to 773-25, incl., PPC), and making an appropriation, and declaring that this act shall take effect July 1, 1947.

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

SECTION 1. The following words and phrases as used in this chapter, unless a different meaning is plainly required by the context, shall have the following meaning: Definitions.

(A) "Accumulated Contributions" means the sum of all regular annuity contributions together with regular interest thereon less cost of operation. "Accumulated contributions."

(B) "Actuarial Equivalent" means a benefit of equal value when computed upon the basis of such mortality tables as shall be adopted by the Board of Trustees and regular interest. "Actuarial equivalent."

(C) "Annuity" means the moneys payable per year during life by reason of accumulated contributions of a member. "Annuity."

(D) "Contract" means any agreement for service and compensation between a member and an employer. "Contract."

(E) "Creditable Service" means membership service plus prior service for which credit is allowable. "Creditable service."

(F) "Disability Allowance" means monthly payments during disability. "Disability allowance."

(G) "Earnable Compensation" means the full rate of compensation that would be paid to a member if he worked the full normal working time during the school year, except that any part of any salary in excess of thirty-six hundred dollars (\$3600) "Earnable compensation."

per annum shall be excluded in determining the earnable compensation of a member. In all cases where compensation includes maintenance the Board of Trustees shall fix the value of that part of the compensation not paid in money.

"Employer." (H) "Employer" means the State of Washington, the school district, or any agency of the State of Washington by which the member is paid.

"Fiscal year." (I) "Fiscal Year" means a year which begins July 1 and ends June 30 of the following year.

"Former state fund." (J) "Former State Fund" means the state retirement fund in operation for teachers under chapter 187, Laws of 1923, as amended.

"Local fund." (K) "Local Fund" means any of the local retirement funds for teachers operated in any school district in accordance with the provisions of chapter 163, Laws of 1917, as amended.

"Member." (L) "Member" means any teacher included in the membership of the retirement system. Also, any other employee of the public schools who, on the effective date of this act, had not elected to exempt himself from membership and who, prior to that date, had by an authorized payroll deduction contributed to the annuity fund.

"Membership service." (M) "Membership Service" means service rendered subsequent to the first date of eligibility of a person to membership in the retirement system.

"Pension." (N) "Pension" means the moneys payable per year during life from the pension fund.

"Pension fund." (O) "Pension Fund" means a fund from which all pension obligations are to be paid.

"Pension reserve fund." (P) "Pension Reserve Fund" is a fund in the state treasury in which shall be accumulated an actuarial reserve adequate to meet present and future pension liabilities of the system.

"Prior service." (Q) "Prior Service" means service rendered prior to the first date of eligibility to membership in the retirement system for which credit is allowable.

"Prior service contributions." (R) "Prior Service Contributions" means con-

tributions made by a member to secure credit for prior service.

(S) "Public School" as used in this act shall mean any institution or activity operated by the State of Washington or any instrumentality or political subdivision thereof employing teachers except the University of Washington and the State College of Washington. "Public school."

(T) "Regular Contributions" means the amounts required to be deducted from the compensation of a member and credited to his individual account in the annuity fund. "Regular contributions."

(U) "Regular Interest" means the interest on funds of the retirement system for the current school year and such other earnings as may be applied thereon by the Board of Trustees. "Regular interest."

(V) "Retirement Allowance" means the sum of the annuity and pension or any optional benefits payable in lieu thereof. "Retirement allowance."

(W) "Retirement System" means the Washington State Teachers' Retirement System. "Retirement system."

(X) "Service" means the time during which a member has been employed by an employer for compensation. "Service."

(Y) "Teacher" means any person qualified to teach who is engaged by a public school in an instructional, administrative, or supervisory capacity, including, state, county, city superintendents and their assistants; and in addition thereto any qualified school librarian, any registered nurse or any full time school doctor who is employed by a public school and renders service of an instructional or educational nature. "Teacher."

SEC. 2. The name of the retirement system provided for in this act shall be the "Washington State Teachers' Retirement System" and by this name all of its business shall be transacted and all of its Title designated.

funds invested and all of its cash, securities and other property held.

Assets credited to certain funds.

SEC. 3. All of the assets of the retirement system shall be credited according to the purposes for which they are held, to one of two (2) funds to be maintained in the state treasury, namely, the teachers' retirement pension reserve fund and the teachers' retirement fund. In the records of the teachers' retirement system the teachers' retirement fund shall be subdivided into the annuity fund, the pension fund, the disability reserve fund and the expense fund.

Administration of act.

SEC. 4. The general administration and responsibility for the proper operation of the retirement system are vested in a Board of Trustees; the members of the Board of Trustees shall be the State Superintendent of Public Instruction, ex officio, the State Insurance Commissioner, ex officio, and five members of the retirement system to be chosen by the State Board of Education for a term of three years, and at least three of said members shall be classroom teachers.

Board of trustees.

Members.

Term of office.

SEC. 5. Upon expiration of the term of office of a trustee of the retirement system a successor shall be appointed by the State Board of Education for a term of three years. Any vacancy in the Board of Trustees shall be filled by the State Board of Education by the appointment of a member for the unexpired term, except in the case of an ex officio member.

Vacancies.

Compensation.

SEC. 6. The members of the Board of Trustees shall serve without compensation but they shall be reimbursed from the expense fund for all necessary expenses which they may incur through service on the board.

SEC. 7. Each member of the Board of Trustees shall within ten days after his appointment or elec-

tion take an oath of office that so far as it devolves upon him he will diligently and honestly administer the affairs of said board, and that he will not knowingly violate or willingly permit to be violated any provisions of the law applicable to the retirement system. Such oath shall be subscribed to by the members making it and certified by the officer before whom it is taken and immediately filed in the office of the Secretary of State.

Oath of office.

SEC. 8. Each trustee shall be entitled to one vote in the board. Four favorable votes shall be necessary for a decision by the trustees at any meeting of the board.

Votes.

Quorum.

SEC. 9. The State Treasurer, the State Auditor, and the Attorney General shall be ex officio treasurer, auditor and legal adviser, respectively, of the Board of Trustees and shall be liable respectively upon their official bonds for the faithful performance of their duties under this chapter, but no charge shall be made for this service.

Ex officio treasurer, auditor and legal advisor.

SEC. 10. The Board of Trustees shall from its membership annually at the first meeting in July elect a chairman. The board shall by a majority vote of all its members appoint a secretary-manager who shall not be a member of the board and who shall serve until a successor is appointed. The secretary-manager shall engage, upon authorization of the Board of Trustees, such clerical and technical services as shall be required to transact the business of the retirement system. The compensation of all persons engaged or authorized by the Board of Trustees and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the Board of Trustees shall approve.

Chairman.

Secretary-manager.

Compensation.

SEC. 11. The Board of Trustees shall keep in convenient form such data as shall be necessary for actuarial evaluation of the various funds of the re-

Keeping of data for actuarial evaluation.

tirement system and for checking the experience of the retirement system.

Record.

Annual
report.

SEC. 12. The Board of Trustees shall keep a record of all its proceedings which shall be open to public inspection. It shall publish annually on or before the first day of January a report showing the fiscal transactions of the retirement system for the preceding school year; the amount of the accumulated cash and securities of the system, and the last balance sheet showing the financial condition of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

Medical
director.

SEC. 13. The Board of Trustees shall designate a medical director. If required, other physicians may be employed to report on special cases. The medical director shall arrange for and pass upon all medical examinations required under the provisions of this act; he shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for a disability allowance, and shall report in writing to the Board of Trustees his conclusions and recommendations upon all matters referred to him.

Reports.

Actuary.

SEC. 14. The Board of Trustees shall designate an actuary who shall be the technical adviser of the Board of Trustees on matters regarding the operation of the funds of the system and shall perform such other duties as are required in connection therewith.

Actuarial
investigation,
valuation and
adoption of
tables.

SEC. 15. Before the year 1951, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into the mortality, earnable interest, service and compensation experience of the members and beneficiaries of the retirement system, and shall make a valuation of the assets and liabilities of the funds of the system; taking into account the results of such investigation and valuation, the Board of Trustees shall adopt for the re-

tirement system such tables as shall be deemed necessary.

SEC. 16. The Board of Trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this act and for the transaction of its business. The Board of Trustees shall be empowered within the limits of this act to decide on all questions of eligibility.

Rules and regulations.

Eligibility.

SEC. 17. The Board of Trustees shall hold regular meetings on the first Saturday which is not a holiday of January, April, July and October of each year, and may hold as many other meetings as may be found necessary to properly transact the business of the retirement system. Special meetings may be called by the chairman of the board either on his own initiative or at the request in writing of four other members of the Board of Trustees.

Board meetings.

SEC. 18. At each regular meeting, the Board of Trustees shall authorize payment of retirement allowances, disability allowances, salaries and other regular disbursements to be made during the succeeding three months. At the first regular meeting in each fiscal year, the board shall designate two of its members whose signatures shall appear upon its vouchers. Retirement and disability allowances shall be paid monthly.

Authoriza-
tion of pay-
ment of
allowances.

Vouchers.

SEC. 19. From interest and other earnings on the moneys of the retirement system, at the close of each fiscal year the Board of Trustees shall make such allowance of regular interest on the balance which was on hand at the beginning of the fiscal year in each of the funds as they may deem advisable: *Provided*, That no interest shall be credited to the expense fund.

Interest and earnings.

SEC. 20. The Board of Trustees shall be the trustees of the several funds created by this act and shall authorize the State Finance Committee to invest and

Investment
by State
Finance
Committee.

Reinvest-
ment.

School
warrants.

reinvest such funds, according to the requirements for the investment of permanent school funds; subject to those requirements, the State Finance Committee shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and investments in which any of the funds created herein shall have been invested, as well as the proceeds of said investments and any moneys belonging to said funds: *Provided*, That the State Finance Committee shall have power to invest these funds in school warrants.

Examination
by Insur-
ance Com-
missioner.

Report.

SEC. 21. The Insurance Commissioner shall, at least every three years, have an examination made of the Teachers' Retirement funds by his department examiners and actuary, in the same manner in which he examines licensed insurance companies in the State of Washington, and shall file a report of his findings with the Board of Trustees of the Teachers' Retirement System, the Governor, the Attorney General and the State Treasurer.

State
Treasurer
custodian
of funds.

Payments
by voucher.

Resolution
to be filed
with
Auditor.

SEC. 22. The treasurer of the state shall be the custodian of all moneys received by him for the retirement system. All payments from several funds of the retirement system shall be made only upon vouchers signed by two members of the Board of Trustees. A duly attested copy of a resolution by the Board of Trustees designating those members and bearing on its face specimen signatures of those members shall be filed with the State Auditor as his authority for issuing warrants upon such vouchers. No voucher shall be drawn unless it has been previously authorized by resolution of the Board of Trustees.

Trustee or
employee
of Board
not to be
endorser
or surety.

SEC. 23. No trustee or employee of the Board of Trustees shall become an endorser or surety or an obligor for moneys loaned by the Board of Trustees.

SEC. 24. All teachers employed in the public schools shall be members of the system except those

who, prior to the effective date of this act, shall have exempted themselves unless such exempted teachers shall, prior to January 1, 1948, or thereafter within six months from the date of re-employment by a public school file with the Board of Trustees a formal written request that their exemption certificates be cancelled.

All teachers are members.

Exemptions.

SEC. 25. Under such rules and regulations as the Board of Trustees shall adopt, each teacher, upon becoming a member of the retirement system, shall file with the Board of Trustees during his first year of service a detailed statement of all services as a teacher rendered by him in this state and elsewhere under the jurisdiction of the government of the United States prior to becoming a member, together with a statement of such other facts as the board shall require. The Board of Trustees may, at the option of a member, accept the service record of a member of a local fund or the former state fund in lieu of such detailed statement; and issue a prior service certificate to the applicant for such prior service.

Service record to be filed.

Board may accept record of member of other fund.

SEC. 26. Any member who serves the United States as a member of its military, naval or air service, may upon becoming re-employed in the public schools, receive credit for such service upon presenting satisfactory proof, and contributing to the annuity fund, either in a lump sum or installments, such amounts as shall be determined by the Board of Trustees.

Military, naval or air service for the United States.

SEC. 27. Service rendered for four fifths ($\frac{4}{5}$) or more of the official school year of the school district or institution in which a teacher is employed shall be credited as a year's service regardless of the length of the school term, but in no case shall more than one year of service be creditable for service rendered in one fiscal year. Service rendered for less than four fifths ($\frac{4}{5}$) of the official school year

Service rendered for $\frac{4}{5}$ of school year.

Service rendered less than $\frac{1}{4}$ of school year.

Minimum service.

Service certificate.

Modification or correction of certificate.

Credit for prior services conditioned.

Limitations on service credit.

shall be credited for that portion of the school year for which it was rendered: *Provided*, That no service of less than twenty (20) days in any school year shall be creditable.

SEC. 28. As soon as practicable after the filing of statements of services, the Board of Trustees shall determine the number of years of service with which an applicant shall be credited and shall issue a prior service certificate to the applicant therefor. The member shall be bound by the terms of this certificate unless within one year of the date of issuance thereof he shall request the Board of Trustees to modify or correct the same.

SEC. 29. No credit shall be given for services rendered in a district which at the time such service was rendered was under the jurisdiction of a local fund or the former state fund or under the Teachers' Retirement System as it existed immediately prior to the effective date of this act, unless contributions were made to such local fund or the former state fund or retirement system during such time, except upon making the contributions as provided under sections 32 and 38 hereof.

SEC. 30. A total of not more than ten years of service outside of the state is to be credited to a member who has entered public school employment in this state subsequent to April 1, 1938, and not more than fifteen years of service to a member who entered public school employment in this state prior to the above date. No member who establishes out-of-state service credit after the effective date of this act shall at retirement for pension payment purposes be allowed credit for out-of-state service in excess of the number of years credit which he shall have earned in the public schools of the State of Washington.

SEC. 31. Any member who has rendered service for which credit has not been previously established

may apply for such service credit prior to January 1, 1948, or, if not employed on the effective date of this act, within the first six months of his re-employment.

Service not previously credited.

SEC. 32. Any teacher who leaves the state after becoming a member, upon his becoming re-employed in the public schools of the state, may be credited with membership service in an amount, which when added to the out-of-state credits for prior service shall not exceed the allowable total, conditioned upon satisfactory proof and upon contribution to the annuity fund. Service rendered in the State of Washington subsequent to April 1, 1938, for which credit has not been established prior to the effective date of this act shall upon the establishment of such credit be paid for on the same basis together with regular interest as would have been paid had such service been rendered under the retirement system.

Re-employment after leaving state.

Service rendered prior to April 1, 1938.

SEC. 33. The Board of Trustees may allow credit for leave of absence for professional preparation to a member taking such leave of absence subsequent to last becoming a member, upon satisfactory proof of such leave of absence and the payment of contributions to the annuity fund in such an amount, either in a lump sum or in installments approved by the Board of Trustees, as would have been paid had such member been employed regularly in the public schools of this state: *Provided*, That not more than two such leaves of absence may be granted to any member, and not more than one such leave may be granted in any ten-year period of service.

Leave of absence.

Proof of payments required.

Maximum leaves of absence.

SEC. 34. Creditable service of a member at retirement shall consist of the membership service rendered by him for which credit has been allowed, and also, if he has a prior service certificate that is in full force and effect, the amount of the service certified on his prior service certificate.

Creditable service of member at retirement.

SEC. 35. Throughout each year during which he is employed each member shall contribute five per

Contribution by members to disability reserve fund.

cent (5%) of his earnable compensation. These contributions shall be placed in the annuity and disability reserve funds in the proportions specified in section 45 of this act.

Contribution to be sufficient to provide benefits.

SEC. 36. Throughout each year during which he is employed each member except one who has reached age sixty (60) or has thirty (30) years of creditable service shall contribute such sum as will, with regular interest, create a fund sufficient according to the actuarial tables adopted by the Board of Trustees to provide disability benefits for the members whose claims will be approved by the Board of Trustees during that year. These accumulations shall be placed in the disability reserve fund.

Transfers by State Treasurer.

SEC. 37. The State Treasurer, upon the certificate of the Board of Trustees, shall annually transfer from the pension reserve fund to the teachers' retirement fund that portion of the funds accumulated in the pension reserve fund which since the date of the last preceding transfer has become allocable under the actuarial tables for the payment of current pensions to all members who shall have retired.

Pension reserve fund.

SEC. 38. There shall be placed in the pension reserve fund all appropriations made by the legislature for the purpose of establishing and maintaining an actuarial reserve and all gifts and bequests to the pension reserve fund, and contributions of persons entering the retirement system who have established prior service credit. Members establishing prior service credit shall contribute to the pension reserve fund as follows:

Contributions to pension reserve fund.

For the first ten (10) years of prior service \$15.00 per year;

For the second ten (10) years of prior service \$30.00 per year;

For the third ten (10) years of prior service \$45.00 per year.

SEC. 39. Contributions for prior service credits may be made in a lump sum or in monthly installments approved by the Board of Trustees. At least twenty per cent (20%) of the total amount due shall be paid at the time of application for prior service credits. Any unpaid installments at the time the member is retired for service or disability shall constitute a first, paramount and prior lien against his retirement allowance.

Contributions for prior service credits.

Unpaid installments.

SEC. 40. At the regular July meeting next preceding a regular session of the legislature the Board of Trustees shall prepare an estimate of the total disbursements of the retirement system to be made during the next biennium, separately showing the amounts required for payment of pensions, annuities, disability allowances and expenses. In addition the board shall compute the amount necessary to be appropriated during the next legislative session to establish and maintain an actuarial reserve adequate to meet all pension commitments of the system. These estimates must be submitted to the Governor by the secretary-manager of the retirement system for inclusion in the budget. The legislature shall make the necessary appropriations to the teachers' retirement fund and the pension reserve fund after considering the estimates as prepared and submitted and shall appropriate from the teachers' retirement fund the amounts to be expended during the next biennium.

Estimates for budget and appropriation.

Appropriations.

SEC. 41. At the close of each fiscal year the Board of Trustees shall withdraw from the pension fund and the annuity fund in equal amounts a sum sufficient to defray the expenses of the retirement system as estimated by them for the ensuing year and place that amount in the expense fund. The deductions from the annuity fund less withdrawal fees shall be prorated from the annuity contributions of the members for the year just closed.

Deductions for the expense fund.

Report by
employer.

SEC. 42. On or before the first of September in each year every employer shall file a report with the Board of Trustees of the retirement system on a form provided, stating the name of the employer and with respect to each employee: (1) The full name, (2) the address, (3) the date of commencement of employment, (4) the length of the employment contract, (5) the length of the school term, (6) the annual salary, and (7) such other information as the board shall require, and at the same time notify each new employee in writing with reference to the Washington State Teachers' Retirement System and that an application for prior service credit may be filed with the Board of Trustees thereof on a form furnished by the board. On the fifth day of each succeeding month during the school year the employer shall report any changes in personnel to the board. The county superintendent shall perform the duties imposed by this section for the employers in second and third class school districts and the city superintendents for the employers in first class school districts. The chief executive officers of other institutions shall perform such duties.

Notification
of system
to new
employees.

County super-
intendent.

Salary
deductions.

SEC. 43. Every officer authorized to issue salary warrants to teachers shall deduct from each salary payment to any member five per cent (5%) of the amount of salary paid up to thirty-six hundred dollars (\$3600) in any fiscal year on account of the disability reserve and annuity funds.

Drawing of
warrants to
State
Treasurer on
deductions.

SEC. 44. On or before the tenth of such months as are designated by the trustees of the system for remittance, the officers authorized to issue salary warrants to members shall draw warrants in favor of the State Treasurer out of the appropriate funds, covering the amounts of deductions made from the salaries of members of the retirement system and forthwith remit them to the trustees of the system accompanied by a report listing the names of the

members and the amount of each deduction, also the serial number, date and amount of each warrant remitted.

SEC. 45. The office of the retirement system shall apply the amounts received first to pay the contributions of each member to the disability reserve fund as provided in section 36 of this act and the remainder as contributions to the annuity fund, and the treasurer shall deposit the sums received in the appropriate funds according to the segregation so made. The office of the retirement system shall register all warrants received and forthwith transmit them to the State Treasurer, with a detailed report segregating registered and cash warrants. The State Treasurer shall place the proceeds from these warrants to the credit of the proper funds of the retirement system.

Application of deductions.

Registration and transmittal of warrants to Treasurer.

SEC. 46. The deductions from salaries of members of the retirement system for their contributions to the system are not considered diminution of pay and every member is conclusively presumed to consent thereto as a condition of his employment. All contributions to the annuity fund shall be credited to the individual for whose account the deductions from salary were made. Regular interest shall be credited to each member's account at the end only of each fiscal year, based upon the balance in his account at the beginning of the year.

Deduction not diminution of pay.

Presumption.

Interest.

SEC. 47. One must have been a member of the retirement system, the former state fund, or a local fund, or both together for at least five years in order to be entitled to a retirement allowance.

Qualification for membership.

SEC. 48. (a) Any member having attained age sixty (60) years and having completed thirty (30) years of creditable service may retire upon written application to the Board of Trustees setting forth at which time he desires to be retired. Upon retirement such member shall receive a retirement allow-

Retirement age 60, service 30 years.

ance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of one hundred dollars (\$100) per month to be paid from the pension fund.

Age less than 60, service 30 years.

(b) Any member not having attained age sixty (60) years but having completed thirty (30) years of creditable service shall be entitled to retire, and upon retirement, shall receive a retirement allowance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension of one hundred dollars (\$100) per month less two dollars (\$2) per month for each year that such member upon date of retirement shall be under age sixty (60) years.

Annuity.

Age 60 service less than 30 years.

(c) Any member who has attained age sixty (60) years, but who has completed less than thirty (30) years of creditable service, may retire upon a retirement allowance consisting of: An annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension consisting of as many thirtieths (not to exceed thirty thirtieths) of one hundred dollars (\$100) per month as he has years of creditable service.

Annuity.

Former members receiving pensions.

SEC. 49. Any former member of the retirement system or a former fund who is receiving a pension on the effective date of this act shall in lieu of any pension allowance under any former law receive a pension equal to as many thirtieths (not to exceed thirty thirtieths) of one hundred dollars (\$100) per month as he has had years of creditable service: *Provided*, That any former member who has not yet attained age sixty (60) years upon the effective date of this act shall receive a pension of one hundred dollars (\$100) per month less two dollars (\$2) per month for each year such former member shall be

under age sixty (60) years on the effective date of this act.

SEC. 50. Membership in the retirement system is terminated and the prior service certificate becomes void when a member retires, is placed on permanent disability, dies, withdraws his accumulated contribution from the annuity fund or is unemployed as a teacher for more than five consecutive years: *Provided*, That a member who has served thirty (30) years prior to age sixty (60) may retain his membership by leaving his contributions in the annuity fund even though he is absent or unemployed for a period of more than five (5) years prior to age sixty (60).

Termination
of mem-
bership.

SEC. 51. Should a member cease to be employed as a teacher and request upon a form provided by the Board of Trustees a refund of his accumulated contributions with interest to the June thirtieth next preceding, this amount shall be paid to him less a withdrawal fee of five dollars (\$5) which shall be deposited to the annuity fund's share of the cost of operation. The amount withdrawn, together with regular interest from date of payment to date of re-entry must be paid if he desires to reacquire his former status upon re-entering the retirement system. Upon termination of membership, interest on accumulated contributions in the annuity fund shall cease and all accumulated contributions unclaimed after the expiration of ten years thereafter become an integral part of the annuity fund.

Refund of
contribu-
tions.

Withdrawal
fee.

Repayment
of with-
drawals with
interest.

SEC. 52. Upon receipt of proper proofs of death of any member before retirement or before the first installment of his retirement allowance shall become due his accumulated contributions shall be paid to his estate or to such persons as he shall have nominated by written designation duly executed and filed with the Board of Trustees.

Death of
member
before re-
tirement.

Retirement application.
Election to receive actuarial equivalent for life.

SEC. 53. Upon an application for retirement approved by the Board of Trustees every member shall receive the maximum retirement allowance available to him throughout life unless prior to the time the first installment thereof becomes due he has elected, by executing the proper application therefor, to receive the actuarial equivalent of his retirement allowance in reduced payments throughout his life with the following options:

Option 1.

Option 1. If he dies before he has received the present value of his accumulated contributions at the time of his retirement in annuity payments the unpaid balance shall be paid to his estate or to such person as he shall have nominated by written designation executed and filed with the Board of Trustees.

Option 2.

Option 2. Upon his death his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation duly executed and filed with the Board of Trustees at the time of his retirement.

Option 3.

Option 3. Upon his death one half of his adjusted retirement allowance shall be continued throughout the life of and paid to such person as he shall have nominated by written designation executed and filed with the Board of Trustees at the time of his retirement.

Option 4.

Option 4. Such other benefits shall be paid as the member may designate for himself or others equal to the actuarial value of his retirement annuity at the time of his retirement: *Provided*, That the Board of Trustees shall limit withdrawals of accumulated contributions to such sums as will not reduce the member's retirement allowance below one hundred dollars (\$100) per month.

Retirement on disability allowance.

Medical examination.

SEC. 54. Upon application of a member in service or of his employer any member may be retired by the Board of Trustees on a disability allowance if the medical director, after a medical examination of such member, shall certify that such member is

mentally or physically incapacitated for the further performance of duty and that such member be retired. The disability allowance will be in the amount of sixty dollars (\$60) per month payable from the disability reserve fund for a period not to exceed two years, but no payments shall be made for the first sixty (60) days of disability.

Allowance.

SEC. 55. Should the board determine from the report of the medical directors at the end of a two-year disability period that a member's disability is permanent a member who had twenty (20) years or more of service credit when first granted the temporary disability allowance shall have the option of then receiving all accumulated annuity contributions in a lump sum payment and cancelling his membership, or of accepting a retirement allowance because of disability. If the member elects to receive a retirement allowance because of disability he shall be paid an annuity which shall be the actuarial equivalent of his accumulated contributions at his age of retirement and a pension which shall be the actuarial equivalent of the pension to which he would be entitled at age sixty (60) according to his years of service credit, but in no event shall the total allowance for disability be less than sixty dollars (\$60) per month.

Permanent disability.

Option by member.

SEC. 56. Any former member of the retirement system or a former fund receiving permanent disability allowances on the effective date of this act shall in lieu of all allowances provided by any former law receive a disability allowance in the sum of sixty dollars (\$60) per month to be paid from the pension fund. Such disability allowances may be continued only upon recommendation of the medical director and the approval of the Board of Trustees.

Former members receiving disability allowances.

SEC. 57. Any retired teacher who enters service in any public educational institution shall cease to

Retired teacher reentering service.

receive pension payments while engaged in such service.

Retired teacher re-entering service may become member.

SEC. 58. A retired teacher upon returning to service in the public schools of Washington may elect to again become a member of the retirement system.

Rights unassignable.

SEC. 59. The right of a person to a pension, an annuity, a retirement allowance, or disability allowance, to the return of contributions, any optional benefit or death benefit, any other right accrued or accruing to any person under the provisions of this act and the moneys in the various funds created by this act shall be unassignable.

Office quarters.

SEC. 60. Suitable office quarters shall be provided by the state for the operation of the retirement system; such office to be located at the State Capitol.

Appeals to superior court.

10 day limitation.

SEC. 61. Any claimant feeling aggrieved by the action of the board may take an appeal to the Superior Court of Thurston County within ten days from the day he receives written notice of the board's action by filing with the secretary-manager of the system a written notice of appeal and giving bond to the retirement system in the sum of two hundred and fifty dollars (\$250) conditioned to pay all costs which may be adjudged against the applicant in the superior court. Sureties on the bond must be such as are approved by the court.

Bond.

Appeals by board.

10 day limitation.

Bond.

SEC. 62. Any five members feeling aggrieved by any action of the board may take an appeal to the Superior Court of Thurston County within ten days from the date of such action by filing with the secretary-manager of the system a written notice of appeal and giving bond to the retirement system in the sum of two hundred and fifty dollars (\$250) conditioned to pay all costs which may be adjudged against appellants in the superior court, with sureties on the bond approved by the court. In case the appeal involves a claim, service of a copy of the

notice of appeal on the claimant is a necessary step in perfecting the appeal.

Service of copy notice on claimant.

SEC. 63. If an appeal involves a claimant, the secretary-manager of the retirement system shall forthwith certify to the clerk of the Superior Court for Thurston County all matter filed with respect to the claim, together with a transcript of the record of the board upon the claim, together with the notice of appeal and appeal bond.

Certification to clerk of superior court by secretary-manager.

SEC. 64. The hearing on appeal shall be de novo and follow the practice in the trial of appeals from justice courts except that there shall be no jury.

Hearing de novo.

SEC. 65. Appeals from the judgment of the superior court may be taken to the Supreme Court in the manner provided for taking appeals in equity cases.

Appeals to supreme court.

SEC. 66. Should any error in the records result in any member or beneficiary receiving from the retirement system more or less than he would have been entitled to receive had the records been correct, the Board of Trustees shall correct such error, and as far as practicable, shall adjust the payments in such manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid.

Correction of errors in records.

SEC. 67. Any person who shall knowingly make false statements or shall falsify or permit to be falsified any record or records of the retirement system in any attempt to defraud such system as a result of such act, shall be guilty of a felony.

Fraud.

SEC. 68. If any provision or section of this act is held invalid the remainder of the act shall not be affected thereby. If the invalidation of any portion of this act should result in rendering any person ineligible to receive benefits under the terms hereof, such person if eligible to receive benefits under the law existing prior to the passage hereof shall con-

Saving clause.

tinue to receive such benefits as he would have received had such prior law remained in effect.

Transfer of
assets and
records.

SEC. 69. All the records and assets of the Washington State Teachers' Retirement System established under chapter 221, Laws of 1937, as amended by chapters 40 and 86, Laws of 1939, chapter 97, Laws of 1941, and chapter 116, Laws of 1943, are hereby transferred to the Washington State Teachers' Retirement System as established by this act, to-wit: The assets of the annuity fund, the pension fund, the pension reserve fund, the disability reserve fund and the expense fund of the present Washington State Teachers' Retirement System are hereby transferred to the annuity fund, the pension fund, the pension reserve fund, the disability reserve fund and the expense fund, respectively, of the Washington State Teachers' Retirement System as established by this act.

Repeals.

SEC. 70. Chapter 221, Laws of 1937, chapter 40, Laws of 1939, chapter 86, Laws of 1939, chapter 97, Laws of 1941, chapter 116, Laws of 1943 (secs. 4995-1 to 4995-15a, incl., Rem. Rev. Stat.; secs. 773-1 to 773-25, incl., PPC), are hereby repealed. It is the intention of the legislature that there shall be no interruption in the continuity of the existence, administration and operation of the Teachers' Retirement System when this act replaces the laws relative to teachers' retirement in effect heretofore.

Legislative
declaration.

Appropriation.

SEC. 71. There is hereby appropriated from the general fund the sum of four million dollars (\$4,000,000) to the pension fund of the Washington State Teachers' Retirement System; from the general fund the sum of four million dollars (\$4,000,000) to the pension reserve fund of the Washington State Teachers' Retirement System, and from the pension reserve fund of the present Washington State Teachers' Retirement System the sum of three million dollars (\$3,000,000) to the pension reserve fund

of the Washington State Teachers' Retirement System hereby created.

SEC. 72. This act shall become effective on July 1, 1947. Effective date.

Passed the House February 18, 1947.

Passed the Senate February 27, 1947.

Approved by the Governor March 8, 1947.

CHAPTER 81.

[S. B. 32.]

UNIVERSITY OF WASHINGTON APPROACH.

AN ACT relating to the University of Washington; providing for the acquisition of the necessary property to complete the approach provided for by chapter 27, Laws of 1945; making an appropriation from the general fund therefor; and declaring an emergency.

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

SECTION 1. The Director of Highways is hereby authorized and directed to acquire in the name of the State of Washington by purchase, gift or condemnation all necessary real estate, rights and interests, including damage to abutting property or buildings, to complete the acquisition of a highway and right-of-way for an approach, and underpasses to and from said approach, for the University of Washington, in accordance with the plan and right-of-way located and established by said director pursuant to chapter 27, Laws of 1945. Acquisition of right of way.

SEC. 2. There is hereby appropriated from the general fund of the state treasury the sum of one hundred and fifty thousand dollars (\$150,000), or so much thereof as may be necessary to carry out the provisions of this act. Appropriation.

SEC. 3. This act is necessary for the immediate preservation of the public health, peace and safety, Effective immediately.

support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 7, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 82.

[S. B. 141.]

RELATING TO EDUCATION.

AN ACT relating to education; providing for calls for bids on certain expenditures; amending section 15, article III, subchapter 4, title III, chapter 97, Laws of 1909 (section 4804, Remington's Revised Statutes, also Pierce's Perpetual Code 887-29).

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

Notice
for bids.

SECTION 1. Section 15, article III, subchapter 4, title III, chapter 97, Laws of 1909 (section 4804, Remington's Revised Statutes, also Pierce's Perpetual Code 887-29), is amended to read as follows:

Board may
do work.

Section 15. When, in the opinion of the board, the cost of any furniture, supplies, building, improvements or repairs will equal or exceed the sum of one thousand dollars (\$1,000), it shall be the duty of the board to give due notice by publication, in at least one legal newspaper published within said district in one or more weekly papers, in three regular consecutive issues, of the intention to receive bids therefor; and the board shall determine the specifications for such bids which shall be public: *Provided*, That the board may, without giving such notice, make improvements or repairs to the property of such district through their shop and repair department.

Passed the Senate February 22, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 83.

[S. B. 155.]

RELATING TO FISHERIES—LICENSES.

AN ACT relating to fisheries; providing for licenses for the taking or catching of salmon or other food or shellfish; and amending section 43, chapter 31, Laws of 1915, as last amended by section 1, chapter 122, Laws of 1945 (sec. 5695, Rem. Rev. Stat.; sec. 555-3, PPC).

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

SECTION 1. Section 43, chapter 31, Laws of 1915 as last amended by section 1, chapter 122, Laws of 1945 (sec. 5695, Rem. Rev. Stat.; sec. 555-3, PPC), is amended to read as follows:

Section 43. No license for taking or catching salmon or other food fish required by this act shall be issued to any person who is not a citizen of the United States of the age of sixteen years or over, unless such person has declared his intention to become a citizen. Nor shall any license be issued to a corporation unless it is authorized to do business in this state, and unless the holders of a majority of its stock are citizens of the United States: *Provided*, That corporations authorized to do business in this state and holding fishing licenses on January 1, 1922, shall be entitled to licenses and to the renewal thereof from time to time and shall be unaffected by the provisions of this section. Nothing herein contained shall affect the existing fishing rights of Indians: *Provided, however*, No license shall be issued to any person taking or catching shell fish anywhere in the waters of the State of Washington; or taking or catching salmon or other food or shell fish in the Columbia River and its tributaries unless he be both an actual resident of the State of Washington, for one year immediately pre-

Licenses to persons.
Citizenship.

Corporations.

Residence.

ceding the application for such license and a citizen of the United States sixteen years of age or over.

Passed the Senate February 28, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 84.

[S. B. 123.]

DEFICIENCY APPROPRIATION—LIEUTENANT GOVERNOR
AN ACT making a deficiency appropriation for the office of
Lieutenant Governor, and declaring an emergency.

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

Appropriation.

SECTION 1. By reason of a deficiency existing in the appropriations made by the Twenty-Ninth Regular Session of the Legislature, the following sum, or so much thereof as shall be found necessary, is hereby appropriated out of any moneys in the general fund of the state treasury, for the purpose hereinbelow designated for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

For the Lieutenant Governor:

Operations \$783

Effective immediately.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 6, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 85.

[S. B. 138.]

APPROPRIATION—PAYMENT OF BOUNTIES AND PREDATORY CONTROL.

AN ACT relating to the payment of bounties and for predatory control as provided for in chapter 81, Laws of 1945, and for the control of beaver as provided for in chapter 246, Laws of 1945, and making appropriations therefor.

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

SECTION 1. There is hereby appropriated from the game fund of the State of Washington the total sum of four hundred thousand dollars (\$400,000), or so much thereof as may be necessary for the use of the department of game for the payment of bounties and for predatory control as provided for in chapter 81, Laws of 1945, and for the control of beaver as provided for in chapter 246, Laws of 1945.

Appropriation.

SEC. 2. This money shall be expended for the purposes set forth below and in amounts not to exceed the individual sums set forth herein for the purposes designated for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949.

Amounts allocated.

For the department of game:

FROM THE STATE GAME FUND

Payment of bounties and for predatory control	\$240,000.00
Control of beaver	\$160,000.00

Passed the Senate February 19, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 86.

[S. B. 140.]

STATE COLLEGE OF WASHINGTON—FOREST TREE NURSERY.

AN ACT relating to forests and forest products, establishing a forest tree nursery at the State College of Washington at Pullman for the production, distribution and exchange of forest planting stock and seeds for reforestation, and for research and educational purposes, and making an appropriation therefor.

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

Establishment by board of regents.

SECTION 1. The board of regents of the State College of Washington is hereby authorized to establish and maintain at the State College of Washington, Pullman, Washington, a forest tree nursery for the production, distribution and exchange of forest planting stock and seeds for industrial reforestation, for experimental work and research, and for educational purposes.

Location.

SEC. 2. The forest tree nursery may be located on the college farm or at such place in or near Pullman as the board of regents may determine.

Appropriation.

SEC. 3. There is hereby appropriated from the general fund the sum of forty-five thousand nine hundred and fifteen dollars (\$45,915) or as much as may be necessary for carrying out the provisions of this act.

Revolving fund.

SEC. 4. All receipts from the sale and exchange of such planting stock and seeds shall be deposited in a forest tree nursery revolving fund to be maintained by the board of regents, which is hereby authorized to use such fund for the maintenance of such forest tree nursery and for other purposes authorized by this act.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 87.

[S. B. 172.]

FILING OF MAPS OF MINES.

AN ACT requiring the filing of maps of mines with the State Division of Mines and Geology of the Department of Conservation and Development, and amending section 56 of chapter 36 of the Laws of 1917 (Remington's Revised Statutes 8691, Pierce's Perpetual Code 742-233).

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

SECTION 1. Section 56 of chapter 36 of the Laws of 1917 (Rem. Rev. Stat. 8691, PPC 742-233) is hereby amended to read as follows:

Section 56. The original or true copies of all such maps shall be kept in the office of the mine, and prints thereof shall also be furnished to the mine inspector, and to the Division of Mines and Geology of the Department of Conservation and Development. The maps so delivered to the inspector shall be the property of the state, and shall remain in the custody of the inspector during the term of his office, and be delivered by him to his successor in office; they shall be kept at the office of the inspector, and be open only to the inspector or his deputy for his examination, and he shall not permit any copies of the same to be made. The maps delivered to the Division of Mines and Geology shall be the property of the state and be kept in the custody of the supervisor of the division as a permanent record in his files, and shall be held as confidential information unless released by written permission of the owner or operator.

Maps to
be state
property
and so kept.

Passed the Senate February 27, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 88.

[S. B. 190.]

APPROPRIATION FROM STATE GAME FUND.

AN ACT making an appropriation from the state game fund for purposes of reimbursing certain individuals for claims against the State of Washington arising out of the game department predatory control program.

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

SECTION 1. By reason of the actions of the state game department in the control and elimination of certain undesirable types of predators through poisoning during the fiscal biennium April 1, 1945, and ending March 31, 1947, the hereinafter named individuals have claimed damages resulting from unintentional poisoning of dogs used for domestic and livestock purposes. The correctness and validity of the claims totaling one thousand four hundred ten dollars (\$1410) have been approved by the state game commission at its regular October 6, 1946, meeting in the amounts as hereinafter set forth opposite the names of the respective claimants.

Claims for damages approved.

Claimants entitled.

Claimant	Approved by State Game Commission
Mrs. Ralph Champ, Winlock, Wn.....	\$50.00
John Axel Erickson, Winlock, Wn.....	25.00
Mrs. Elma Herren, Winlock, Wn.....	75.00
Marilyn Johnson, Winlock, Wn.....	50.00
Donald C. Lutts, Winlock, Wn.....	50.00
Carl L. Maki, Winlock, Wn.....	50.00
J. J. McKnight, Winlock, Wn.....	50.00
Wayne Monroe, Winlock, Wn.....	25.00
C. L. Moore, Chehalis, Wn.....	50.00
C. C. Nicewonger, Winlock, Wn.....	100.00
E. H. Norman, Chehalis, Wn.....	100.00
Chas. Ollie, Winlock, Wn.....	100.00
Otto Emil Ollie, Winlock, Wn.....	100.00
Mrs. Edith Walls, Winlock, Wn.....	35.00
Joel W. Byrnes, Touchet, Wn.....	50.00
Kenneth W. Byrnes, Touchet, Wn.....	50.00
Total	
	\$1,410.00

SEC. 2. There is hereby appropriated to the department of game from the state game fund the sum

of one thousand four hundred ten dollars (\$1,410), which money the said department is hereby authorized and directed to disburse to and pay the claimants named above in the respective amounts set opposite the name of each claimant.

Appropriation.

SEC. 3. This act is necessary for the preservation of the public peace, health and safety and the immediate support of the state government and its existing institutions.

Effective immediately.

Passed the Senate February 19, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 89.

[S. B. 220.]

DISPLAY OF VEHICLE LICENSE NUMBER PLATES.

AN ACT relating to motor vehicles and the display of vehicle license number plates; amending section 36, chapter 188, Laws of 1937 (sec. 6312-36, Rem. Rev. Stat.; sec. 290-43, PPC).

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

SECTION 1. Section 36, chapter 188, Laws of 1937 (sec. 6312-36, Rem. Rev. Stat.; sec. 290-43, PPC) is amended to read as follows:

Section 36. The vehicle license number plates shall be attached conspicuously at the front and rear of each vehicle for which the same are issued and in such a manner that they can be plainly seen and read at all times. Each vehicle license number plate shall be placed or hung in a horizontal position at a distance of not less than one foot nor more than four feet from the ground and shall be kept clean so as to be plainly seen and read at all times: *Provided, however,* That in cases where the body construction of the vehicle is such that compliance with this act is impossible, permission to deviate therefrom may

To be kept plainly visible.

Commission
may permit
deviation.
Unlawful
acts.

be granted by the state commission on equipment. It shall be unlawful to display upon the front or rear of any vehicle, vehicle license number plate or plates other than those furnished by the Director of Licenses for such vehicle or to display upon any vehicle any vehicle license number plate or plates which have been in any manner changed, altered, disfigured or have become illegible. It shall be unlawful for any person to operate any vehicle unless there shall be displayed upon such vehicle two valid vehicle license number plates attached as herein provided.

Passed the Senate February 22, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 90.

[S. B. 311.]

REMITTING CERTAIN PENALTIES FROM SAVINGS AND
LOAN ASSOCIATIONS AND CREDIT UNIONS.

AN ACT remitting certain penalties from savings and loan associations and credit unions for delayed filing of reports.

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

Waiver
by state.

SECTION 1. The State of Washington hereby waives and remits all penalties unpaid on the effective date hereof due from savings and loan associations and credit unions for delay prior to March 31, 1945, in the filing of reports required by statute. The State of Washington further remits all penalties unpaid on the effective date hereof in excess of one dollar (\$1) per day of delay or a total of twenty-five dollars (\$25) due from credit unions for delay subsequent to March 31, 1945, in filing reports required by statute.

Passed the Senate March 1, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 91.

[S. S. B. 226.]

RELATING TO FIREMEN OF CITIES AND TOWNS.

AN ACT relating to firemen of cities and towns; establishing and creating a firemen's relief and pension system and a pension fund in certain cities and towns; providing for the maintenance of and contributions and payments thereto, and for distribution of and payments therefrom; providing for the administration of the act; repealing chapter 50, Laws of 1909; chapter 196, Laws of 1919; chapter 86, Laws of 1929, and chapter 39, Laws of 1935 (secs. 9559-9578, incl., Rem. Rev. Stat.; secs. 396-1 to 396-43, incl., PPC) and all other acts or parts of acts in conflict herewith; and declaring that the act shall take effect as of April 1, 1947.

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

SECTION 1. For the purpose of this act, unless clearly indicated by the context, words and phrases shall have the following meaning: Definitions.

(1) "Beneficiary" shall mean any person or persons designated by a fireman in a writing filed with the board, and who shall be entitled to receive any benefits of a deceased fireman under this act. "Beneficiary."

(2) "Board" shall mean the Municipal Firemen's Pension Board. "Board."

(3) "Child or children" shall mean a child or children unmarried and under eighteen (18) years of age. "Child or children."

(4) "Contributions" shall mean and include all sums deducted from the salary of firemen and paid into the fund as hereinafter provided. "Contributions."

(5) "Disability" shall mean and include injuries or sickness sustained as a result of the performance of duty. "Disability."

(6) "Fireman" shall mean any person regularly or temporarily, or as a substitute, employed and paid as a member of a fire department, who has passed a Civil Service Examination for fireman and who is actively employed as a fireman; and shall include any "prior fireman." "Fireman."

"Fire Department."

(7) "Fire Department" shall mean the regularly organized, full-time, paid, and employed force of firemen of the municipality.

"Fund."

(8) "Fund" shall mean the Firemen's Pension Fund created herein.

"Municipality."

(9) "Municipality" shall mean every city and town having a regularly organized full-time, paid, fire department employing firemen.

"Performance of Duty."

(10) "Performance of Duty" shall mean the performance of work and labor regularly required of firemen and shall include services of an emergency nature rendered while off regular duty, but shall not include time spent in traveling to work before answering roll call or traveling from work after dismissal at roll call.

"Prior Fireman."

(11) "Prior Fireman" shall mean a fireman who was actively employed as a fireman of a fire department prior to the first day of January, 1947, and who continues such employment thereafter.

"Retired Fireman."

(12) "Retired Fireman" shall mean and include a person employed as a fireman and retired under the provisions of chapter 50, Laws of 1909, as amended.

"Widow."

(13) "Widow" means the surviving wife of a retired fireman who was retired on account of length of service and who was lawfully married to such fireman; and whenever that term is used with reference to the wife or former wife of a retired fireman who was retired because of disability, it shall mean his lawfully married wife on the date he sustained the injury or contracted the illness that resulted in his disability. Said term shall not mean or include a surviving wife who by process of law within one year prior to the retired fireman's death, collected or attempted to collect from him funds for the support of herself or her children.

Board created.

SEC. 2. There is hereby created in each municipality a Municipal Firemen's Pension Board to consist of, ex officio, the mayor, who shall be chairman

of the board, the city comptroller, clerk, the chairman of finance of the city council, or if there is no chairman of finance, the city treasurer, and in addition, two regularly employed firemen elected by secret ballot of the firemen. The first members to be elected by the firemen shall be for a term of one and two years, respectively, and their successors shall be elected annually for a two year term. In case a vacancy occurs in the membership of the firemen members, the members of the fire department shall in the same manner elect a successor to serve his unexpired term. The board may select and appoint a secretary who may, but need not be a member of the board. In case of absence or inability of the chairman to act, the board may select a chairman pro tempore who shall during such absence or inability perform the duties and exercise the powers of the chairman. A majority of the members of said board shall constitute a quorum and have power to transact business.

Members.

Terms.

Vacancies.

Secretary.

Quorum.

SEC. 3. The board shall meet at least once monthly, the date to be fixed by regulation of the board, at such other regular times as may be fixed by a regulation of the board; and at any time upon call of the chairman, of which due advance notice shall be given the other members of the board.

Meetings.

SEC. 4. The board shall have such general powers as are vested in it by the provisions of this act, and in addition thereto, the power to:

Powers.

(1) Generally supervise and control the administration of this act and the Firemen's Pension Fund created hereby.

General supervision.

(2) Pass upon and allow or disallow all applications for pensions or other benefits provided by this act.

Pass on applications.

(3) Provide for payment from said fund of necessary expenses of maintenance and administration of said pension system and fund.

Pay for administration.

Invest the monies of the fund.

(4) Invest the monies of the fund in such securities of the United States, state, municipal corporations and other public bodies as are designated by the Laws of the State of Washington as lawful investments for funds of mutual savings banks; and in any bonds or warrants, including local improvement bonds or warrants issued under the state local improvement guaranty fund law, or in utility bonds or warrants issued by the municipality operating the fund.

Employ personnel.

(5) Employ such agents, employees and other personnel as the board may deem necessary for the proper administration of this act.

Hold hearings.

(6) Compel witnesses to appear and testify before it, in the same manner as is or may be provided by law for the taking of depositions in the Superior Court. Any member of the board may administer oaths to witnesses who testify before the board of a nature and in a similar manner to oaths administered by Superior Courts of the State of Washington.

Pay claims.

(7) Issue vouchers approved by the chairman and secretary and to cause warrants therefor to be issued and paid from said fund for the payment of claims allowed by it.

Keep records.

(8) Keep a record of all its proceedings, which record shall be public; and prepare and file with the City Treasurer and City Clerk or comptroller prior to the date when any payments are to be made from the fund, a list of all persons entitled to payment from the fund, stating the amount and purpose of such payment, said list to be certified to and signed by the chairman and secretary of the board and attested under oath.

Make rules.

(9) Make rules and regulations not inconsistent with this act for the purpose of carrying out and effecting the same.

Appoint physicians.

(10) Appoint one or more duly licensed and practicing physicians who shall examine and report to the board upon all applications for relief and pen-

sion under this act. Such physicians shall visit and examine all sick and disabled firemen when, in their judgment, the best interests of the relief and pension fund require it or when ordered by the board. They shall perform all operations on such sick and injured firemen and render all medical aid and care necessary for the recovery of such firemen on account of sickness or disability received while in the performance of duty as defined in this act. Such physicians shall be paid from said fund, the amount of said fees or salary to be set and agreed upon by the board and the physicians. No physician not regularly appointed or specially appointed and employed, as hereinafter provided, shall receive or be entitled to any fees or compensation from said fund as attending physician to a sick or injured fireman. If any sick or injured fireman refuses the services of the appointed physicians, or the specially appointed and employed physician, he shall be personally liable for the fees of any other physician employed by him. No person shall have a right of action against the board or the municipality for negligence of any physician employed by it. The board shall have the power and authority to select and employ, besides the regularly appointed physician, such other physician, surgeon or specialist for consultation with, or assistance to the regularly appointed physician, or for the purpose of performing operations or rendering services and treatment in particular cases, as it shall deem advisable, and to pay fees for such services from said fund. Said board shall hear and decide all applications for such relief or pensions under this act, and its decisions on such applications shall be final and conclusive and not subject to revision or reversal except by the board.

Duties of
physicians.

Payment of
physicians.

Employ
other
medical
personnel.

Board's
decision
final.

SEC. 5. There is hereby created and established in the treasury of each municipality a fund which shall be known and designated as the Firemen's

Firemen's pension fund.

Pension Fund, which shall consist of (1) all bequests, fees, gifts, emoluments or donations given or paid thereto, (2) forty-five per cent (45%) of all monies received by the state from taxes on fire insurance premiums, (3) taxes paid pursuant to the provisions of section six (6) hereof, (4) interest on the investments of the fund, (5) contributions by firemen as provided for herein.

One mill tax levy.

SEC. 6. It shall be the duty of the legislative authority of each municipality, each year as a part of its annual tax levy, to levy and place in the fund a tax of one mill on all the taxable property of such municipality: *Provided*, That should the estimated amount to be raised by said levy of one mill, together with other estimated income be insufficient to meet the estimated requirements of the fund then there shall be levied such additional tax, not to exceed one mill, as will meet said requirements: *Provided further*, That said additional levy may be in addition to the city fifteen mill levy limit now provided by law.

Additional levy.

Contributions after January, 1947.

SEC. 7. (a) Every fireman employed on and after January 1st, 1947, shall contribute to the fund and there shall be deducted from his pay and placed in the fund an amount in accordance with the following table:

Table.

Fireman Whose Age at Last Birthday at Time of Entry of Service was:	Contributions and Deductions from Salary
21 and under	5.00%
22	5.24%
23	5.50%
24	5.77%
25	6.07%
26	6.38%
27	6.72%
28	7.09%
29	7.49%
30 and over	7.92%

Contributions prior to January, 1947.

(b) Every fireman employed prior to January 1st, 1947, and continuing active employment shall contribute to the fund and there shall be deducted

from his salary and placed in the fund, five per cent (5%) of his salary.

(c) Every fireman actively employed and eligible for retirement and not retired shall contribute to the fund and there shall be deducted from his salary and placed in the fund, four per cent (4%) of his salary.

Contribution when eligible for retirement.

SEC. 8. (a) Any fireman employed in a fire department on and subsequent to the 1st day of January, 1947, hereinafter in this section referred to as "fireman", and who shall have served twenty-five (25) or more years and having attained the age of fifty-five (55) years, as a member of the fire department, shall be eligible for retirement and shall be retired by the board upon his written request. Upon his retirement any fireman shall be paid a pension based upon the average monthly salary drawn for the five (5) calendar years before retirement, the number of years of his service and a percentage factor based upon his age on entering service, as follows:

Retirement.

Pension.

Entrance Age at Last Birthday	Salary Percentage Factor	Salary percentage factor.
20 and under	1.50%	
21	1.55%	
22	1.60%	
23	1.65%	
24	1.70%	
25	1.75%	
26	1.80%	
27	1.85%	
28	1.90%	
29	1.95%	
30 and over	2.00%	

Said monthly pension shall be in the amount of his average monthly salary for the five (5) calendar years before retirement, times the number of years of service, times the applicable percentage factor.

Maximum pension.

(b) No monthly pension or benefit shall be paid in excess of one hundred twenty-five dollars (\$125.00).

Payments to widow, children, or beneficiary.

(c) Widow, child, children or beneficiary of any fireman retired under this section shall receive an amount equal to his accumulated contributions to the fund, plus earned interest thereon, compounded semi-annually: *Provided, however,* There shall be deducted from said sum the amount paid to decedent in pensions and such remainder shall be paid to his widow, child, children or beneficiary: *Provided,* That the amount paid shall not be less than one thousand dollars (\$1,000).

Death when eligible but not retired.

(d) Whenever any fireman shall die while eligible to retirement on account of years of service, and shall not have been retired, benefits shall be paid in accordance with sub-division (c) of this section.

Death in line of duty.

(e) Whenever any active fireman or fireman retired for disability shall die as the result of an accident or other fortuitous event occurring while in the performance of his duty, his widow may elect to accept a monthly pension equal to one-half the deceased fireman's salary but in no case in excess of one hundred twenty-five dollars (\$125) per month, or the sum of five thousand dollars (\$5,000) cash. The right of election must be exercised within sixty (60) days of the fireman's death. If not so exercised, the pension benefits shall become fixed and shall be paid from the date of death. Such pension shall cease if, and when, she remarries. If there be no widow, then such pension benefits shall be paid to his child or children.

Election by widow.

Disability incurred in line of duty.

(f) 1. Any fireman who shall become disabled as a result of the performance of his duty or duties as defined in this act, may be retired at the expiration of six (6) months from the date of his disability, upon his written request filed with his retirement board. The board may upon such request being filed, consult such medical advice as it sees fit, and may have the applicant examined by such physicians as it deems desirable. If from the reports of such physi-

Retirement upon request.

cians the board finds the applicant capable of performing his duties in the fire department, the board may refuse to recommend his retirement.

2. If the board deems it for the good of the fire department or the pension fund, it may recommend the applicant's retirement without any request for same by him, after giving him a thirty (30) days notice. Upon his retirement he shall be paid a monthly disability pension in amount equal to one-half ($\frac{1}{2}$) of his monthly salary at date of retirement, but which shall not exceed one hundred twenty-five dollars (\$125) a month. If he recover from his disability he shall thereupon be restored to active service, with the same rank he held when he retired.

Involuntary retirement with disability.

3. If the fireman die during disability and not as a result thereof, paragraph (j) of this section shall apply.

Death during disability.

(g) Any fireman who has served more than fifteen (15) years and sustains a disability not in the performance of his duty which renders him unable to continue his service, shall within sixty (60) days exercise his choice either to receive his contribution to the fund, plus earned interest compounded semi-annually, or be retired and paid a monthly pension based on the factor of his age shown in section (8) hereof, times his average monthly salary as a member of the fire department of his municipality at the date of his retirement, times the number of years of service rendered at the time he sustained such disability. If such fireman shall die leaving surviving him a wife, or child or children, then such wife, or if he leaves no wife, then his child or children shall receive the sum of his contributions, plus accumulated compound interest, and such payment shall be reduced in the amount of the payments made to deceased.

Disability not incurred in line of duty.

Option.

Death after incurring disability.

(h) Any fireman who has served twenty (20) years or more and who shall resign or be dismissed, shall have the option of receiving all his contribu-

Resignation or dismissal after twenty years' service.

Option.

Election.

Death before age 55.

Death after age 55.

Resignation or dismissal before 20 years' service.

Death after 4 years' service.

tions plus earned interest compounded semi-annually, or a monthly pension in the amount of his average monthly salary times the number of years of service rendered, times one and one-half per cent (1.5%). Payment of such pension shall commence at the time of severance from the fire department, or at the age of fifty-five (55) years, whichever shall be later. The fireman shall have sixty (60) days from the severance date to elect which option he will take. In the event he fails to exercise his right of election then he shall receive the amount of his contributions plus accrued compounded interest. In the event he elects such pension, but dies before attaining the age of fifty-five (55), his widow, or if he leaves no widow, then his child or children shall receive only his contribution, plus accrued compounded interest. In the event he elects to take a pension and dies after attaining the age of fifty-five (55), his widow, or if he leave no widow, then child or children shall receive his contribution, plus accrued compounded interest, less the amount of pension payments made to such fireman during his lifetime.

(i) Any fireman who shall have served for a period of less than twenty (20) years, and shall resign or be dismissed, shall be paid the amount of his contributions, plus accrued compounded interest.

(j) Whenever any fireman, after four (4) years of service, shall die from natural causes, or from an injury not sustained in the performance of his duty and for which no pension is provided for in this act, and who has not been retired on account of disability, his widow, if she was his wife at the time he was stricken with his last illness, or at the time he received the injuries from which he died; or if there be no such widow, then his child or children shall be entitled to the amount of his contributions, plus accrued compounded interest, or the sum of one thousand dollars (\$1,000), whichever

sum shall be the greater; provided in case of death as above stated, before the end of four (4) years of service, an amount based on the proportion of the time of service to four (4) years shall be paid such beneficiaries.

(k) Whenever a fireman dies leaving no widow or children, the amount of his accumulated contributions, plus accrued compounded interest only, shall be paid his beneficiary. Payment to beneficiary.

(l) Upon the death of any active, disabled or retired fireman the board shall pay from the fund the sum of two hundred dollars (\$200) to assist in defraying the funeral expenses of such fireman. Funeral expenses.

(m) No fireman disabled in the performance of duty shall receive a pension until six (6) months has elapsed after such disability was sustained. Disability pension after 6 months.

Therefore, whenever the retirement board, pursuant to examination by the board's physician and such other evidence as it may require, shall find a fireman has been disabled while in the performance of his duties, it shall declare him inactive. For a period of six (6) months from the time he became disabled, he shall continue to draw full pay from his municipality and in addition thereto he shall, at the expense of the municipality, be provided with such medical, hospital and nursing care as the retirement board deems proper. If the board find at the expiration of six (6) months that the fireman is unable to return to and perform his duties, then he shall be retired as herein provided. Full pay for 6 months.

SEC. 9. The board shall require all firemen receiving disability pensions to be examined every six (6) months. All such examinations shall be made by physicians duly appointed by the board. If a fireman shall fail to submit to such examination within ten (10) days of having been so ordered in writing by said retirement board all pensions or benefits paid to said fireman under this act, shall Medical expense.

Examination after disability.

Failure to submit to examination.

Restoration
to duty.

immediately cease [cease] and the disbursing officer in charge of such payments shall issue no further payments to such fireman. If such fireman fails to present himself for examination within thirty (30) days after being ordered so to do, he shall forfeit all rights under this act. If such fireman, upon examination as aforesaid, shall be found fit for service, he shall be restored to duty in the same rank held at the time of his retirement, or if unable to perform the duties of said rank, then, at his request, in such other rank, the duties of which he is then able to perform. The board shall thereupon so notify the fireman and shall require him to resume his duties as a member of the fire department. If, upon being so notified, such member shall fail to report for employment within ten (10) days, he shall forfeit all rights to any benefits under this act.

Failure
to report.

Money
transferred
to Fire-
men's Pen-
sion Fund.

SEC. 10. (a) Funds or assets on hand in the Firemen's Relief and Pension Fund of any municipality established under the provisions of chapter 50, Laws of 1909, as amended, after payment of warrants drawn upon and payable therefrom, shall, by the city treasurer, be transferred to and placed in the Firemen's Pension Fund created by this act; and the Firemen's Pension Fund created by this act shall be liable for and there shall be paid therefrom in the order of their issuance any and all unpaid warrants drawn upon said Firemen's Relief and Pension Fund.

New fund
liable for
obligations
of old fund.

(b) Any monies loaned or advanced by a municipality from the general or any other fund of such municipality to the Firemen's Relief and Pension Fund created under the provisions of chapter 50, Laws of 1909, as amended, and not repaid shall be an obligation of the Firemen's Pension Fund created under this act, and shall at such times and in such amounts as is directed by the board be repaid.

SEC. 11. Any person who was a member of the fire department and within the provisions of chapter 50, Laws of 1909, as amended, at the time he entered, and who served in the Armed Forces of the United States in times of war, and who has been discharged therefrom under conditions other than dishonorable, shall have added and accredited to his period of employment as a fireman as computed under this act his period of war service in such Armed Forces upon payment by him of his contribution for the period of his absence, at the rate provided by chapter 50, Laws of 1909, as amended, for other members: *Provided, however,* Such accredited service shall not in any case exceed five (5) years.

Service in
armed
forces.

SEC. 12. Chapter 50, Laws of 1909; chapter 196, Laws of 1919; chapter 86, Laws of 1929, and chapter 39, Laws of 1935 (secs. 9559 to 9578, incl., Rem. Rev. Stat.; secs. 396-1 to 396-43, incl., PPC) and all other acts or parts of acts in conflict herewith are hereby repealed: *Provided,* That the repeal of said laws shall not affect any "prior fireman", his widow, child or children, any fireman eligible for retirement but not retired, his widow, child or children, or the rights of any retired fireman, his widow, child or children, to receive payments and benefits from the Firemen's Pension Fund created under this act, in the amount, and in the manner provided by said laws which are hereby repealed and as if said laws had not been repealed.

Repealed
statutes.

Saving
clause.

SEC. 13. If any clause, part or section of this act shall be adjudged in violation of the constitution, or for any reason invalid, such judgment shall not affect nor invalidate the remainder of the act, nor any other clause, part or section thereof, but such judgment shall be confined in its operation to the clause, part or section directly involved in the controversy in which such judgment was rendered, and

Constitu-
tionality.

Severability.

the balance of the act shall remain in full force and effect.

Emergency.

SEC. 14. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions and shall be effective on and after April 1, 1947.

Passed the Senate February 28, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 92.

[H. B. 12.]

RELATING TO BOARD OF PRISON TERMS AND PAROLES.

AN ACT relating to the powers of the Board of Prison Terms and Paroles, and amending section 2, chapter 114, Laws of 1935 (sec. 10249-2, Rem. Rev. Stat.; sec. 782-5, PPC); also amending chapter 114, Laws of 1935 by adding thereto a new section, to be known as Section 2-A.

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

SECTION 1. Section 2, chapter 114, Laws of 1935 (sec. 10249-2, Rem. Rev. Stat.; sec. 782-5, PPC) is amended to read as follows:

Sentence for certain felonies.

Section 2. When a person is convicted of any felony, except treason, murder in the first degree, or of carnal knowledge of a child under ten years, and a new trial is not granted, the court shall sentence such person to the penitentiary, or, if the law allows and the court sees fit to exercise such discretion, to the reformatory, and shall fix the maximum term of such person's sentence only. The maximum term to be fixed by the court shall be the maximum provided by law for the crime of which such person was convicted, if the law provides for a maximum term; if the law does not provide a maximum term for the crime for which such person was

When maximum term fixed by law.

convicted, the court shall fix such maximum term, which may be for any number of years up to and including life imprisonment: *Provided, however,* That in any case where such maximum term is fixed by the court the maximum term shall be fixed at not less than twenty (20) years.

When
maximum
term fixed
by court.

If the sentence of a person so convicted is not suspended by the court, it is hereby made the duty of the superintendent of the penitentiary and the superintendent of the reformatory to receive such a person, if committed to his respective institution, and to imprison him or her until released under the provisions of this act or through the action of the Governor.

Must be
imprisoned.

After the admission of such convicted person to the penitentiary or reformatory, as the case may be, it shall be the duty of the Board of Prison Terms and Paroles to obtain from the sentencing judge and the prosecuting attorney, a statement of all the facts concerning such convicted person's crime and any other information of which they may be possessed relative to such convicted person, and it shall be the duty of the sentencing judge and the prosecuting attorney to furnish the Board of Prison Terms and Paroles with such information. It shall also be the duty of the sentencing judge and the prosecuting attorney to indicate to the Board of Prison Terms and Paroles, for its guidance, what, in their judgment, should be the duration of such convicted person's imprisonment.

Information
and recom-
mendation
to Board.

Within six (6) months after the admission of such convicted person to the penitentiary or the reformatory, as the case may be, the Board of Prison Terms and Paroles shall fix the duration of his or her confinement. The term of imprisonment so fixed shall not exceed the maximum provided by law for the offense for which he or she was convicted or the maximum fixed by the court, where the law does not provide for a maximum term.

Fixing
minimum
sentence.

When credit on sentence starts.

When a convicted person appeals from his or her conviction and is at liberty on bond pending the determination of his or her appeal by the Supreme Court, credit on his or her sentence will begin from the date of the remittitur. In all other cases, credit on a sentence will begin from the date the judgment and sentence is signed by the court.

Revocation and redetermination of minimum sentence.

In case any convicted person undergoing sentence in the penitentiary or the reformatory commits any infractions of the rules and regulations of the penitentiary or the reformatory, as the case may be, the Board of Prison Terms and Paroles may revoke any order theretofore made determining the length of time such convicted person shall be imprisoned and make a new order determining the length of time he or she shall serve, not exceeding the maximum penalty provided by law for the crime for which he or she was convicted, or the maximum fixed by the court. Such revocation and redetermination shall not be had except upon a hearing upon the question of the infraction of the rules charged to such convicted person before the Board of Prison Terms and Paroles. At such hearing the convicted person, unless outside the walls of the penitentiary or the reformatory, as an escapee and fugitive from justice, shall be present and entitled to be heard and may present evidence and witnesses in his behalf.

Hearing.

Superintendent of penal institution to make report on possibility of rehabilitation.

After a person has been confined in the state penitentiary for seven (7) years or in the State Reformatory for three (3) years, the superintendent of the penitentiary or of the reformatory, as the case may be, upon his own initiative or at the request of the Board of Prison Terms and Paroles shall cause a thorough analysis and report of the convicted person's prospects for rehabilitation to be made. If, based thereon, the superintendent so recommends, the Board of Prison Terms and Paroles, after such further investigation as it deems necessary, may reconsider its previous determination as to the dura-

tion of confinement of the convicted person, and subject to the limitations contained in paragraphs (a), (b), and (c) of this section, may adjust the duration downward.

Adjust
minimum
sentence.

Any convicted person undergoing sentence in the penitentiary or the reformatory, not sooner released under the provisions of this act, shall, in accordance with the provisions of existing law, be discharged from custody on serving the maximum punishment provided by law for the offense of which such person was convicted, or the maximum term fixed by the court where the law does not provide for a maximum term.

Release after
serving
maximum
sentence.

The following limitations will be placed on the Board of Prison Terms and Paroles with regard to fixing the duration of confinement in certain cases, notwithstanding any provisions of the law specifying a lesser sentence, to wit:

Certain
minimum
sentences.

(a) For a person not previously convicted of a felony but armed with a deadly weapon either at the time of the commission of his or her offense, or concealed deadly weapon at the time of his or her arrest, the duration of such person's confinement shall not be fixed at less than five years;

Armed with
deadly
weapon,
not previ-
ously con-
victed of
a felony.

(b) For a person previously convicted of a felony either in this state or elsewhere and who was armed with a deadly weapon at the time of the commission of his or her offense, or a concealed deadly weapon at the time of his or her arrest, the duration of such person's confinement shall not be fixed at less than seven and one half (7½) years.

Armed with
deadly
weapon,
previously
convicted of
a felony.

The words "deadly weapon" as used in this section are hereby defined to include any instrument known as a black-jack, sling shot, billy, sand club, sand bag, metal knuckles, any dirk, dagger, pistol, revolver or any other firearm, any knife having a blade longer than three (3) inches, any razor with an unguarded blade and any metal pipe or bar used or intended to be used as a club, any explosive, and

"Deadly
weapon."

Inmates
under 21
years of age.

any weapon containing poisonous or injurious gas: *Provided further*, That any inmate of the reformatory who is under the age of twenty-one (21) years at the time of the commission of the crime may be paroled by the board without regard to the limitations set forth in this section.

Habitual
criminals.

(c) For a person convicted of being an habitual criminal within the meaning of the statute which provides for mandatory life imprisonment for such habitual criminals, the duration of such person's confinement shall not be fixed at less than fifteen (15) years. The board shall retain jurisdiction over such convicted person throughout his natural life unless the Governor by appropriate executive action shall order otherwise.

Prison
labor.

The Board of Prison Terms and Paroles shall require of every able-bodied convicted person imprisoned in the penitentiary or the reformatory as many hours of faithful labor in each and every day during his or her term of imprisonment as shall be prescribed by the rules and regulations of the institution in which he or she is confined.

Time credit
reductions
after recom-
mendation
by super-
intendent.

Every prisoner who has a favorable record of conduct at the penitentiary or the reformatory, as the case may be, or the laws of the state, and who performs in a faithful, diligent, industrious, orderly and peaceable manner the work, duties and tasks assigned to him to the satisfaction of the superintendent of the penitentiary or the reformatory, as the case may be, and in whose behalf the superintendent of the penitentiary or reformatory shall file a report certifying that his or her conduct and work have been meritorious and recommending allowance of time credits to him or her, shall upon, but not until, the adoption of such recommendation by the Board of Prison Terms and Paroles, be allowed time credit reductions from the term of imprisonment fixed by the Board of Prison Terms and Paroles.

(d) Any person who shall have been convicted of embezzling funds from any institution of public deposit of which he was an officer or stockholder such person's confinement shall be fixed at not less than five (5) years.

Embezzlement.

SEC. 2. Chapter 114, Laws of 1935 is amended by adding thereto a new section to be known as section 2-A, reading as follows:

Section 2-A. The provisions of this act as amended, so far as applicable, shall apply to all convicted persons now serving time in the penitentiary or reformatory, to the end that at all times the same provisions relating to sentences, imprisonments, and paroles of prisoners shall apply to all inmates thereof; and the Board of Prison Terms and Paroles shall proceed within a reasonable time to determine minimum sentences for persons convicted of being an habitual criminal within the meaning of the statute which provides for mandatory life imprisonment for such habitual criminals, taking into consideration time already served by such habitual criminals.

Act applies to all convicts.

Determining minimum sentences for habitual criminals.

Passed the House February 7, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 93.

[H. B. 65.]

PUBLIC HOSPITAL DISTRICTS.

AN ACT relating to public hospital districts and amending section 2, chapter 264, Laws of 1945 (sec. 6090-31, Rem. Rev. Stat.; sec. 636-72 (53), PPC).

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

SECTION 1. Section 2, chapter 264, Laws of 1945 (sec. 6090-31, Rem. Rev. Stat.; sec. 636-72 (53), PPC) is hereby amended to read as follows:

May be established in counties under 25,000 population.

Section 2. Municipal Corporations, to be known as Public Hospital Districts, are hereby authorized and may be established within the State of Washington in counties having less than 25,000 population as determined by the last preceding decennial Federal census.

Passed the House February 15, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 94.

[H. B. 79.]

SALARY OF STATE LAW LIBRARIAN.

AN ACT relating to the State Law Librarian; fixing the salary and amending section 1, chapter 239, Laws of 1927 (sec. 10971-1, Rem. Rev. Stat.; sec. 941-11 PPC), and providing that this act shall take effect on April 1, 1947.

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

SECTION 1. Section 1, chapter 239, Laws of 1927, is amended to read as follows:

\$6,000 per annum.

Section 1. The salary of the State Law Librarian shall be six thousand dollars (\$6,000) per annum.

Emergency.

SEC. 2. This act is necessary for the support of the state government and its existing public institutions and shall take effect on April 1, 1947.

Passed the House March 6, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 95.

[S. H. B. 108.]

HOSPITAL FACILITIES—STATE COLLEGE OF WASHINGTON.

AN ACT relating to education and health, and authorizing the Board of Regents of the State College of Washington to enter into leases and contracts in order to provide adequate hospital facilities for the students of said college and the public.

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

SECTION 1. The Board of Regents of the State College of Washington is hereby granted authority to enter into such contracts, leases, or agreements as may be necessary to provide adequate medical, health, and hospital service for students of the State College of Washington and the people of the surrounding community and to provide adequate practice facilities for students enrolled in nursing courses.

May enter into contracts, leases, etc.

SEC. 2. The Board of Regents may lease lands, buildings, or other facilities from or to nonprofit corporations or associations, and may enter into such contracts and agreements with such units, agencies, corporations, or associations as will promote the intents and purposes of this act.

May contract with non-profit corporations.

Passed the House February 28, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 96.

[H. B. 118.]

RELATING TO PUBLIC HIGHWAYS.

AN ACT relating to public highways; and primary and secondary highways through cities and towns; and amending section 60, chapter 187, Laws of 1937 as last amended by chapter 82, Laws of 1943 (sec. 6450-60, Rem. Rev. Stat.; sec. 604-1, PPC).

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

Distribution
to cities
and towns.

SECTION 1. Section 60, chapter 187, Laws of 1937 as last amended by chapter 82, Laws of 1943 (sec. 6450-60, Rem. Rev. Stat.; sec. 604-1, PPC) is amended to read as follows:

"City Street
Fund."

Disburse-
ment by
cities and
towns.

Funds spent
on streets
forming part
of highway
system.

Section 60. All funds accruing to the credit of incorporated cities and towns in the motor vehicle fund shall be paid monthly to such incorporated cities and towns and shall, by the respective cities and towns, be placed in a fund to be designated as "City Street Fund" and disbursed as authorized and directed by the legislative authority of the city or town, as agents of the State, for salaries and wages, material, supplies, equipment, purchase or condemnation of rights of way, engineering or any other proper highway purpose in connection with the construction, alteration, repair, improvement or maintenance of those city streets of such incorporated cities and towns designated by the Director of Highways as forming a part of the route of a primary or secondary state highway through such incorporated cities and towns, together with the bridges thereon and wharves necessary for ferriage of motor vehicle traffic and therefore essential to the primary or secondary state highway system, and for salaries and wages, material, supplies, equipment, purchase or condemnation of right of way, and engineering, or any other proper highway or street purpose in connection with the construction, alteration, repair, improvement or maintenance of any other city

street or bridge, or viaduct or under passage along, upon or across such streets. Such expenditure may be made either independently or in conjunction with any federal, state or any county funds.

The Director of Highways shall construct, drain, maintain and repair the roadway of all streets designated by the Director of Highways as forming a part of a primary or secondary state highway through any city or town having a population of fifteen hundred (1500) or less, according to the last preceding Federal Census, such construction, maintenance and repair to be done at the expense of the state, and without prejudice to the right of city or town to be paid allocations made to it in the motor vehicle fund. Whenever the surface of any street or highway is damaged or displaced by the city or town or by others under its authority for installation or repair of utilities or for any other purpose, the city or town shall repair or replace the surface as nearly as practicable to its original condition, or cause it to be done by others.

Maintenance of such streets in cities and towns of 1500 or less population.

The Director of Highways is hereby empowered and directed to provide for the maintenance, operation and upkeep of all movable span bridges in the State of Washington within the limits of incorporated cities and towns and located upon those city streets which have been or may be designated by the Director of Highways as forming a part of the route of primary or secondary state highways through such incorporated cities and towns to be paid for from any funds appropriated for the maintenance of primary and secondary state highways and in the manner and to the extent provided in this section. The Director of Highways shall annually and on or before the first day of April of each year determine the extent of the cost of the maintenance, operation, and upkeep of any such movable span bridges to be provided for by the state, which shall be the difference between the

Movable span bridges in cities and towns.

Determination of cost of upkeep.

reasonable cost of maintenance, operation, and upkeep of any such movable span bridges and the reasonable cost of the maintenance and upkeep thereof if they were fixed span bridges, which determination by the Director of Highways shall be conclusive. Upon determination by the Director of Highways of the extent of the cost of the maintenance, operation, and upkeep of any such movable span bridges to be provided for by the state, the Director of Highways shall so certify to the State Auditor, forwarding a copy thereof to the several incorporated cities and towns with respect to such movable span bridge or bridges located therein. The Director of Highways may require that the governing authorities of such incorporated cities and towns maintain, operate and keep up such movable span bridges, to the extent of the maintenance, operation, and upkeep thereof to be provided for by the state, as agents of the state, and the State Auditor shall pay therefor from funds appropriated for the maintenance of primary or secondary state highways upon vouchers therefor approved by the Director of Highways but in no event in excess of the amount determined by the Director of Highways for any one year: *Provided*, That in the event any such movable span bridge located within the limits of incorporated cities and towns has heretofore and in the past been maintained by the county in which such incorporated city or town is located, then such county shall continue such maintenance and the provisions of this section shall apply to such county, and the Director of Highways may require that the governing authorities of such counties maintain, operate and keep up such movable span bridges, to the extent of the maintenance, operation and upkeep thereof to be provided for by the state, as agents of the state, and the State Auditor shall pay therefor from funds appropriated for the maintenance of primary or

Certificate
to State
Auditor.

Payment.

Maintenance
by county.

secondary state highways upon vouchers therefor approved by the Director of Highways, but in no event in excess of the amount determined by the Director of Highways for any one year.

Passed the House February 24, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 97.

[H. B. 161.]

LICENSING AND REGULATION OF MOTOR CARRIERS.

AN Act relating to motor carriers, providing for their licensing and regulation in the transportation of motor vehicles in drive-away and tow-away service and providing for the collection of fees therefor.

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

SECTION 1. It shall be unlawful for any person, firm, partnership, association or corporation to engage in the business of driving or towing new or used unladen motor vehicles and trailers of a type required to be registered under the laws of this state, except a motor carrier licensed under chapter 184, Laws of 1935, as amended, and then only if the motor carrier procures a transporter's license in accordance with the provisions of this act.

Transporter's license required for driving or towing new motor vehicles.

SEC. 2. Application for a transporter's license shall be made on a form provided for that purpose by the Director of Licenses and when executed shall be forwarded to the Director of Licenses together with the proper fee. The application shall contain the name and address of the applicant and such other information as the Director of Licenses may require.

Application.

Information required.

SEC. 3. Upon receiving an application for transporter's license the Director of Licenses, if satisfied that the applicant is entitled thereto, shall issue a

Issuance of license and plates.

proper certificate of license registration and a distinctive set of license plates and shall transmit the fees obtained therefor with a proper identifying report to the State Treasurer, who shall deposit such fees in the motor vehicle fund. The certificate of license registration and license plates issued by the Director of Licenses shall authorize the holder of the license to drive or tow any motor vehicle or trailers upon the public highways.

Original
fee.

SEC. 4. The original fee for a transporter's license shall be twenty-five dollars (\$25). Transporter license number plates bearing an appropriate symbol and serial number shall be used on all vehicles used and operated in the conduct of the business licensed under the provisions of this act. Such plates may be obtained for a fee of two dollars (\$2) for each set. New plates must be procured with each annual renewal.

Fee for
plates.

Renewal of
license.

SEC. 5. A transporter's license shall expire on December 31st of each year and may be renewed by filing a proper application and paying an annual fee of fifteen dollars (\$15).

Display
of plates.

SEC. 6. Transporter's license plates shall be conspicuously displayed on all vehicles transported under their own power or towed by another vehicle. These plates shall not be loaned to or used by any person other than the holder of the license or his employees.

Not trans-
ferable.

Rules and
regulations.

SEC. 7. The Director of Licenses may make any reasonable rules or regulations not inconsistent with the provisions of the act relating to the enforcement and proper operation of the act.

Penalties.

SEC. 8. The violation of any provision of this act shall be a misdemeanor. In addition to any other penalty imposed upon a violator of the provisions of this act, the director may confiscate any transporter

license plates used in connection with such violation.

Passed the House February 8, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 98.

[H. B. 133.]

DISPOSITION OF UNCLAIMED PERSONAL PROPERTY AND MONEY BY PUBLIC OFFICERS.

AN ACT relating to unclaimed personal property and money in the hands of public officers; amending section 1, chapter 70, Laws of 1891 (sec. 8435, Rem. Rev. Stat.; sec. 730-39, PPC), and amending chapter 70, Laws of 1891, by adding thereto four new sections to be designated as sections 3, 4, 5 and 6, respectively.

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

SECTION 1. Section 1, chapter 70, Laws of 1891 (sec. 8435, Rem. Rev. Stat.; sec. 730-39, PPC), is amended to read as follows:

Unclaimed
money
payable
to State
Treasurer
—when.

Section 1. When unclaimed money is in the possession of a public officer to which his office has no claim, and no other provision exists for its disposition, he shall pay it to the State Treasurer and take his receipt therefor. The receipt shall be a full release of the officer from all further liability therefor. The provisions of this section shall not apply to county or precinct officers.

SEC. 2. Chapter 70, Laws of 1891, is amended by adding thereto four new sections to be known as sections 3, 4, 5 and 6, respectively, reading as follows:

Section 3. When unclaimed money or any kind of personal property is in the possession of a county or precinct officer to which his office has no claim, and no other provision exists for its disposition, he shall

Unclaimed
money and
personal
property de-
livered to
county
treasurer
—when.

pay the money or deliver the property to the County Treasurer and take his receipt therefor. Unclaimed property shall include exhibits introduced as evidence in any cause which have been held by a justice of the peace or by the clerk of superior court for more than five years since the final judgment entered in the cause.

Publication
of notice.

Section 4. The County Treasurer shall publish a notice once each week for two successive weeks in a legal newspaper of the county and post copies thereof in three public places therein describing the character of the money or other personal property delivered to him as unclaimed and a short statement of the circumstances connected therewith so far as known. Any person proving to the treasurer his right to the possession thereof may have any such money or property delivered to him upon paying the cost of publication of the notice and a fee of five dollars (\$5).

Delivery of
property.

Sale of
personal
property.

Section 5. At any time subsequent to ten days after the last publication of notice by the County Treasurer of the facts and of the circumstances relating to unclaimed personal property in his possession other than money, if no claim has been made by any one therefor, he shall sell it at public auction for cash pursuant to a notice published by him in a legal newspaper at least ten days before the sale. The notice shall state the day, hour and place of sale and contain a description of the property to be sold.

Proceeds of
sale to cur-
rent expense
fund.

Section 6. The proceeds of all property so sold less the expenses of advertising and sale and all unclaimed money so paid to the treasurer shall by him be placed in the county treasury and credited to the county current expense fund.

Passed the House February 14, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 99.

[H. B. 238.]

RELATING TO FLOOD CONTROL.

AN ACT relating to flood control and amending section 6, chapter 204, Laws of 1941 (sec. 9663F-6, Rem. Rev. Stat.; sec. 564-11, PPC).

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

SECTION 1. Section 6, chapter 204, Laws of 1941 (sec. 9663F-6, Rem. Rev. Stat.; sec. 564-11, PPC) is amended to read as follows:

Section 6. Annual tax estimates and final budgets for flood control purposes by any county, city, town, flood control district, or counties so acting jointly, shall include and separately state the amounts thereof for such purposes under headings of administration, construction, including contributions to Federal and non-Federal flood control projects and maintenance. Each such Local Flood Control Engineer shall on or before the first day of July of each year submit his estimates for flood control construction and maintenance purposes for the ensuing year, to the Commissioners of his flood control district, county, or counties so acting jointly, or the corporate authorities of his city or town. In case state participation is sought such estimates of cost, together with statement of nature of the work to be done, shall be submitted to the Supervisor of Flood Control. The Supervisor of Flood Control shall consider such estimates and determine the amounts necessary for each such county, city, town, or counties so acting jointly, or flood control district, for such purposes, and shall on or before the first day of August of each year submit in writing his recommendations thereon to such Commissioners or other corporate authorities and to the Local Flood Control Engineer. Whenever the final annual tax levy for any county, city,

Budgets for flood control.

Headings.

Submission of estimates.

Duty of Supervisor of Flood Control.

State may participate.

Emergency appropriation.

State participation in emergency work.

town, or counties so acting jointly, or flood control district, shall include the items and amounts as so approved by the Supervisor of Flood Control for maintenance purposes, the State of Washington may participate to the extent of not to exceed one-half of the cost of such approved items for the maintenance of the normal regimen of the stream, or streams, and for works constructed to maintain such condition, but not for the maintenance of dams or other structures for detaining flood waters. Such participation by the state shall be made from appropriations for the Department of Conservation and Development, Division of Flood Control, for flood control purposes. If a flood occurs or threatens, and an expenditure of additional funds is necessary, a county, city, town, counties so acting jointly, or a flood control district may declare an emergency and make an appropriation therefor. The state, in the discretion of the Supervisor of Flood Control, may participate with such county, city, town, counties so acting jointly, or a flood control district, to an extent made necessary by the inability of the political subdivision to provide funds under maximum levies for the cost of the emergency work. The state may participate to an extent of not more than one-half the cost of the flood control, but not more than ten thousand dollars (\$10,000) in any one year, with and in soil conservation districts: *Provided*, That the project has been recommended by the Board of District Supervisors and approved by the Supervisor of Flood Control. The work shall be under the supervision of the local county road engineer, who shall cooperate with any federal or state agency qualified in flood control work.

Passed the House February 11, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 100.

[H. B. 244.]

INVESTMENT OF TRUST FUNDS BY FIDUCIARIES.

AN ACT relating to and regulating investments of trust funds by fiduciaries, amending sections 11, 13, 16, and 17, chapter 41, Laws of 1941 (secs. 3255-11, -13, -16, and -17, Rem. Rev. Stat.; secs. 313-21, -25, -31, and -33, PPC), and repealing sections 1, 2 (as amended by section 1, chapter 114, Laws of 1943), 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15, and 18, chapter 41, Laws of 1941, and section 2, chapter 114, Laws of 1943 (secs. 3255-1, -2, -3, -4, -5, -6, -7, -7a, -8, -9, -10, -12, -14, -15, and -18, Rem. Rev. Stat.; secs. 313-1, -3, -5, -7, -9, -11, -13, -14, -15, -17, -19, -23, -27, -29, and -35, PPC).

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

SECTION 1. Any corporation, association, or person handling or investing trust funds as a fiduciary shall be governed in the handling and investment of such funds as in this act specified.

This act governs.

SEC. 2. In acquiring, investing, reinvesting, exchanging, selling and managing property for the benefit of another, a fiduciary shall exercise the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard, and subject to any express provisions or limitations contained in any particular trust instrument, a fiduciary is authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment, specifically including but not by way of limitation, debentures and other corporate obligations, and stocks, preferred or common, which men of prudence, discretion and intelligence acquire for their own account.

"Prudent man" rule.

Insured savings accounts.

SEC. 3. A corporation doing a trust business may invest trust funds in savings accounts with itself to the extent that such deposits are insured by the Federal Deposit Insurance Corporation.

Power of courts to allow deviation not restricted.

SEC. 4. Nothing contained in this act shall be construed as restricting the power of a court of proper jurisdiction to permit a fiduciary to deviate from the terms of any will, agreement, or other instrument relating to the acquisition, investment, reinvestment, exchange, retention, sale or management of fiduciary property.

Act governs fiduciaries already acting.

SEC. 5. The provisions of this act shall govern fiduciaries acting under wills, agreements, court orders and other instruments now or hereafter in force.

SEC. 6. Section 11, chapter 41, Laws of 1941 (sec. 3255-11, Rem. Rev. Stat.; sec. 313-21, PPC) is amended to read as follows:

Original securities may be held.

Section 11. In the absence of express provisions to the contrary in the trust instrument, any fiduciary may hold during the life of the trust all securities or other property, real or personal, received into or acquired by the trust from any source, excepting such as are purchased by the fiduciary in administering the trust, even though such securities or other property are not qualified investments under the provisions of this act: *Provided*, That any investment of trust funds made under this act or any prior act, which was a qualified investment at the time the same was made shall remain a qualified investment.

SEC. 7. Section 13, chapter 41, Laws of 1941 (sec. 3255-13, Rem. Rev. Stat.; sec. 313-25, PPC) is amended to read as follows:

Investment.

Section 13. Any fiduciary may invest funds held in trust under an instrument creating such trust, in any manner and/or in any investment and/or in

any class of investments authorized by such instrument, whether or not the same be otherwise qualified for the investment of trust funds. The terms "legal investment" or "authorized investment" or words of similar import, as used in any such instrument, shall be taken to mean any investment which is permitted by the terms of section 2 hereof.

Definition of terms used in instrument.

SEC. 8. Section 16, chapter 41, Laws of 1941 (sec. 3255-16, Rem. Rev. Stat.; sec. 313-31, PPC) is amended to read as follows:

Section 16. Nothing in this act contained shall be construed as authorizing any fiduciary to invest funds held in trust, in any bonds, mortgages, notes or other securities, during any default in payment of either principal or interest thereof.

Investment limited on default.

SEC. 9. Section 17, chapter 41, Laws of 1941 (sec. 3255-17, Rem. Rev. Stat.; sec. 313-33, PPC) is amended to read as follows:

Section 17. Unless the instrument creating the trust expressly provides to the contrary, any fiduciary in carrying out the obligations of the trust, may not buy or sell investments from or to himself or itself or any affiliated or subsidiary company or association.

Fiduciary not to deal personally in or with trust estate.

SEC. 10. Sections 1, 2 (as amended by section 1, chapter 114, Laws of 1943) 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, 15, and 18, chapter 41, Laws of 1941, and section 2, chapter 114, Laws of 1943 (secs. 3255-1, -2, -3, -4, -5, -6, -7, -7a, -8, -9, -10, -12, -14, -15, and -18, Rem. Rev. Stat.; secs. 313-1, -3, -5, -7, -9, -11, -13, -14, -15, -17, -19, -23, -27, -29, and -35, PPC) are hereby repealed.

Repeals.

Passed the House February 27, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 101.

[H. B. 320.]

CONVEYANCE OF CERTAIN LANDS.

AN ACT authorizing the conveyance of certain lands in Pacific County to the Port of Ilwaco.

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

Execution of deed.

SECTION 1. The Governor is hereby authorized and directed to execute and the Secretary of State to attest a deed conveying to the Port of Ilwaco all interest of the state in and to the following described lands in Pacific County, Washington, to-wit:

Description of lands.

Blocks 17, 18, 19, 20, 21, and 22, Ilwaco Tide Lands as shown on the plat thereof filed in the office of the Commissioner of Public Lands at Olympia on March 31, 1934.

Passed the House February 25, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 102.

[H. B. 246.]

RELATING TO THE PRACTICE OF BARBERING.

AN ACT relating to the practice of barbering, providing for examination licensing therefor, providing for and regulating barber schools and barber colleges in connection therewith, and amending section 14, chapter 75, Laws of 1923, as last amended by section 6, chapter 209, Laws of 1929 (sec. 8277-14, Rem. Rev. Stat.; sec. 320-25, PPC).

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

SECTION 1. Section 14, chapter 75, Laws of 1923, as last amended by section 6, chapter 209, Laws of 1929 (sec. 8277-14, Rem. Rev. Stat.; sec. 320-25, PPC) is amended to read as follows:

Section 14. Any firm, corporation or person desiring to conduct or operate a barber school or

barber college in this state shall first secure from the Director of Licenses a permit to do so, and shall keep the same prominently displayed. No barber school or college shall be issued a permit by the Director of Licenses unless such school or college is financially responsible, and will be able in the judgment of the Director of Licenses to carry out and perform any contract made for the instruction of students therein. Such school or college shall instruct students therein in the practice of barbering, including shaving and cutting of the hair and beard, and the various services incident thereto, preparation and care of tools used, sanitation as applied to barbering, and knowledge concerning the common diseases of the face and skin to avoid aggravation and spreading thereof in the practice of barbering. Such school or college shall at all times while open and in operation be in charge and under the direction of a barber duly licensed under the provisions of this act, which said licensed barber shall devote his entire time to the instruction of students therein and who shall at no time operate any particular barber's chair in such school or college, or practice any barbering therein except while giving instructions to a student therein. Every such school or college shall at all times maintain on each window therein, facing upon any street, a sign in plain letters at least six inches high composed of the words "barber school" or "barber college," placed as nearly as practicable in the center between top and bottom of any such window. and, if desired by the operator of such school or college, underneath these words, a sign with letters no greater in size, composed of the words "shaving" and/or "hair cutting," giving the price charged; and such school or college shall not at any time keep or maintain upon any of the windows or doors of such school or college any sign or words "barber shop," "expert barbering," or other similar words, or display any barber pole or barber

License.

Financial responsibility.

Instruction of students.

Supervision by licensed barber.

Requirements as to signs.

Displays.

pole stripes such as has long been used to designate a barber shop, or barber shop services as distinguished from services performed by student barbers in such school or college. Every such school or college, at all times when open for business, shall

Floor sign.

place and maintain upon the floor within its premises in front of each entrance a standing floor sign composed of the words "Student Barbers Perform all Services Herein" painted in three-inch black and two-inch red letters upon a white standing floor sign thirty inches high and twenty inches wide, and designed as prescribed by the Director of Licenses.

Revocation of license by director.

The Director of Licenses shall revoke the license of any school or college which shall violate any of the provisions of this act, or which shall fail to impart to each student in such school or college the instructions herein required.

Passed the House February 25, 1947.
Passed the Senate March 5, 1947.
Approved by the Governor March 11, 1947.

CHAPTER 103.
[H. B. 287.]

LICENSING OF PUBLIC GRAIN WAREHOUSES.

AN ACT relating to the licensing of public grain warehouses and requiring insurance on all grain accepted for storage by operators of public grain warehouses.

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

Application for license.

SECTION 1. Each person, firm, corporation or association of persons making application for an annual license to operate a grain warehouse in the State of Washington shall, at the time of making such application, file satisfactory evidence with the Director of Agriculture of the existence of an effective policy of insurance issued by an insurance company

Insurance on contents.

authorized to do business in this state, insuring all

grain and other commodities that may be stored or accepted for storage on the premises for which such license is sought for the full market value of such grain against loss by fire, internal explosion, lightning or tornado. If such evidence of the existence of an effective policy of insurance is accepted by the Director of Agriculture, he shall immediately advise such insurance company thereof and request ten days' advance notice by registered mail from said company of any proposed cancellation of said policy. In the event of any such cancellation, the Director of Agriculture shall immediately suspend the license of such person, firm, corporation or association of persons to operate a public warehouse in this state, and such suspension shall not be removed until satisfactory evidence of the existence of an effective policy of insurance, conditioned as above set out, has been submitted to the Director of Agriculture.

Notice of
Cancellation.

Suspension
of license.

SEC. 2. Should any public grain warehouse be partially or completely destroyed by fire, internal explosion, lightning or tornado, the owners of warehouse receipts, storage receipts and receiving scale weight receipts of any grain damaged or destroyed therein shall, in addition to the insurance provided in section 1 hereof, and to the extent of the market value of said grain have a first lien upon the interest of the owner of such public grain warehouse in the proceeds of any policy of insurance on said building payable to the owner thereof.

Lien upon
insurance
proceeds.

SEC. 3. Fraud or a criminal act of the warehouseman to which the holder of a warehouse receipt, storage receipt or receiving scale weight receipt or other interested person is not a party shall not deprive the owner of such warehouse receipt, storage receipt or receiving scale weight receipt or other interested person of his right of recovery under such policy or policies of insurance

Fraud.

Insurer's
loss limited.

Settlement
for loss.

described in section 1 hereof: *Provided, however,* That nothing in this act shall be construed to require the insurer to pay any loss or damage in excess of the amount of insurance effective under its policy or to pay for any loss or damage not insured against by its policy. In case of fire, lightning or tornado, which shall destroy all or part of the grain stored in any public warehouse, the public warehouseman, shall, upon demand by the owner of the grain, or holder of any warehouse receipt or receipts, make settlement for the value of the grain covered by the warehouse receipt or receipts after deducting the warehouse charges, at the market value of same, basing said value at the average price paid for the same grade at the station where the public warehouse is located on the date of destruction.

Passed the House February 28, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 104.

[H. B. 294.]

ACQUISITION OF PROPERTY BY INSTITUTIONS OF
HIGHER LEARNING.

AN ACT granting to the Boards of Regents of the University of Washington and the State College of Washington, and to the Boards of Trustees of the three colleges of education; power and authority to acquire land, real estate, premises, and other property by gift, purchase, lease or condemnation.

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

Power to
acquire
property.

SECTION 1. The Boards of Regents of the University of Washington and the State College of Washington, and the Boards of Trustees of the Colleges of Education at Ellensburg, Cheney and Bellingham shall have the power and authority to

acquire by gift, purchase, lease or condemnation in the manner provided by law for condemnation of property for public use, such lands, real estate and other property, and interests therein as they may deem necessary for the use of said institutions respectively.

Passed the House February 28, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 105.

[H. B. 295.]

LICENSING OF FUNERAL DIRECTORS AND EMBALMERS.

AN ACT relating to the licensing of funeral directors and embalmers; and amending section 3, chapter 108, Laws of 1937 (sec. 8315-1, Rem. Rev. Stat.; sec. 743-5, PPC) and section 4, chapter 150, Laws of 1945 (sec. 8316-1, Rem. Rev. Stat.; sec. 743-7, PPC).

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

SECTION 1. Section 3, chapter 108, Laws of 1937 (sec. 8315-1, Rem. Rev. Stat.; sec. 743-5, PPC) is amended to read as follows:

Section 3. In order to obtain a license as a Funeral Director, the applicant must be at least twenty-one (21) years of age, of good moral character, and must have completed a course of not less than two years in an accredited college. The application must specify a fixed address at which the applicant proposes to engage or conduct a place of business as a funeral director in this state. The applicant must pass an examination in the following subjects: Funeral directing, the signs of death, the manner in which death may be determined, the preparation, burial, disposal and transportation of dead human bodies, and the shipment of bodies of persons dying of contagious or infectious diseases: *Provided,*

Qualifications for license of funeral director.

Fixed address.

Examination.

Exception. *however*, That any person who has been lawfully engaged in the business of funeral directing in this state continuously for a period of one (1) year or more prior to the 31st day of December, 1937, may register as such with the Director of Licenses, and upon payment of the license fee hereinafter specified, on or prior to said date, he shall thereupon be entitled to and receive a license as such for the year commencing January 1, 1938, but in case of failure so to register and pay said fee he can thereafter obtain a license only after an examination as herein provided.

SEC. 2. Section 4, chapter 150, Laws of 1945 (sec. 8316-1, Rem. Rev. Stat.; sec. 743-7, PPC) is amended to read as follows:

Qualifications for license of embalmer.

College requirement.

Examination.

Exception. Registration.

Section 4. In order to obtain a license as an embalmer, the applicant must be at least twenty-one (21) years of age, of good moral character, must have completed a course of not less than two years at an accredited college, must have completed a two-year course of training under a licensed embalmer in this state, must have completed a full course of instruction in an embalming school of the class A type with minimum requirements as rated by the conference of embalmers' examining boards of the United States or as rated by the national council on mortuary education, and must pass an examination in each of the following subjects: Embalming, anatomy including histology, embryology and dissection, pathology, bacteriology, hygiene including sanitation and public health, chemistry including toxicology, and restorative art, including plastic surgery and demi-surgery: *Provided, however*, That any person lawfully licensed as an embalmer in this state may register as such with said Director of Licenses and, upon the payment of the license fee hereinafter specified, on or prior to said date, he shall thereupon be entitled to and receive a li-

cense as such for the year commencing January 1, 1938. In case of failure so to register, he can thereafter obtain a license only after examination as herein provided: *Provided, further,* That this section shall not apply to anyone who is attending an embalming school, or who is registered as an apprentice, prior to the effective date of this act.

Failure to register.

Apprentices.

Passed the House February 27, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 106.

[H. B. 341.]

SALE OF OYSTERS FROM STATE OYSTER RESERVES.

AN ACT relating to the sale of oysters and other shellfish from state oyster reserves, and amending section 102 of chapter 31, Laws of 1915 (Sec. 5756, Rem. Rev. Stat., 556-1 PPC), and section 2 of chapter 199, Laws of 1945 (Sec. 5780-2 Rem. 1945 Supp., 556-6(11) PPC 1945).

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

SECTION 1. Section 102 of chapter 31, Laws of 1915 (Sec. 5756 Rem. Rev. Stat., 556-1 PPC) is hereby amended to read as follows:

Oysters, duties of Director of Fisheries.

Section 102. *Oysters, Duties of Director of Fisheries.* On or before the tenth day of April of each year, the Director of Fisheries shall designate which of the oyster reserves of the state shall be opened for the taking of oysters and other shellfish therefrom during the ensuing calendar year.

It shall be the duty of the Director of Fisheries to:

Annually fix the price which shall be charged per sack of one hundred and twenty pounds of oysters or other shellfish which it shall decide to sell from the oyster reserves of the state.

Prices.

Rules and regulations.

Annually formulate rules and regulations governing the taking of such oysters or other shellfish.

Designation of reserves.

Annually designate those reserves which shall be open for sale of oysters and other shellfish therefrom, and it shall be unlawful to take oysters and other shellfish from the oyster reserves of the state unless the same shall be opened by order of the Director of Fisheries.

Policy of maintaining reserves.

It is hereby declared to be the policy of the state to annually improve some portion of the reserves, to the end that all may finally become productive, and to have these reserves yield a revenue sufficient for their maintenance and betterment, and, in fixing the price at which oysters or other shellfish shall be sold from the reserves, the Director of Fisheries shall take into consideration such policy; and it is further declared to be the policy of the state to maintain the oyster reserves for the purpose of furnishing a seed supply to the owners of oyster lands, which have heretofore been acquired and improved under previous statutes, or which may hereafter be acquired and improved under the laws of this state, and for this purpose all the oyster reserves are hereby forever reserved from sale or lease.

Monuments and boundaries.

As soon as an appropriation is made therefor, the Director of Fisheries shall erect monuments, establishing the boundaries of the several oyster reserves in the state, said monuments to be of stone or cement of not less than one hundred pounds in weight, and marked with letters "S. R." cut thereon not less than three inches long and one-half inch deep.

Protection and reseeding.

It shall be the duty of the Director of Fisheries to protect all reserves, re-seed, re-plant, and do such other things as in his judgment are necessary for their care and protection.

Merchantable oyster.

For the purposes of this section, a merchantable oyster is defined to be an oyster of the age of three or more years.

SEC. 2. Section 2, chapter 199, Laws of 1945 (Sec. 5780-21 Rem. 1945 Supp. 556-6(11) PPC 1945) is hereby amended to read as follows:

Section 2. The Director of Fisheries shall have the power to annually determine whether the oysters and other shellfish from the oyster reserves of the state (a) shall be sold by the bushel at a price set by such Director or (b) whether certain quantities or all of such oysters and other shellfish should be sold for cash at public auction or by sealed bids in such amounts as the Director shall from time to time determine. To maintain the permanency of local communities and industries, the prospects of fulfillment of contract requirement, and to restrain monopolistic controls endangering competition in the industry, the Director of Fisheries shall have the power to determine the number of bushels which shall be sold to any person, firm or corporation; and when sold at public auction, the right to reject any and all bids.

Methods
of sale.

Passed the House February 24, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 107.

[H. B. 370.]

RELATING TO THE SECRETARY OF STATE.

AN ACT relating to the Secretary of State; and amending section 12 of the act of March 28, 1890 (Laws of 1889-90, p. 633) as amended by section 1, chapter 75, Laws of 1903 (sec. 10995, Rem. Rev. Stat.; sec. 954-11, PPC).

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

SECTION 1. Section 12 of the act of March 28, 1890 (Laws of 1889-90, p. 633), as amended by section 1, chapter 75, Laws of 1903 (sec. 10995, Rem. Rev. Stat.; sec. 954-11, PPC) is amended to read as follows:

Appoint-
ment of
assistant
and deputy.

Powers and
duties.

Section 12. The Secretary of State may have one Assistant Secretary of State and one Deputy Secretary of State each of whom shall be appointed by him in writing, and continue during his pleasure. The Assistant Secretary of State and Deputy Secretary of State shall have the power to perform any act or duty relating to the Secretary of State's office, that the Secretary of State has, and the Secretary of State shall be responsible for the acts of said Assistant and Deputy.

Passed the House February 25, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 11, 1947.

CHAPTER 108.

[H. B. 131.]

COLLEGES OF EDUCATION—DEGREES.

AN ACT relating to higher education; authorizing the Central Washington College of Education, the Eastern Washington College of Education, and the Western Washington College of Education to grant degrees in education.

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

SECTION 1. In addition to all other powers and duties given to them by law, the Central Washington College of Education, the Eastern Washington College of Education and the Western Washington College of Education are hereby authorized to grant the degree of master of education to any student who has completed a course of at least one year in graduate study in elementary education as prescribed by law or regulation for teacher education.

Degree of
master of
education.

Passed the House February 14, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 12, 1947.

CHAPTER 109.

[H. B. 24.]

COLLEGES OF EDUCATION—BACHELOR OF ARTS DEGREE.

AN ACT relating to the granting of degrees by colleges of education, and amending section 1, chapter 13, Laws of 1933 (sec. 4618-1, Rem. Rev. Stat.; sec. 898-41, PPC).

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

SECTION 1. Section 1, chapter 13, Laws of 1933 (sec. 4618-1, Rem. Rev. Stat.; sec. 898-41, PPC) is amended to read as follows:

Degree may be granted.

Section 1. The degree of bachelor of arts in education, or the degree of bachelor of arts, may be granted to any student who has completed one of the four-year courses of study in the Central Washington College of Education, the Eastern Washington College of Education, or the Western Washington College of Education: *Provided*, Said courses of study are authorized in accordance with the prescribed law and represent four (4) years of work.

Passed the House February 4, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 12, 1947.

CHAPTER 110.

[H. B. 59.]

VETERANS' REHABILITATION COUNCIL.

AN ACT relating to veterans; creating a Veterans' Rehabilitation Council; defining powers, duties and responsibilities of the Council; making an appropriation therefor; and declaring an emergency.

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

SECTION 1. There is hereby created a "Veterans' Rehabilitation Council" which shall consist of one member from each veterans' organization now or hereafter chartered by Act of Congress, and one other member, all appointed by the Governor in the manner following:

The American Legion, Disabled American Veterans, United Spanish War Veterans, Veterans of Foreign Wars, and any veterans' organization hereafter chartered by act of Congress and authorized to represent claims before the Veterans' Administration shall each submit to the Governor a panel of three names selected by the commanders and approved by the executive committee or board of directors, respectively, of each nationally chartered veterans' organization. The Governor shall appoint one member from each panel so submitted. Members shall serve for terms of three years expiring on the 15th day of January: *Provided*, That of the members first appointed two shall be appointed for a term of one year, one shall be appointed for a term of two years and one shall be appointed for a term of three years. One additional member shall be appointed by and serve at the pleasure of the Governor and shall not be a veteran. The members shall receive no compensation but shall receive their actual necessary traveling and other expenses in going to, attending, and returning from meetings of the council: *Provided further*, That the per diem expense of each board member shall not exceed fifteen

Council created.

Appointment by Governor.

How appointed.

Submission of names.

Terms of office.

Compensation.

dollars (\$15) per day and the travel expense shall not exceed five cents (5¢) per mile from his legal home residence to and from the place of the official meetings.

Organiza-
tion.

SEC. 2. The council shall meet in Olympia to organize at the earliest possible date and shall select one of its number as chairman. The council shall employ a director, who shall serve as executive officer of the council and shall fix his salary at not to exceed six thousand dollars (\$6,000) annually and shall employ such additional persons as may be necessary to carry out the provisions of this act. The council shall maintain an office in Olympia only and shall have power to meet at such other places as it may provide by resolution from time to time. A majority of the members shall constitute a quorum.

Employment
of director.

Salary of
director.

Office.

Quorum.

Rules and
regulations.

SEC. 3. The council shall have the power and it shall be its duty to make such rules and regulations as may be necessary to carry out the purposes of this act and administer the affairs of this council. It shall be its duty to furnish information, advice and assistance to veterans and to coordinate all programs and services in the field of veterans' claims service, education, health, vocational guidance, and placement, and welfare not provided by some other agency of the state or by the federal government. The council shall render to the Governor before the 15th day of January each year, a complete report of its activities for the preceding year.

Assistance
to veterans.

Reports to
Governor.

Veterans'
Rehabilita-
tion Coun-
cil Fund.

SEC. 4. There is hereby created in the state treasury a fund to be known as the Veterans' Rehabilitation Council fund and no money shall be withdrawn therefrom except by warrant of the State Auditor for claims approved by the council and filed upon forms approved by the State Auditor.

Gifts and
donations.

SEC. 5. The council may receive gifts, donations, and grants from any person or agency and all such gifts, donations, and grants shall be placed in the

Veterans' Rehabilitation Council fund and used in accordance with the donors' instructions.

SEC. 6. The council is hereby empowered to approve expenditures by veterans' organizations represented upon the said council, and to reimburse such organizations therefor. All sums paid to any veterans' organization shall be used by the respective organization in the maintenance of a rehabilitation service and to assist veterans in the prosecution of their claims and solution of their problems arising out of military service. Such service and assistance shall be rendered all veterans and their dependents and also all beneficiaries of any military claim and shall include but not be limited to those services now rendered by the service departments of the respective council member organizations. The council is also authorized and empowered to establish a field and contact service wherever and to whatever extent such service may in its judgment be necessary.

Expenditures.

Services and assistance to veterans.

SEC. 7. Payments to any veterans' organization shall first be approved by the council and so far as possible shall be on an equitable basis for work done.

Payments to veterans' organizations.

SEC. 8. There is hereby appropriated from the general fund to the Veterans' Rehabilitation Council fund the sum of one million dollars (\$1,000,000) or so much thereof as may be necessary to carry out the provisions of this act.

Appropriation.

SEC. 9. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the House February 27, 1947.

Passed the Senate March 5, 1947.

Permitted to become a law without the signature of the Governor.

BELLE REEVES,
Secretary of State.

CHAPTER 111.

[S. B. 204.]

LEGISLATIVE COMMITTEE ON HIGHWAYS,
STREETS AND BRIDGES.

AN ACT relating to the legislature; creating and establishing a joint fact-finding committee on highways, streets and bridges from the members thereof; providing for their selection, term, powers, duties, findings and reports; regulating the functions, expenditures and other activities of the committee, making an appropriation, and declaring an emergency.

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

Creation of fact-finding committee.

SECTION 1. There is hereby created "the joint fact-finding committee on highways, streets and bridges" hereinafter referred to as "the committee" which shall consist of six senators appointed by the president of the senate and six members of the house of representatives appointed by the speaker thereof. One of the senate members and one of the house members shall be appointed from the area included within each of the six state highway districts. The list of the appointees shall be submitted before the close of the 1947 Session of the Legislature for confirmation of the senate members, by the senate, and of the house members, by the house. Vacancies occurring or existing in the membership of the committee shall be filled by the appointing powers.

Members.

Vacancies.

Powers and duties.

Studies.

SEC. 2. The committee is hereby authorized and directed to ascertain, study and analyze all available facts and matters relating or pertaining to: (a) A study of the policies relating to and the cost of the administration, operation, construction and maintenance of public highways and streets of the state, with recommendations for such changes as may be deemed necessary;

Highway improvement.

(b) the need for and cost of bringing the highways and streets in the state to acceptable standards, the cost of maintaining them in such condition, the

need and cost of expanding the highway and street systems of the state to meet the increasing demands for travel and the demands arising from the changing economic and industrial development, and the determination of long-range programs to provide the needed construction;

Future necessities.

(c) the making of a study of motor vehicle taxation including the assignment of the total highway costs among property owners, general taxpayers and highway users;

Motor vehicle taxation.

(d) the determination of the portion of highway and street operation and construction costs assignable to the various highway users and classes of users so that all vehicles and classes of vehicles shall bear their fair share of such costs;

Highway cost apportionment among users.

(e) the determination of the tax basis and rates to be exacted from each vehicle or user;

Tax and rates.

(f) a determination of what roads should be included in the state highway system and what changes should be made in the existing system;

State highway system.

(g) other studies of motor vehicle transport economics including but not limited to the inspection of motor vehicles to insure the safety of operation upon the highways, the control of loads and weights for the protection of the highway and street investments, and a study of such other factors and conditions as may appear necessary;

Other studies.

Safety.

Loads and weights.

(h) the revision of any and all laws bearing upon or relating to the subject of this resolution together with the committee's recommendations for appropriate legislation.

Revision of laws.

SEC. 3. The committee is authorized to act during this session of the legislature, including any recess, and after final adjournment until the commencement of the next regular session. It shall file a final report not later than the 15th legislative day of the next regular session. The committee may prepare and submit a preliminary report to the leg-

Report to be filed.

Preliminary report. legislature at any extraordinary session which may be convened.

General powers and duties. SEC. 4. The committee and its members shall have and exercise all of the rights, duties and powers conferred upon legislative committees and their members by the provisions of chapter 6, Laws of 1895 and chapter 33, Laws of 1897 (secs. 8178 through 8194, Rem. Rev. Stat.; secs. 722-1, -3, -5, -7, -9, -11, -13, -15, -17, -19, -21, -23, -25, -27, -29, -31, and -33, PPC) and shall have additional powers: (a) To select a chairman and vice-chairman from its membership;

(b) to employ an executive secretary and such expert, clerical and other help as may be necessary to carry out its duties;

(c) to cooperate with and secure the cooperation of county, city and other local law enforcement agencies in investigating any matter within the scope of this act and to direct the sheriff of any county to serve subpoenas, orders and other process issued by the committee;

(d) to do any and all other things necessary or convenient to enable it fully and adequately to exercise its powers, perform its duties, and accomplish the objects and purposes of this act.

Compensation. SEC. 5. The members of the committee shall be reimbursed for their actual expenses incurred while attending sessions of the committee or any subcommittee thereof, and business authorized by the committee, to the extent of fifteen dollars (\$15) per day plus five cents (5¢) per mile in going and coming from sessions of the committee or subcommittee meetings or for travel on other business authorized by the committee. The committee shall determine and fix the salaries of its employees. All expenses incurred by the committee or subcommittees including salaries of employees shall be paid from the funds herein appropriated upon voucher forms pro-

Expenses.

vided by the State Auditor and signed by the chairman or vice-chairman of the committee and attested by the executive secretary of said committee.

SEC. 6. There is hereby appropriated from the motor vehicle fund to the committee the sum of seventy-five thousand dollars (\$75,000) or so much thereof as may be necessary to carry out the purposes of this act. Appropriation.

SEC. 7. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the Senate February 27, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 13, 1947.

CHAPTER 112:

[H. B. 45.]

RELATING TO VETERANS.

AN ACT relating to veterans and veterans' affairs and repealing chapter 31, Laws of 1945 (secs. 10747-10 to 10747-12, inclusive, Rem. Rev. Stat.; secs. 932d-1 to 932d-7, inclusive, PPC).

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

SECTION 1. Chapter 31, Laws of 1945 (secs. 10747-10 to 10747-12, inclusive, Rem. Rev. Stat.; secs. 932d-1 to 932d-7, inclusive, PPC) is hereby repealed. Repeal.

Passed the House February 27, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 13, 1947.

CHAPTER 113.

[S. B. 57.]

WASHINGTON STATE LIQUOR CONTROL BOARD.

AN ACT relating to the appointment, powers and duties of the members and employees of the Washington State Liquor Control Board; amending section 64, chapter 62, Laws Ex. Ses. 1933, as last amended by section 2, chapter 208, Laws of 1945 (sec. 7306-64, Rem. Rev. Stat.; sec. 678-13, PPC), and section 65, chapter 62, Laws Ex. Ses. 1933 (sec. 7306-65, Rem. Rev. Stat.; sec. 678-15, PPC).

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

SECTION 1. Section 64, chapter 62, Laws Ex. Ses. 1933, as last amended by section 2, chapter 208, Laws of 1945 (sec. 7306-64, Rem. Rev. Stat.; sec. 678-13, PPC) is amended to read as follows:

Terms of office.

Section 64. 1. The members of the board serving on the date this act takes effect, or their respective successors, shall hold office for terms which shall each of them expire on January 15, 1949. Upon expiration of such terms on January 15, 1949, members of the board shall be appointed as follows: One member of the board for a term of two years from January 15, 1949; one member of the board for a term of four years from January 15, 1949; and one member of the board for a term of six years from January 15, 1949. Thereafter members of the board shall be appointed for terms of six years, except in the case of a vacancy, in which case a member shall be appointed for the unexpired portion of the term in which said vacancy occurs.

Vacancies.

No vacancy in the membership of the board shall impair the right of the remaining member or members to act, except as herein otherwise provided in the Washington State Liquor Act.

Offices.

2. The principal office of the board shall be at the State Capital [Capitol], and it may establish such other offices as it may deem necessary.

Vetoed.

3. Any member of the board may be removed for inefficiency, malfeasance or misfeasance in of-

fice, upon specific written charges filed by the Governor, who shall transmit such written charges to the member accused and to the Chief Justice of the Supreme Court. The Chief Justice shall thereupon designate a tribunal composed of three Judges of the Superior Court to hear and adjudicate the charges. Such tribunal shall fix the time of the hearing, which shall be public, and the procedure for the hearing, and the decision of such tribunal shall be final and not subject to review by the Supreme Court. Removal of any member of the board by the tribunal shall disqualify such member for reappointment.

4. Each member of the board shall devote his entire time to the duties of his office and no member of the board shall hold any other public office. Before entering upon the duties of his office each of said members of the board shall enter into a surety bond executed by a surety company authorized to do business in this state, payable to the State of Washington, to be approved by the Governor, in the penal sum of fifty thousand dollars (\$50,000.00) conditioned upon the faithful performance of his duties, and shall take and subscribe to the oath of office prescribed for elective state officers, which oath and bond shall be filed with the Secretary of State. The premium for said bond shall be paid by the board.

SEC. 2. Section 65, chapter 62, Laws Ex. Ses. 1933 (sec. 7306-64, Rem. Rev. Stat.; sec. 678-15, PPC) is amended to read as follows:

Section 65. The board may employ such number of employees as in its judgment are required from time to time for the purposes of this act, at such rates of salaries or wages as are fixed by the regulations; and any employees so employed may be dismissed or removed by the board at its pleasure; honorably discharged union soldiers and sailors, and

Veterans'
preference.

honorably discharged soldiers and sailors of any war between this country and any foreign country shall be given preference for the appointment and employment.

Politics.

Persons shall be employed, retained or discharged without prejudice because of political affiliation and when employed shall be under no obligation to contribute to any political fund or to render any political service, nor shall any employee use his official authority or influence to coerce or affect the political action of any person or body.

Passed the Senate February 20, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 13, 1947, with the exception of subsection 3, of Section 1, which is vetoed.

CHAPTER 114.

[S. B. 153.]

RELATING TO STATE GOVERNMENT.

AN ACT relating to state government and prescribing the powers and duties of state officers and employees with respect to audit, pre-audit, the control of expenditures and encumbrances under appropriations and the making of financial reports; creating the office of Director of Budget and providing for the powers, duties, method of appointment, and compensation of the Director of Budget; abolishing the division of budget, accounts and control and the office of Supervisor of Budget, Accounts and Control in the Department of Finance, Budget and Business and transferring their powers and duties to the Director of Budget; changing the name of the Department of Finance, Budget and Business to the Department of Public Institutions; amending sections 3, 6, 8, 9, 11, and 13, chapter 196, Laws of 1941 (secs. 11018-3, -6, -8, -9, -11, and -12, Rem. Rev. Stat.; secs. 945-53, -59, -63, -65, -69, and -71, PPC); amending section 37a, chapter 7, Laws of 1921, as enacted by section 12, chapter 196, Laws of 1941 (sec. 10795-1, Rem. Rev. Stat.; sec. 233-47, PPC), and renumbering it section 37-1; repealing chapter 234, Laws of 1945; providing penalties, and declaring an emergency.

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

SECTION 1. Section 3, chapter 196, Laws of 1941 (sec. 11018-3, Rem. Rev. Stat.; sec. 945-53, PPC) is amended to read as follows:

Section 3. It shall be the duty of the State Auditor, through the Division of Departmental Audits, to make a post-audit of every state department as herein defined, at least once each year. A report of each such post-audit upon completion thereof, shall be made in quintuplicate and one copy shall be transmitted to the Governor, one copy transmitted to the Director of Budget, one copy transmitted to the Attorney General, one copy transmitted to the state department audited, and one copy kept on file in the office of the State Auditor.

Post-audit.

Copies of reports transmitted.

SEC. 2. Section 6, chapter 196, Laws of 1941 (sec. 11018-6, Rem. Rev. Stat.; sec. 945-59, PPC) is amended to read as follows:

Governor may require post-audit.

Section 6. The Governor may from time to time, in his discretion provide for a post-audit of the books, accounts and records of the State Auditor, and the funds under his control, such audit to be made either by independent qualified public accountants or the Director of Budget, as he may determine. The expense of making such audit shall be paid from appropriations made therefor from the general fund.

Expense.

Director of Budget.

SEC. 3. There is hereby created in the office of Governor the office of "Director of Budget." The Director of Budget shall be appointed by the Governor with the consent of the senate; shall hold office during the pleasure of the Governor, and shall receive an annual salary of seven thousand five hundred dollars (\$7,500). The first appointment of the Director of Budget shall be made immediately upon the taking effect of this act. The Director of Budget shall have and exercise all the powers and duties now vested in and authorized to be performed by the Division of Budget, Accounts and Control and the Supervisor of the Division of Budget, Accounts and Control in the Department of Finance, Budget and Business and such other powers and duties as may be prescribed by law. He shall have the power to appoint such assistants, deputies and other personnel as may be necessary to carry out the provisions of this act. As the personal representative of the Governor with respect to fiscal matters it shall be his duty to attend the meetings of the administrative board.

Appointment by Governor.

Salary.

Powers and duties.

Abolishment of offices.

SEC. 4. As of the effective date of this act the Division of Budget, Accounts and Control and the office of Supervisor of the Division of Budget, Accounts and Control in the Department of Finance, Budget and Business are hereby abolished and their

powers and duties shall devolve upon the Director of Budget: *Provided*, That the abolishment of said division and said office shall not in any way affect the validity of any act performed before the taking effect of this act and the appointment of a Director of Budget hereunder, nor shall it affect or impair any rights, powers or privileges which shall have accrued prior to the taking effect of this act. All moneys appropriated to the Department of Finance, Budget and Business for the Division of Budget, Accounts and Control are hereby transferred to the Director of Budget created by this act. All files, records, accounts, business and property of any kind pertaining to the Division of Budget, Accounts and Control and/or the office of supervisor thereof shall be transferred to the Director of Budget on the effective date of this act.

Transfer of powers and duties.

Saving clause.

Transfer of funds, records, files, etc.

SEC. 5. From and after the effective date of this act the Department of Finance, Budget and Business shall be known and designated as the Department of Public Institutions.

Department of Public Institutions.

SEC. 6. Section 8, chapter 196, Laws of 1941 (sec. 11018-8, Rem. Rev. Stat.; sec. 945-63, PPC) is amended to read as follows:

Section 8. The total of each appropriation out of the State Treasury or funds under its control for any state department as herein defined, shall be considered the maximum amount necessary to meet the requirements of any such state department for the purposes covered by such appropriation during the designated biennium. The making of expenditures or the incurring of obligations under any appropriation or from any fund under the control of any such state department, shall be subject to the powers hereinafter granted to the Governor to control and revise expenditures and obligations under appropriations. The Governor, in the exercise of his duties under the constitution as the chief

Vetoed

executive officer of the state, shall, subject to the limitations hereinafter provided, have and maintain direct and effective financial control and supervision over all state departments as herein defined, except the legislature, the judiciary and the state institutions of higher education hereinafter specifically mentioned, for the purpose of promoting efficient and economical administration of the affairs of this state.

SEC. 7. Section 9, chapter 196, Laws of 1941 (sec. 11018-9, Rem. Rev. Stat.; sec. 945-65, PPC) is amended to read as follows:

Section 9. No appropriation for any state department except the legislature and the judiciary, shall become available for disbursement until the responsible head of such state department has submitted in quadruplicate, to the Director of Budget, quarterly estimates of the amount required for each proposed object or purpose of expenditure to be made during the ensuing quarter of the fiscal year, and until such estimates shall have been approved by the Governor. Supplemental estimates may be submitted at any time, requesting additional allowances or revisions of approved current allowances, when necessitated by unforeseeable conditions. The Director of Budget shall examine each such estimate or supplemental estimate to determine whether appropriations are available therefor, whether the proposed expenditures are lawful, whether such expenditures can be made without the probability of exhausting such appropriations before the end of the appropriation period and whether there will be sufficient revenue available to meet such contemplated expenditures. The Director of Budget shall make a written report of his findings and recommendations and immediately transmit the same together with such estimates and supplemental estimates, if any, to the Governor. The Governor

Vetoed.

may approve such estimates and supplemental estimates in whole or in part and he shall endorse his action thereon and transmit one copy to the State Auditor, one copy to the forwarding state department, one copy to the Director of Budget and retain one copy on file in his office: *Provided*, That the quarterly or supplemental estimates submitted by the University of Washington, the Washington State College, the Central Washington College of Education, the Eastern Washington College of Education and the Western Washington College of Education, shall not be subject to revision by the Governor. It shall be unlawful for any state department or any officer or employee thereof, or any disbursing officer, to incur any indebtedness or financial obligation or to make any expenditures in excess of the quarterly allotment or supplemental allotment approved by the Governor as herein required.

Vetoed.

SEC. 8. Section 11, chapter 196, Laws of 1941 (sec. 11018-11, Rem. Rev. Stat.; sec. 945-69, PPC) is amended to read as follows:

Section 11. The Director of Budget shall provide for the keeping of such appropriation accounts and for the installation and maintenance of such accounting systems and methods as may be necessary to prevent the making of expenditures or the incurring of obligations in excess of the approved allotments or supplemental allotments herein provided, and no warrant for any expenditure chargeable against any such allotment or supplemental allotment shall be drawn or paid from the State Treasury or funds under its control unless the voucher or other authority therefor shall have endorsed thereon a certificate by the Director of Budget that such proposed expenditure is for an item authorized by an approved allotment or supplemental allotment.

Director to keep appropriation accounts.

SEC. 9. Each state department shall submit to the State Auditor and to the Director of Budget monthly reports of receipts, expenditures and balances on hand for the preceding month of all trust or other funds of such department not subject to appropriation out of the State Treasury. Such reports shall be by funds on such forms and in such detail as shall be prescribed by the Director of Budget and shall be filed not later than the 15th day of the succeeding month. Such reports shall be in addition to the quarterly estimates required by section 9, chapter 196, Laws of 1941 as amended by this act.

SEC. 10. Section 37a, chapter 7, Laws of 1921, as enacted by section 12, chapter 196, Laws of 1941 (sec. 10795-1, Rem. Rev. Stat.; sec. 233-47, PPC) is renumbered as section 37-1 and amended to read as follows:

Section 37-1. Before any requisition or estimate for the purchase of materials or supplies shall be acted upon by the Division of Purchasing such requisition or estimate shall be referred to the Director of Budget for investigation (a) as to the condition of the allotment for the state department submitting such requisition or estimate, (b) as to whether such proposed expenditure has been authorized by an approved allotment or supplemental allotment to such department and (c) as to whether the amount of such proposed expenditure will cause the allotment or supplemental allotment, if any, to be exceeded. If the Director of Budget finds that any such proposed expenditure is not in accord with any approved allotment for such department he shall endorse his findings upon such voucher or estimate and the same shall forthwith be returned to the forwarding state department. No purchase order shall be valid unless it bears a certificate by the Director of Budget that it is in accordance with an approved allotment.

Vetoed.

SEC. 11. Section 13, chapter 196, Laws of 1941 (sec. 11018-12, Rem. Rev. Stat.; sec. 945-71, PPC) is amended to read as follows:

Section 13. The Governor, through the Director of Budget, is authorized to require all state departments subject to the provisions of this act to keep such records and accounts as shall be necessary for the administration of this act and he is further authorized, in his discretion, to maintain one or more employees in any such state department to carry out the purposes of this act. Through the Director of Budget, he may make and promulgate such rules and regulations as are necessary and proper for the effective administration of this act.

All departments may be required to conform.

Rules and regulations.

SEC. 12. Any state officer or employee who shall incur obligations or make expenditures in excess of appropriations or approved allotments or shall violate any other provision of this act shall be guilty of a gross misdemeanor and shall also be liable on his official bond for illegal expenditures or obligations incurred by him.

Vetoed.

SEC. 13. Chapter 234, Laws of 1945 is hereby repealed.

Repeal.

SEC. 14. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect April 1, 1947.

Effective immediately.

Passed the Senate February 24, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 13, 1947, with the exception of Sections 6, 7, 9, 10 and 12, which are vetoed.

CHAPTER 115.

[S. B. 74.]

DEFICIENCY APPROPRIATION—JUNIOR COLLEGES.

AN ACT making a deficiency appropriation for assistance to Junior Colleges as provided by chapter 63, Laws of 1943 (section 4623-9, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 895-17), and declaring an emergency.

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

Appropriation.

SECTION 1. By reason of a deficiency existing in the appropriation made by the Twenty-ninth Regular Session of the Legislature, the following sum or so much thereof as shall be found necessary is hereby appropriated out of any moneys in the general fund of the State Treasury, for the fiscal biennium beginning April 1, 1945, and ending March 31, 1947:

For the State Board of Education:

To be expended in accordance with the provisions of chapter 63, Laws of 1943 (section 4623-9, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 895-17), relating to Junior Colleges. \$65,132.38

Effective immediately.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 15, 1947.

CHAPTER 116.

[H. B. 429.]

RELATING TO LOG PATROLS AND STRAY LOGS.

AN ACT relating to stray logs, boom sticks and chains, the recapture and disposal thereof, relating to charges for such activity, licensing Log Patrols, defining their powers and fixing responsibility thereof, and fixing penalties for violations.

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

SECTION 1. That from and after the effective date of this act, it shall be unlawful for any person, firm association or corporation to directly or indirectly engage in the activities of a Log Patrol on or adjacent to the waters of this state except the Columbia River and its tributaries, except as hereinafter provided.

Unlawful acts.

SEC. 2. The words and phrases herein used, unless the same be clearly contrary to or inconsistent with the context of this act or the section in which used, shall be construed as follows:

Definitions.

(a) "Log Patrol" shall include all activities in connection with the recapture, repossession and delivery to owners or to boom companies of stray logs in this state except activities by the owner of such logs, the transportation agency that towed or transported the booms or cargo from which such stray logs were lost, or any other duly constituted agent of the owner;

"Log Patrol."

(b) "Stray Logs" shall mean and include any and all logs, piling, poles and boom sticks that are adrift or have been adrift and stranded on beaches, marshes or tidal and shorelands, which have escaped in any manner from the owner or from a transportation agency, from storage or while being transported;

"Stray Logs."

(c) "Person" shall include the plural and all corporations, foreign and domestic, copartnerships, firms and associations of persons.

"Person."

License.

SEC. 3. Before any person may engage in Log Patrol activities he must have an existing license from the state therefor. Before any license is issued

Application.

the applicant must apply to the Director of Licenses in the form to be prescribed by said Director. Said application must contain the name and address of the applicant or applicants, the name, type and size of floating equipment, to be used, and the mailing address of the principal place of business at which address process may be served upon such applicant.

Bond.

Before any license may be issued said applicant must execute and file with said Director, to be approved by him, a surety bond running to the State of Washington in the penal sum of five thousand dollars (\$5,000), conditioned that said applicant will comply with all the requirements of the laws of the State of Washington, governing such activities, and will account for all stray logs taken into possession, which said bond shall not be diminished by any recovery but shall at all times remain and be in force and effect in the full amount for any person claiming damages against said licensee. Each application shall be accompanied by a remittance of twenty-five dollars (\$25) for each boat to be used or operated in such activities by the licensee or his agent.

Fee.

All licenses shall expire on June 30th following the date of issuance. The Director shall issue each applicant a license and shall assign to each a number that will identify the boats and other floating equipment to be used by said applicant.

Expiration date.

Sign on boat.

SEC. 4. Each licensee or his agent before engaging in the activities of a log patrol must cause to be conspicuously painted on such equipment and kept at all times legible, in letters at least eight (8) inches high the words, "Log Patrol", "License Number" (inserting the number allotted in the blank), whereupon said licensee with units thus marked shall be authorized to engage in the activities of a log patrol as herein provided.

SEC. 5. (a) All stray logs, shall whenever practicable, be returned to the owner or his agent, otherwise be delivered to the nearest boom company, and the Log Patrol shall be entitled to a reasonable compensation for the recovery and return of such logs, and shall have all the rights incident to a logger's lien therefor: *Provided*, That no Log Patrol shall take into possession any stray logs during the time that the owner, his agent, or the transportation agency which lost said stray logs, are attempting, or, are awaiting favorable weather conditions, to attempt to recover said stray logs. The boom company upon receipt of such stray logs shall cause the same to be scaled by a log scaling bureau or by an individual log scaler whose regular and established business is that of scaling logs and thereafter sell such stray logs in the open market to the person making the highest offer and from the proceeds pay the Log Patrol for services performed.

Disposal of stray logs.

Compensation.

Lien rights.

Owner's right to recover logs.

Sale by boom company.

(b) From such proceeds, the boom company shall deduct the usual and customary handling charges, and pay to the owner the balance: *Provided, however*, The net proceeds from unbranded stray logs, and branded stray logs the ownership of which can not be determined by existing records, shall be placed in a separate fund and escheat to the State of Washington and be remitted to the State Treasurer.

Proceeds of sales.

Escheat to state.

SEC. 6. Branded and marked logs, boom sticks and boom chains shall be presumed to be the property of the person in whose name the brand or catch brand thereon imprinted is registered in the office of the Secretary of State.

Presumption of ownership.

SEC. 7. Boom companies as herein used, means a boom company organized and operating under authority of the Laws of 1890, pages 470-473, as amended, (Sections 8399-8407 of Rem. Rev. Stat.,

Boom companies.

Sections 452-1—452-17 PPC); or Chapter 72, Laws of 1895, as amended, (Sections 8408-8415 of Rem. Rev. Stat., Sections 452-19—452-33 PPC).

Boom sticks
and chains.

SEC. 8. Branded or marked boom sticks and boom chains shall be held for the owner as identified by the registered brand or mark thereon, and when so delivered by a Log Patrol it shall be entitled to receive reasonable compensation.

Presumption
to defraud.

SEC. 9. Any Log Patrol having possession of stray logs, boom sticks or boom chains, except as herein provided shall be presumed to have and hold possession of same with intent to deprive and defraud the owner thereof and such possession shall be *prima facie* evidence of intent to defraud.

Notice by
owner to
Log Patrol.

SEC. 10. Whenever the owner of any logs, boom sticks or chains, shall notify a Log Patrol by registered mail, addressed to the place of business listed in the application for license, not to take into possession any logs, boom sticks or chains, belonging to such owner and designating the brands and marks, then it shall be unlawful for such Log Patrol to thereafter take possession of any logs, boom sticks or chains bearing such brands or marks, until thirty (30) days after such property has been lost from the owner, the agent, storage grounds, or transportation agency, or until such time as such notice has been rescinded by notice thereof served in the same manner.

Unlawful
acts.

SEC. 11. It shall be unlawful for any Log Patrol or any other person without the consent of the owner, to take into possession with intent to sell, or for any person to buy boom sticks or chains, or to manufacture boom sticks into lumber or other wooden products without the written consent of the owner.

Purchases
from other
than owner
or boom
company.

SEC. 12. It shall be unlawful to purchase stray logs other than from the owner, or from a boom company as provided in this act.

SEC. 13. Any violation of this act shall be a gross misdemeanor. In addition thereto, the owner who has been deprived of the use, benefit or possession of any stray logs, boom sticks or boom chains, in violation of this act, shall have a right of civil action to recover for himself in damages from any person causing such deprivation, including the purchaser of such stray logs, boom sticks and boom chains.

Violations.

Civil action for damages.

SEC. 14. Every Log Patrol shall keep, at the place of business listed in its application, open to public inspection, during office hours, such permanent record as will be a tabulation of its log patrol activities.

Permanent record to be kept by Log Patrol.

SEC. 15. If any section, phrase, provision or clause hereof shall be held ineffectual for any reason, or unconstitutional, that shall not affect the validity of the remaining portions of said act.

Saving clause.

SEC. 16. In case of conflict with any existing provision of law, the provisions hereof shall prevail.

Conflict with former law.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 15, 1947.

CHAPTER 117.

[S. B. 14.]

METROPOLITAN PARK DISTRICTS.

AN ACT relating to Metropolitan Park Districts and the levy of taxes therefor, and amending section 5, chapter 264, Laws of 1943 (sec. 6741-5, Rem. Rev. Stat.; sec. 413-79, PPC).

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

SECTION 1. Section 5, chapter 264, Laws of 1943 (sec. 6741-5, Rem. Rev. Stat.; sec. 413-79, PPC) is hereby amended to read as follows:

Tax levy
by Board.

Section 5. Said Board of Park Commissioners are hereby authorized to levy or cause to be levied a general tax on all the property located in said park district each year not to exceed three (3) mills on the assessed valuation of the property in such park district. Said taxes when so levied shall be certified to the proper county official for collection the same as other general taxes. When such money is collected, it shall be placed in a separate fund to be known as the "Metropolitan Park District Fund" and paid out on warrants issued on the Board of Park Commissioners for the purposes specified in this act.

Metropolitan
Park Dis-
trict Fund.

Passed the Senate March 4, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 118.

[S. B. 72.]

APPROPRIATION—DEPARTMENT OF FISHERIES.

AN ACT appropriating the sum of five thousand dollars (\$5,000) or so much thereof as may be necessary, to the Department of Fisheries, for actual and necessary expenses for participation of the State of Washington in The Pacific Marine Fisheries Commission.

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

Appropriation.

SECTION 1. There is hereby appropriated out of the General Fund of the State of Washington the sum of five thousand dollars (\$5,000) to the Department of Fisheries for the purpose of paying the actual and necessary expenses of participation of the State of Washington in The Pacific Marine Fisheries Commission.

Conditioned upon compact.

SEC. 2. This appropriation shall become available only in the event of enactment of The Pacific Marine Fisheries Compact by two or more of the

States of California, Oregon and Washington and ratification of the same by Congress as required by the Constitution of the United States.

Passed the Senate February 6, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 119.

[S. B. 107.]

VETERANS—COMPETITIVE EXAMINATIONS FOR PUBLIC OFFICES.

AN ACT relating to competitive examinations for public offices, positions and employment; providing for preferences for all veterans of wars of the United States; and amending section 1, chapter 189, Laws of 1945 (sec. 9963-5, Rem. Rev. Stat.; sec. 932-50, PPC).

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

SECTION 1. Section 1, chapter 189, Laws of 1945 (sec. 9963-5, Rem. Rev. Stat.; sec. 932-50, PPC) is hereby amended to read as follows:

Section 1. In all competitive examinations, unless otherwise provided herein, to determine the qualifications of applicants for public offices, positions or employment, the State of Washington, and all of its political subdivisions and all municipal corporations, shall give a preference status to all veterans, as herein defined, of all wars in which the United States of America has been, now is or may hereafter be engaged, by adding to the mark, grade or rating, based upon a possible rating of one hundred (100) points as perfect, ten per cent (10%) to his final earned test rating: *Provided*, That he has received a minimum passing grade in such examination. The term "veteran" as herein used, shall include every person who has served, now is serving, or may hereafter serve in any branch of the Armed

Preferences to veterans.

Veterans defined.

Promotional
examina-
tions.

Forces of the United States, the Army Transport Service, and the Merchant Marine and, upon termination of the service, has received an honorable discharge, or a physical discharge with an honorable record, or has been relieved of active services under honorable circumstances. The provisions of this act shall not be applicable to promotional examinations to determine the qualifications of officers or employees for promotion from a lower grade position to a higher grade position: *Provided*, That when such a veteran was employed in public service at the time of his entry into military service and returns to the same employment, he shall be entitled to the preference herein provided for on his first promotional examination.

Passed the Senate February 14, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 120.

[S. B. 110.]

DEPARTMENT OF FISHERIES—ACQUISITION OF LAND.

AN ACT authorizing the Department of Fisheries to acquire land by gift, easement, purchase, lease or condemnation for the use of the department.

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

Director
authorized
to acquire
property.

SECTION 1. The Director of Fisheries is authorized to acquire by gift or easement, or whenever funds are appropriated for such purpose, by purchase, lease, or condemnation, such lands, water supplies, and rights-of-way therefor as may be deemed necessary for the use of the Department of Fisheries for hatchery sites, eyeing stations, rearing ponds, brood ponds, trap sites, dock and harbor facilities, buildings, fish and shellfish sanctuaries and rights-of-way to the nearest public highway

therefrom. Any condemnation action shall be brought in the name of the State of Washington in the manner provided for the acquiring of property for the public uses of the state.

Eminent domain.

Passed the Senate March 7, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 121.

[S. B. 129.]

RELATING TO FOOD FISH AND SHELLFISH RESOURCES.

AN ACT relating to the food fish and shellfish resources of this state; authorizing the Director of Fisheries to accept real property or money for specific purposes in connection with or in settlement of claims for damage to such resources; and declaring this act shall take effect April 1, 1947.

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

SECTION 1. The Director of Fisheries is authorized to accept money or real property from the United States, counties, municipalities or other governmental units, or from any person, firm or corporation, under conditions requiring the use of such property or money for specific purposes in furtherance of the protection, rehabilitation, preservation or conservation of the state food fish and shellfish resources or with the advice of the Attorney General, in settlement of any claim for damages to such food fish and/or shellfish resources. Any real property so accepted must be useful for the protection, rehabilitation, preservation or conservation of such fisheries resources.

Authority to accept gifts, money or property.

May be used under conditions specified.

Settlement of claims.

Use of real property.

SEC. 2. The Director of Fisheries is hereby designated the agent of the state to accept and receive all such funds and deposit them with the State Treasurer who shall credit them to the Contingent Receipts Fund created by chapter 243, Laws of 1945.

Director as agent of state.

Deposit of funds.

Statement to
Governor.

SEC. 3. Whenever any money has been received and is to be spent for a specific purpose, the Director of Fisheries shall submit to the Governor duplicate copies of a statement setting forth the facts regarding such funds and the need for such expenditure and the estimated amount to be expended.

Approval by
Governor.

SEC. 4. If the Governor shall approve such estimate in whole or in part, he shall endorse on each copy of such statement his approval, with the amount approved, and transmit one copy of the same to the Director of Fisheries authorizing him to make the expenditure. No expenditure shall be authorized in excess of the actual amount received, nor shall funds be expended for any purpose except the specific purpose for which they were received, unless the same were received in settlement of a claim for damages to the food fish or shellfish resources of the state, and in that event such funds so received may be expended for the protection, rehabilitation, preservation or conservation of such resources.

Expendi-
tures.

Effective
date.

SEC. 5. This act is necessary for the support of the state government and its existing institutions and shall take effect April 1, 1947.

Passed the Senate March 2, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 122.

[S. B. 167.]

GROUND WATERS—REGULATION AND CONTROL.

AN ACT relating to the regulation and control of ground waters within the State of Washington, amending sections 5, 9 and 12, chapter 263 of the Laws of 1945, and adding a new section.

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

SECTION 1. That section 5 of chapter 263 of the Laws of 1945 (sec. 7400-5, Rem. Rev. Stat.; sec. 993-58 (59) PPC) be amended to read as follows:

Section 5. After the effective date of this act no withdrawal of public ground waters of the state shall be begun, nor shall any well or other works for such withdrawal be constructed, unless an application to appropriate such waters has been made to the Supervisor of Hydraulics and a permit has been granted by him as herein provided: *Except, however,* That any withdrawal of public ground waters for stock-watering purposes, or for the watering of a lawn or of a non-commercial garden not exceeding one-half acre in area, or for single or group domestic uses in an amount not exceeding five thousand (5,000) gallons a day, or for an industrial purpose in an amount not exceeding five thousand (5,000) gallons a day, is and shall be exempt from the provisions of this section, but, to the extent that it is regularly used beneficially, shall be entitled to a right equal to that established by a permit issued under the provisions of this act: *Provided, however,* That the Supervisor of Hydraulics from time to time may require the person or agency making any such small withdrawal to furnish information as to the means for and the quantity of that withdrawal: *Provided, further,* That at the option of the party making withdrawals of ground waters of the state not exceeding five thousand (5,000) gallons per day, applications under this sec-

Application
for permit.

Exemption
for domestic
and industrial
uses.

Information
may be
required.

Withdrawals
less than
5,000 gallons.

tion or declarations under section 9 of this act may be filed and permits and certificates obtained in the same manner and under the same requirements as is in this act provided in the case of withdrawals in excess of five thousand gallons a day.

SEC. 2. That section 9 of chapter 263, Laws of 1945 (sec. 7400-9, Rem. Rev. Stat.; sec. 993-58 (67) PPC) be amended to read as follows:

Vested rights claimed.

Certificate.

Declaration by claimant.

Time may be extended.

Section 9. Any person, firm or corporation claiming a vested right to withdraw public ground waters of the state by virtue of prior beneficial use of such water shall, within three (3) years after the effective date of this act, be entitled to receive from the Supervisor of Hydraulics a certificate of ground water right to that effect: *Provided*, That the issuance by the Supervisor of Hydraulics of any such certificate of vested right shall be contingent on a declaration by the claimant in a form prescribed by said Supervisor, which declaration shall set forth: (1) the beneficial use for which such withdrawal has been made; (2) the date or approximate date of the earliest beneficial use of the water so withdrawn, and the continuity of such beneficial use; (3) the amount of water claimed; (4) if the beneficial use has been for irrigation, the description of the land to which such water has been applied and the name of the owner thereof; and (5) so far as it may be available, descriptive information concerning each well or other works for the withdrawal of public ground water, as required of original permittees under the provisions of section 8 of this act: *Provided, however*, That in case of failure to comply with the provisions of this section within the three (3) years allotted, the claimant may apply to the Supervisor of Hydraulics for a reasonable extension of time, which shall not exceed two (2) additional years and which shall be granted only upon a showing of good cause for such failure.

Each such declaration shall be certified, either on the basis of the personal knowledge of the declarant or on the basis of information and belief. With respect to each such declaration there shall be publication, and findings in the same manner as provided in section 6 of this act in the case of an original application to appropriate water. If his findings sustain the declaration, the Supervisor of Hydraulics shall approve said declaration, which then shall be recorded at length in his office and may also be recorded in the office of the County Auditor of the county within which the claimed withdrawal and beneficial use of public ground water have been made. When duly approved and recorded as herein provided, each such declaration or copies thereof shall have the same force and effect as an original permit granted under the provisions of section 6 of this act, with a priority as of the date of the earliest beneficial use of the water.

Certification of declaration.

Publication.

Findings.

Approval.

Recording.

Priority.

Declarations heretofore filed with the Supervisor of Hydraulics in substantial compliance with the provisions of this section shall have the same force and effect as if filed after the effective date of this act.

Declarations heretofore filed.

The same fees shall be collected by the Supervisor of Hydraulics in the case of applications for the issuance of certificates of vested rights, as are required to be collected in the case of application for permits for withdrawal of ground waters and for the issuance of certificates of ground water withdrawal rights under this act.

Fees.

SEC. 3. That there shall be added to chapter 263, of the Laws of 1945, a new section designated as section 11-A to read as follows:

Section 11-A. The unauthorized use of ground water to which another person is entitled, or the wilful or negligent waste of ground water, or the failure, when required by the Supervisor of Hy-

Unlawful acts.

draulics, to cap flowing wells or equip the same with valves, fittings, or casings to prevent waste of ground waters, shall be a misdemeanor.

SEC. 4. That section 12 of chapter 263 of the Laws of 1945 (sec. 7400-12, Rem. Rev. Stat.; sec. 993-58 (73) PPC) be amended to read as follows:

Appropriator's rights.

Preferred use.

Jurisdiction in supervisor.

Investigation by supervisor.

Ground water areas, sub-areas and depth zones to be designated and controlled.

Section 12. As between appropriators of public ground water, the prior appropriator shall as against subsequent appropriators from the same ground water body be entitled to the preferred use of such ground water to the extent of his appropriation and beneficial use, and shall enjoy the right to have any withdrawals by a subsequent appropriator of ground water limited to an amount that will maintain and provide a safe sustaining yield in the amount of the prior appropriation. The Supervisor of Hydraulics shall have jurisdiction over the withdrawals of ground water and shall administer the ground water rights under the principle just set forth, and he shall have the jurisdiction to limit withdrawals by appropriators of ground water so as to enforce the maintenance of a safe sustaining yield from the ground water body. For this purpose, the Supervisor of Hydraulics shall have authority and it shall be his duty from time to time, as adequate factual data become available, to designate ground water areas or sub-areas, to designate separate depth zones within any such area or sub-area, or to modify the boundaries of existing such area, or sub-area, or zones to the end that the withdrawals therefrom may be administratively controlled as prescribed in section 13 of this act in order that overdraft of public ground waters may be prevented so far as is feasible. Each such area or zone shall, as nearly as known facts permit, be so designated as to enclose a single and distinct body of public ground water. Each such sub-area may be so designated as to enclose all or any part of a

distinct body of public ground water, as the Supervisor of Hydraulics deems will most effectively accomplish the purposes of this act.

Designation of, or modification of the boundaries of such a ground water area, sub-area, or zone may be proposed by the Supervisor of Hydraulics on his own motion or by petition to the Supervisor of Hydraulics signed by at least fifty (50) or one-fourth ($\frac{1}{4}$), whichever is the lesser number, of the users of ground water in a proposed ground water area, sub-area, or zone. Before any proposed ground water area, sub-area, or zone shall be designated, or before the boundaries or any existing ground water area, sub-area, or zone shall be modified the Supervisor of Hydraulics shall publish a notice setting forth: (1) in terms of the appropriate legal subdivisions a description of all lands enclosed within the proposed area, sub-area, or zone, or within the area, sub-area, or zone whose boundaries are proposed to be modified; (2) the object of the proposed designation or modification of boundaries; and (3) the day and hour, and the place where written objections may be submitted and heard. Such notice shall be published in three (3) consecutive weekly issues of a newspaper of general circulation in the county or counties containing all or the greater portion of the lands involved, and the newspaper of publication shall be selected by the Supervisor of Hydraulics. Publication as just prescribed shall be construed as sufficient notice to the land owners and water users concerned.

Objections having been heard as herein provided, the Supervisor of Hydraulics shall make and file in his office written findings of fact with respect to the proposed designation or modification and, if the findings are in the affirmative, shall also enter a written order designating the ground water area, or sub-area, or zone or modifying the boundaries of the existing area, sub-area, or zone. Such findings and

Boundaries
may be
proposed.

Petition.

Publication
of notice.

Contents of
notice.

Hearings.

Findings.

Publication of findings.

order shall also be published substantially in the manner herein prescribed for notice of hearing, and when so published shall be final and conclusive unless an appeal therefrom is taken within the period and in the manner prescribed by section 16 of this act. Publication of such findings and order shall give force and effect to the remaining provisions of this section and to the provisions of section 13 of this act, with respect to the particular area, sub-area, or zone.

Priorities.

Priorities of right to withdraw public ground water shall be established separately for each ground water area, sub-area, or zone and, as between such rights, the first in time shall be the superior in right. The priority of the right acquired under a certificate of ground water right shall be the date of filing of the original application for a withdrawal in the office of the Supervisor of Hydraulics, or the date or approximate date of the earliest beneficial use of water as set forth in a certificate of a vested ground water right, under the provisions of section 9 of this act.

Declaration of ownership of area or zone waters.

Within ninety (90) days after the designation of a ground water area, sub-area or zone as herein provided, any person, firm or corporation then claiming to be the owner of artificially stored ground water within such area, sub-area, or zone shall file a certified declaration to that effect in the office of the Supervisor of Hydraulics on a form prescribed by said Supervisor. Such declaration shall cover: (1) the location and description of the works by whose operation such artificial ground water storage is purported to have been created, and the name or names of the owner or owners thereof; (2) a description of the lands purported to be underlain by such artificially stored ground water, and the name or names of the owner or owners thereof; (3) the amount of such water claimed; (4) the date or approximate date of the earliest artificial storage; (5) evidence competent to show that the water claimed is in fact

Contents of declaration.

water that would have been dissipated naturally except for artificial improvements by the claimant; and (6) such additional factual information as reasonably may be required by the Supervisor of Hydraulics. If any of the purported artificially stored ground water has been or then is being withdrawn, the claimant also shall file (1) the declarations which this act requires of claimants to a vested right to withdraw public ground waters, and (2) evidence competent to show that none of the water withdrawn under those declarations is in fact public ground water from the area, sub-area, or zone concerned: *Provided, however,* That in case of failure to file a declaration within the 90-day period herein provided, the claimant may apply to the Supervisor of Hydraulics for a reasonable extension of time, which shall not exceed two (2) additional years and which shall be granted only upon a showing of good cause for such failure.

Extension
of time
for filing
declaration.

Following publication of the declaration and findings—as in the case of an original application, permit, or certificate of right to appropriate public ground waters—the Supervisor of Hydraulics shall accept or reject such declaration or declarations with respect to ownership or withdrawal of artificially stored ground water. Acceptance of such declaration or declarations by the Supervisor of Hydraulics shall convey to the declarant no right to withdraw public ground waters from the particular area, sub-area, or zone, nor to impair existing or subsequent rights to such public waters.

Acceptance
or rejection
of declara-
tion.

Existing
rights
unimpaired.

Any person, firm or corporation hereafter claiming to be the owner of ground water within a designated ground water area, sub-area, or zone by virtue of its artificial storage subsequent to such designation shall, within three (3) years following the earliest artificial storage file a declaration of claim in the office of the Supervisor of Hydraulics, as herein prescribed for claims based on artificial

Artificial
storage.

Declaration.

Extension of time for filing.

storage prior to such designation: *Provided, however,* That in case of such failure the claimant may apply to the Supervisor of Hydraulics for a reasonable extension of time, which shall not exceed two (2) additional years and which shall be granted upon a showing of good cause for such failure.

Withdrawal of such waters.

Any person, firm or corporation hereafter withdrawing ground water claimed to be owned by virtue of artificial storage subsequent to designation of the relevant ground water area, sub-area, or zone shall, within ninety (90) days following the earliest such withdrawal, file in the office of the Supervisor of Hydraulics the declarations required by this act with respect to withdrawals of public ground water.

Passed the Senate March 3, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 123.

[S. B. 170.]

USE AND DIVERSION OF WATERS.

AN ACT relating to the use and diversion of water in the State of Washington and amending section 2 of chapter 162 of the Laws of 1925, fixing the compensation of stream patrolmen, and amending section 9 of chapter 117 of the Laws of 1917, fixing the compensation of water masters.

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

SECTION 1. That section 2 of chapter 162 of the Laws of 1925 (Rem. Rev. Stat. 7351-2; PPC 993-75), be amended to read as follows:

Wages of stream patrolmen.

Section 2. Each stream patrolman shall receive a wage per day for each day actually employed in the duties of his office, or if employed by the month, he shall receive a salary per month, which wage or salary shall be fixed in the manner provided by law

for the fixing of the salaries or compensation of other state officers or employees, plus his necessary transportation expenses.

Expenses.

SEC. 2. That section 9 of chapter 117 of the Laws of 1917 (Rem. Rev. Stat. 7359; PPC 993-71), be amended to read as follows:

Section 9. Water masters shall be appointed by the State Supervisor of Hydraulics upon application by interested parties making a reasonable showing of the necessity therefor, at such time, for such districts, and for such periods of service, as local conditions may indicate to be necessary to provide the most practical supervision on the part of the state and to secure to water users and owners the best protection in their rights. The districts for or in which the water masters serve shall be designated water districts, which shall be fixed from time to time by the State Supervisor of Hydraulics, as required, and they shall be subject to revision as to boundaries or to complete abandonment as local conditions may indicate to be expedient, the spirit of this provision being that no districts need be created or maintained or water masters appointed therefor, where the need for the same does not exist. Water masters shall be under the supervision of the State Supervisor of Hydraulics, and shall be technically qualified to the extent of understanding the elementary principles of hydraulics and irrigation, and of being able to make water measurements in streams and in open and closed conduits of all characters, by the usual methods employed for that purpose. Each water master shall, if employed by the day, receive a wage per day for each day he shall be actually employed in the duties of his office, or, if employed by the month, he shall receive a salary per month, which wage or salary shall be fixed in the manner provided by law for the fixing of the salaries or compensation of other state officers or employees, to be

Water masters.

Water districts.

Qualifications for water masters.

Compensation.

Expenses.

paid by the county in which the work is performed. In case the service extends over more than one county each county shall pay its equitable part of such wage to be apportioned by the State Supervisor of Hydraulics. He shall be reimbursed for actual necessary expenses when absent from his designated headquarters in the performance of his duties, such expense to be paid by the county in which he renders the service. The accounts of the water master shall be audited and certified by the State Supervisor of Hydraulics and the County Auditor shall issue a warrant therefor upon the current expense fund.

Passed the Senate March 3, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 124.

[S. B. 186.]

ACQUISITION OF LAND BY DEPARTMENT OF GAME.

AN ACT relating to the acquisition of lands by the Department of Game for public hunting and fishing areas, game habitat areas, access areas to lakes and streams, and other like purposes, and making an appropriation for the State Game Fund.

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

Appropriation.

SECTION 1. There is hereby appropriated from the State Game Fund of the State of Washington, the sum of three hundred seventy-five thousand dollars (\$375,000), or so much thereof as may be necessary to be expended during the biennium beginning April 1, 1947, and ending March 31, 1949, for the purpose of acquiring by purchase or lease public hunting and fishing areas, game and fish habitat areas, access areas to lakes and streams and game refuge sites, and for the further purpose of entering into

Areas.

cooperative agreements with land owners and lease holders for the development of game and game fish habitat upon their lands. Cooperative agreements.

Passed the Senate February 19, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 125.

[S. B. 188.]

DEPARTMENT OF GAME—EMPLOYEES' RETIREMENT PLAN.

AN ACT relating to the Department of Game, creating a retirement plan for employees thereof, providing benefits to injured employees and beneficiaries of deceased employees of such department and making an appropriation.

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

SECTION 1. The word "employee" whenever used in this act means a regular and permanent employee of the Department of Game who has been classified and certified as such by the Game Department Retirement Board. The Director of the Department of Game may, if he desires, be included as such an employee. Employees.

SEC. 2. There is hereby created a Game Department Retirement Board which shall consist of the Director of Game, who shall be an ex-officio member and chairman, and two employees of the Department of Game who shall be selected by and shall serve during the pleasure of the State Game Commission. Game Department Retirement Board.

SEC. 3. The Game Department Retirement Board shall: (a) Hold meetings when called by the chairman; (b) Pass on all applications for retirement pay or other benefits provided for in this act and issue certificates to the applicant showing the sum Meetings.
Applications.

Reports. of money to which he is entitled; (c) Prepare, at the end of each year, a report showing the action taken on every application for any benefits provided in this act, the amounts paid to each beneficiary, all investments which have been made, all income from investments which has been received, and the amount of money credited to each employee for his retirement; (d) Submit to the State Auditor each month a list of employees eligible to receive any benefits under this act; (e) Be trustees of the Game Department Retirement Fund and shall have full power to invest and reinvest the same in bonds or other obligations of the United States, the State of Washington, or of any county, city, town, or school district of the state, or of any other legally constituted taxing subdivision within the state, or in bonds, notes, debentures, or other obligations in which both principal and interest are insured or guaranteed by the Federal Government; (f) Keep accurate minutes of all meetings; (g) Maintain complete and accurate records of each employee concerning his tenure of employment, the amounts contributed by him to the Game Department Retirement Fund, his designated beneficiary, and such other information as may be necessary to pass on any application for benefits provided for in this act; (h) Semi-annually compute and allocate the earnings of the Game Department Retirement Fund and any principal surplus moneys therein to the employees in proportion to the amount contributed to the fund by each employee.

List of eligible employees.

Trustees.

Minutes.

Records.

Earnings to be computed.

Notice of withdrawal.

Physical examination.

SEC. 4. The Game Department Retirement Board may: (a) Request ninety days notice by any retiring employee of the withdrawal from the Game Department Retirement Fund of any sum in excess of five hundred dollars (\$500); (b) Require a physical examination by a physician of any employee claiming a disability under this act; (c) Utilize per-

sonnel of the Department of Game for clerical and stenographic assistance; (d) Adopt and promulgate rules and regulations for the administration of this act; (e) Request advice and assistance from the State Finance Committee in investing moneys of the Game Department Retirement Fund.

Aid from department.

Rules and regulations.

State Finance Committee.

SEC. 5. There is hereby created the Game Department Retirement Fund. The State Auditor shall each month deduct ten dollars (\$10) from the monthly salary of each employee and shall in writing notify the State Treasurer of the amounts so deducted. The State Treasurer shall, each month upon receipt of such notice, transfer from any moneys appropriated to the Department of Game for salaries and wages, or for the purposes of carrying out the provisions of this act, to the Game Department Retirement Fund, an amount equal to the amount deducted by the State Auditor: *Provided*, The State Auditor shall make no such deduction from the salary of any employee for any month in which such employee receives less than one-half of his full month's salary.

Game Department Retirement Fund.

Deductions.

Matching money.

SEC. 6. No member of the Game Department Retirement Board and no employee of the Department of Game and no officer or other employee of the state shall receive any additional compensation for performing any duties necessitated by the passage of this act.

Compensation.

SEC. 7. The State Finance Committee shall, when requested by the Game Department Retirement Board, give advice and assistance in the investing of moneys in the Game Department Retirement Fund.

State Finance Committee to assist.

SEC. 8. The State Treasurer shall, whenever requested by the Game Department Retirement Board, give information to said board concerning the status of the Game Department Retirement Fund.

State Treasurer to inform board.

State
Treasurer
custodian
of fund.

The State Treasurer shall be ex-officio custodian of the Game Department Retirement Fund and all disbursements therefrom shall be made by warrants which shall be supported by vouchers approved by the Game Department Retirement Board.

Expense of
administra-
tion.

SEC. 9. Any expenses of administering this act exclusive of the salaries or wages of any state officer or employee shall be payable out of the Game Department Retirement Fund.

Credit for
war service.

SEC. 10. Any person who was an employee of the Department of Game immediately prior to his serving in the Army, Navy, Marine Corps, or Coast Guard of the United States during the second World War who, within one year from the termination of such active Federal service, resumes employment with the Department of Game shall have his services in such Armed Forces credited to him as continuous service with the Department of Game in computing any benefits provided in this act.

Sums
payable.

SEC. 11. All sums payable under this act because of death or disability of any employee shall be paid from the current appropriation to the Department of Game for salaries and wages. All sums payable under this act because of the termination of the employment of any employee shall be paid from the Game Department Retirement Fund.

Beneficiaries.

SEC. 12. In order for any person to obtain any of the benefits provided for beneficiaries herein, such person must have been designated as a beneficiary by the respective employee of the Department of Game. Such designation shall be in writing, signed by the employee, and filed with the Game Department Retirement Board. In addition, no person shall receive any payments as a beneficiary unless he or she is or was dependent on the employee for at least fifty per cent (50%) of his or her support and is a surviving spouse, a natural or adopted child, a step-child, or parent of such employee.

SEC. 13. Any employee whose employment with the Department of Game is terminated for any reason shall be entitled to retirement pay computed as follows: (a) Any employee who has rendered less than one year's continuous service shall receive all sums contributed by him to the Game Department Retirement Fund; (b) Any employee who has rendered more than one but not more than five years' continuous service shall receive all sums contributed by him to the Game Department Retirement Fund, plus an amount equal to one-half the amount so contributed, plus his proportionate share of earned interest and surplus principal moneys in said fund as shown by the last semi-annual computation of the Game Department Retirement Board; (c) Any employee who has rendered more than five years continuous service shall receive all sums contributed by him to the Game Department Retirement Fund plus an amount equal to the entire amount so contributed, plus his proportionate share of earned interest and surplus principal moneys in said fund as shown by the last semi-annual computation of the Game Department Retirement Board.

Retirement
computa-
tions.

Continuous service includes service rendered before as well as after the effective date of this act.

Continuous
service.

If the employment of any employee is terminated by death, his designated beneficiary shall receive the moneys which would have been paid to such employee had he continued to live after the termination of such employment.

Death.

SEC. 15. (a) Any employee who is permanently injured while performing duties as such employee and consequently is unable to perform such duties thereafter shall, in addition to any retirement pay provided for by this act, be entitled to payment of an amount equal to his full salary for one year, which shall be paid in twelve equal monthly installments. (b) If any employee dies as a direct result

Permanent
injuries.

Death from injuries.

of performing his duties, his designated beneficiary shall be entitled to receive an amount equal to the salary of such deceased employee for one year, which shall be paid in twelve equal monthly installments. (c) If any employee dies from any cause other than the performance of his duties, his designated beneficiary shall be entitled to receive an amount equal to the salary of such deceased employee for six months, which shall be paid in six equal monthly installments.

From other causes.

Act not effective if plan is adopted for all state employees.

SEC. 16. If a retirement plan for all state employees is hereafter adopted, or if employees of the Department of Game become eligible for the benefits of the Federal social security laws, the retirement plan created by this act shall cease to be operative and the moneys in the Game Department Retirement Fund shall, after appropriation by the legislature, be distributed to the employees of the Department of Game as though all such employees were terminating their services with the Department and the Game Department Retirement Fund shall thereupon be abolished.

Payments part of compensation for services.

SEC. 17. All payments made to employees or beneficiaries under the terms of this act are expressly declared to be part of the consideration to be paid to employees for services rendered by employees.

Appropriation.

SEC. 18. There is hereby appropriated from the State Game Fund the sum of sixty thousand dollars (\$60,000) for the purpose of carrying out the provisions of this act.

Passed the Senate February 19, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 126.

[S. B. 189.]

FIREARMS.

AN ACT prohibiting shooting from, across or along highways and prohibiting carrying of any loaded shotgun or rifle in any vehicle and prescribing penalties.

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

SECTION 1. It shall be unlawful for any person to carry, transport or convey, or to have in his possession or under his control in any motor-driven or horse-drawn vehicle or in any vehicle propelled by man, any shotgun or rifle containing shells or cartridges therein. Loaded guns in vehicles.

SEC. 2. It shall be unlawful for any person to shoot any pistol, rifle, shotgun or other firearm from, across or along any public highway. Shooting from across or along highway.

SEC. 3. It shall be the duty of all sheriffs, deputy sheriffs, constables, city marshals, police officers, state game protectors, deputy game protectors, and ex officio game protectors, within their respective jurisdictions, to enforce all of the provisions of this act. Enforcement.

SEC. 4. Any person violating any of the provisions of this act shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than ten dollars (\$10) and not more than one hundred dollars (\$100) or by imprisonment in the county jail for not less than ten days and not more than ninety days or by both such fine and imprisonment. Violation.
Punishment.

SEC. 5. The word "person" as used in this act does not include any law enforcement officer who is authorized to carry fire arms. Person.

SEC. 6. Any action charging a violation of the foregoing shall be instituted in the Justice Court in one of the two incorporated cities or towns nearest Jurisdiction.

the place where the violation is alleged to have been committed.

Passed the Senate February 19, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 127.

[S. B. 192.]

IMPROVEMENT OF GAME FISHING.

AN ACT relating to the betterment of game fishing conditions in the State of Washington through a system of improving natural spawning facilities in lakes and streams.

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

River, stream, lake improvement for fishing.

SECTION 1. The Director of Game with the consent and approval of the State Game Commission is hereby empowered to expend such sums as they deem advisable within the limits of the appropriation set forth herein from the State Game Fund, for the purpose of improving natural conditions for the growth of fish life in the state by means of construction of fishways, installation of screens, removal of obstructions to migratory fish, eradicating undesirable types of fish by means of poisoning, and such other methods as they shall deem advisable and practical, and is further empowered to enter into cooperative agreements with state, county and federal municipal agencies, and with private individuals for the purpose of carrying on the work of this type.

Appropriation.

SEC. 2. There is hereby appropriated from the State Game Fund for the use of the Department of Game, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary for lake and stream improvement during the bien-

nium beginning April 1, 1947, and ending March 31, 1949.

Passed the Senate February 19, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 128.

[S. B. 195.]

HUNTING AND FISHING LICENSES.

AN ACT relating to and fixing the fees for certain hunting and fishing licenses, setting aside a portion of all hunting and fishing license fees for certain purposes, and providing when this act shall take effect.

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

SECTION 1. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States who has been an actual resident of this state for six (6) months immediately preceding his application, may by paying the sum of two dollars and fifty cents (\$2.50) obtain a hunting and fishing license, which shall entitle the holder thereof to hunt and fish within the county in which he resides and for which the license is issued until the first day of January next following the date of issuance, when it is lawful to hunt or fish therein. County license.

SEC. 2. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States who has been an actual resident of this state for six (6) months immediately preceding his application, may by paying the sum of five dollars (\$5) obtain a state hunting and fishing license, which shall entitle the holder thereof to hunt and fish in any county of the state until the first day of January next following State license.

the date of its issuance, when it is lawful to hunt or fish therein.

Twenty per cent of proceeds allocated for certain purposes.

SEC. 3. Twenty per cent (20%) of all monies received from the sale of all resident state and county hunting and fishing licenses shall be used to acquire lands for public hunting and fishing areas, small game habitat areas and rights of way thereto and for the development and maintenance of such areas for recreational and game purposes.

Effective date.

SEC. 4. This act shall take effect January 1, 1948.
Passed the Senate March 7, 1947.
Passed the House March 6, 1947.
Approved by the Governor March 17, 1947.

CHAPTER 129.

[S. B. 199.]

DIRECTORS—BANKS AND TRUST BUSINESS.

AN ACT relating to banking and trust business, and amending section 30, chapter 80, Laws of 1917 (sec. 3237, Rem. Rev. Stat.; sec. 309-27, PPC).

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

SECTION 1. Section 30, chapter 80, Laws of 1917 (sec. 3237, Rem. Rev. Stat.; sec. 309-27, PPC) is amended to read as follows:

Directors.

Section 30. Every bank and trust company shall be managed by not less than five directors, excepting that a bank having a capital of \$50,000.00 or less may have only three directors. Directors shall be elected by the stockholders and hold office for one year and until their successors are elected and have qualified. In the first instance the directors shall be elected at a meeting held before the bank or trust company is authorized to do business by the State Bank Examiner and afterwards at the annual meeting of the stockholders to be held on a day in the

Election.

month of January of each year to be specified by the bank's by-laws. If for any cause no election is held at that time, it may be held at an adjourned meeting or at a subsequent meeting called for that purpose in the manner prescribed by the corporation's by-laws. The directors shall meet at least once each month and whenever required by the State Bank Examiner. A majority of the board of directors shall constitute a quorum for the transaction of business. At all stockholders' meetings, each share shall be entitled to one vote. Any stockholder may vote in person or by written proxy. Every director must be the beneficial owner of at least ten shares of stock, excepting that a director of a bank having a capital stock of \$50,000.00 or less, need be the owner of only five shares of stock.

Meetings.

Quorum.

Stockholders' meetings
—votes.Qualification
for directors.

Immediately upon election, each director shall take, subscribe, swear to and file with the examiner an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of such corporation and will not knowingly violate or willingly permit to be violated any provision of law applicable to such corporation and that he is the beneficial owner in good faith of the number of shares of stock required by this section, and that the same is fully paid, is not hypothecated or in any way pledged as security for any loan or debt. Vacancies in the board of directors shall be filled by the board.

Oath.

Vacancies.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 130.

[S. B. 197.]

USE OF STATE LAND FOR GAME PURPOSES.

AN ACT authorizing the Commissioner of Public Lands upon request by the State Game Commission to withdraw state lands from lease, the same to be used for game animal or bird purposes, and providing for payment for such use out of the State Game Fund to the common school or other state fund.

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

Withdrawal of public lands upon request.

SECTION 1. The Commissioner of Public Lands is hereby authorized upon receipt of written request from the State Game Commission, such request bearing the endorsed approval of the Board of County Commissioners as hereafter provided, to withdraw from lease any state owned lands described or designated in such request if in the judgment of the Commissioner of Public Lands such withdrawal will be of benefit to the State of Washington and upon the condition that the common school fund or any other fund for which the described or designated lands are held shall be paid any sum or sums which the lease of said described or designated lands would increase such fund.

Request to be presented to Board of County Commissioners.

SEC. 2. Prior to the forwarding of any such request to the Commissioner of Public Lands the State Game Commission shall present the same to the Board of County Commissioners of the county wherein the lands to be withdrawn are located and have endorsed thereon the approval of the said Board of County Commissioners. In the event said Board, before approving or disapproving said request, shall deem it advisable it may set the time and place for and call a public hearing. No such hearing shall take place within thirty days from the time of presentation of the request to the Board of County Commissioners.

Approval by Board.

Hearing.

The State Game Commission shall publish a notice of all public hearings so set by the said board, in a newspaper of general circulation, within the county wherein the lands sought to be withdrawn are located, at least once a week for two successive weeks in advance of any hearing. Such notice shall contain a copy of the request and the time and place for holding the hearing.

Publication
of notice
of hearing.

The chairman of the Board of County Commissioners shall be chairman of any public hearing under this act and the proceedings of the hearing shall be informal with all persons being given reasonable opportunity to be heard.

Proceedings
for hearing.

Within ten days after any such hearing the Board of County Commissioners shall endorse upon the request for withdrawal, its approval or disapproval thereof. The decision of the said board shall be final and there shall be no appeal allowed from any such decision.

Approval by
Board of
County Com-
missioners.

SEC. 3. Upon receipt of any such approved request if in the judgment of the Commissioner of Public Lands the requested withdrawal of the lands as designated or described in such request would be of benefit to the people of the state, he shall immediately cause an appraisal to be made of the lease value of such lands and before withdrawal of any such lands, he shall require that the Department of Game, acting through the director thereof, transmit to him a voucher drawn against the State Game Fund in favor of the particular fund for the benefit of which such lands are held and in such amount as shall represent the lease value, dependent upon such time as shall be shown in the request of the State Game Commission for which such lands are to be withdrawn.

Appraisal of
lease value.

Voucher
against
Game Fund.

SEC. 4. Upon receipt of any such voucher, the Commissioner of Public Lands shall immediately execute the same and cause such lands to be with-

Payment for
withdrawal.

drawn from lease. The said commissioner shall thereupon forward to the State Auditor the said voucher and the State Auditor shall thereupon draw a warrant against the State Game Fund and in favor of the particular fund for which the withdrawn lands have been theretofore held.

Passed the Senate February 19, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 131.

[S. B. 198.]

INCORPORATION OF BANK OR TRUST BUSINESS.

AN ACT relating to banking and trust business, and amending section 19, chapter 80, Laws of 1917, as last amended by section 2, chapter 72, Laws of 1929 (sec. 3226, Rem. Rev. Stat.; sec. 309-1, PPC).

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

SECTION 1. Section 19, chapter 80, Laws of 1917, as last amended by section 2, chapter 72, Laws of 1929 (sec. 3226, Rem. Rev. Stat.; sec. 309-1, PPC), is amended to read as follows:

Five or more persons may incorporate.

Section 19. When authorized by the Supervisor of Banking, as hereinafter provided, five or more natural persons, citizens of the United States, may incorporate a bank or trust company in the manner herein prescribed. No bank shall incorporate for less amount nor commence business unless it have a paid-in capital as follows:

Paid-in capital.

In cities having a population of less than 5,000 . . .	\$25,000.00
In cities having a population of 5,000 and less than 25,000	\$50,000.00
In cities having a population of 25,000 and less than 100,000	\$100,000.00
In cities having a population of 100,000 or more	\$150,000.00

Provided, That on request of any persons desiring to incorporate a bank in a city having a population of 25,000 or over, the Supervisor of Banking shall make an order defining the boundaries of the central business district of such city, which shall include the district in which is carried on the principal retail, financial and office business of such city and banks may be incorporated with a paid-up capital of not less than \$50,000 to be located in such city outside of the central business district of such city as defined by the order of the Supervisor of Banking, which shall be stated in its articles of incorporation, but any such bank which shall be hereafter incorporated to be located outside such central business district, which shall thereafter change its location into such central business district without increasing its capital stock and surplus to the amount required by then existing laws to incorporate a bank within such central business district, shall forfeit its charter and right to do business. The Supervisor of Banking may from time to time change the boundaries of said central business district, if, in his judgment, such action is proper.

Boundaries of business district.

Location outside business district.

Change of location.

Forfeiture of charter.

Change of boundaries.

No trust company shall incorporate for a less amount, nor commence business unless it has a paid-in capital as follows:

Paid-in capital for trust company.

In cities, villages or communities having a population of less than 25,000.....	\$50,000.00
In cities having a population of 25,000 and less than 100,000	100,000.00
In cities having a population of 100,000 or more	200,000.00

In addition to the foregoing, each bank and trust company shall before commencing business have subscribed and paid in to it in the same manner as is required for capital stock, an additional amount equal to at least ten per cent of the capital stock above required. Such additional amount shall be carried in the undivided profit account and may be used to defray organization and operating expenses

Paid up stock.

Additional ten per cent.

of the company. Any sum not so used shall be transferred to the surplus fund of the company before any dividend shall be declared to the stockholders.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 132.

[S. B. 200.]

DIRECTORS OF BANKS AND TRUST COMPANIES—FIDELITY BONDS AND INDEMNITY INSURANCE.

AN ACT relating to banking and trust business, prescribing the duties and responsibilities of directors of banks and trust companies with respect to fidelity bonds on officers and employees and indemnity insurance against other common hazards, and amending section 32, chapter 80, Laws of 1917, as amended by section 1, chapter 224, Laws of 1927 (sec. 3239, Rem. Rev. Stat.; sec. 309-35, PPC).

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

SECTION 1. Section 32, chapter 80, Laws of 1917, as amended by section 1, chapter 224, Laws of 1927 (sec. 3239, Rem. Rev. Stat.; sec. 309-35, PPC), is amended to read as follows:

Section 32. (a) The board of directors of each bank and trust company shall direct and require good and sufficient surety company fidelity bonds issued by a company authorized to engage in the insurance business in the State of Washington on all active officers and employees, whether or not they draw salary or compensation, which bonds shall provide for indemnity to such bank or trust company, on account of any losses sustained by it as the result of any dishonest, fraudulent or criminal act or omission committed or omitted by them acting independently or in collusion or combination with any person or persons. Such bonds may be indi-

Bonds on officers and employees.

vidual, schedule or blanket form, and the premiums therefor shall be paid by the bank or trust company.

(b) The said directors shall also direct and require suitable insurance protection to the bank or trust company against burglary, robbery, theft and other similar insurance hazards to which the bank or trust company may be exposed in the operations of its business on the premises or elsewhere.

The said directors shall be responsible for prescribing at least once in each year the amount or penal sum of such bonds or policies and the sureties or underwriters thereon, after giving due consideration to all known elements and factors constituting such risk or hazard. Such action shall be recorded in the minutes of the board of directors and thereafter be reported to the Supervisor of Banking and be subject to his approval.

Protection
against
hazards.

Amounts of
bonds and
policies to
be fixed once
a year.

Recording in
minutes and
report to
supervisor.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 133.

[S. B. 218.]

REGULATION AND CONTROL OF WATERS.

AN ACT relating to regulation and control of waters within the state, and amending section 31 of chapter 117, Laws of 1917, as last amended by section 2 of chapter 127, Laws of 1939 (section 7382 Rem. Rev. Stat., 993-97 PPC).

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

SECTION 1. Section 31 of chapter 117, Laws of 1917, as last amended by section 2 of chapter 127, Laws of 1939 (sec. 7382 Rem. Rev. Stat., 993-97 PPC) is hereby amended to read as follows:

Section 31. When an application complying with the provisions of this chapter and with the rules and regulations of the State Supervisor of Hydraulics

has been filed, the same shall be placed on record in the office of the State Supervisor of Hydraulics, and it shall be his duty to investigate the application, and determine what water, if any, is available for appropriation, and find and determine to what beneficial use or uses it can be applied. If it is proposed to appropriate water for irrigation purposes, the State Supervisor of Hydraulics shall investigate, determine and find what lands are capable of irrigation by means of water found available for appropriation. If it is proposed to appropriate water for the purpose of power development, the Supervisor shall investigate, determine and find whether the proposed development is likely to prove detrimental to the public interest, having in mind the highest feasible use of the waters belonging to the public. If the application does not contain, and the applicant does not promptly furnish sufficient information on which to base such findings, the Supervisor may issue a preliminary permit, for a period of not to exceed three (3) years, requiring the applicant to make such surveys, investigations, studies, and progress reports, as in the opinion of the Supervisor may be necessary. If the applicant fails to comply with the conditions of the preliminary permit, it and the application or applications on which it is based shall be automatically cancelled and the applicant so notified. If the holder of a preliminary permit shall, before its expiration, file with the Supervisor a verified report of expenditures made and work done under the preliminary permit, which, in the opinion of the Supervisor, establishes the good faith, intent and ability of the applicant to carry on the proposed development, the preliminary permit may, with the approval of the Governor, be extended, but not to exceed a maximum period of five (5) years from the date of the issuance of the preliminary permit. The State Supervisor of Hydraulics shall make and file

Investigation
and findings
by super-
visor.

Preliminary
permit.

Automatic
cancellation.

Extension of
permit with
Governor's
approval.

as part of the record in the matter, written findings of fact concerning all things investigated, and if he shall find that there is water available for appropriation for a beneficial use, and the appropriation thereof as proposed in the application will not impair existing rights or be detrimental to the public welfare, he shall issue a permit stating the amount of water to which the applicant shall be entitled and the beneficial use or uses to which it may be applied: *Provided*, That where the water applied for is to be used for irrigation purposes, it shall become appurtenant only to such land as may be reclaimed thereby to the full extent of the soil for agricultural purposes. But where there is no unappropriated water in the proposed source of supply, or where the proposed use conflicts with existing rights, or threatens to prove detrimental to the public interest, having due regard to the highest feasible development of the use of the waters belonging to the public, it shall be duty of the State Supervisor of Hydraulics to reject such application and to refuse to issue the permit asked for. If the permit is refused because of conflict with existing rights and such applicant shall acquire same by purchase or condemnation under section 7354 hereof, said Supervisor may thereupon grant such permit. Any application may be approved for a less amount of water than that applied for, if there exists substantial reason therefor, and in any event shall not be approved for more water than can be applied to beneficial use for the purposes named in the application. In determining whether or not a permit shall issue upon any application, it shall be the duty of the State Supervisor of Hydraulics to investigate all facts relevant and material to the application. After the State Supervisor of Hydraulics approves said application in whole or in part and before any permit shall be issued thereon to the applicant, such applicant shall pay the fee provided in section 7399

Written findings.

Appurtenant to re-claimed land.

Approval for less than applied for.

Fee for permit.

Notification to Directors of Fisheries and Game.

of this Code: *Provided further*, That in the event a permit is issued by the Supervisor of Hydraulics upon any application, it shall be his duty to notify both the Director of Fisheries and the Director of Game of such issuance.

Passed the Senate February 28, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 134.

[S. B. 332.]

AUTHORIZING LIQUOR BOARD TO ACQUIRE WAREHOUSE.

AN ACT authorizing the Liquor Board to lease or purchase or erect a warehouse in the City of Seattle and to borrow money and issue bonds to finance the same.

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

May acquire site and erect warehouse.

SECTION 1. The Washington State Liquor Board and the State Finance Committee are hereby authorized to lease or purchase or acquire a site and erect a warehouse building in the City of Seattle, and for that purpose may borrow money and may issue bonds in an amount not to exceed one million five hundred thousand dollars (\$1,500,000) to be amortized from liquor revenues over a period of not to exceed ten years.

May issue bonds up to \$1,500,000.

Passed the Senate March 7, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 135.

[S. B. 335.]

MAILING OF REPORT—MOTOR VEHICLE FUEL TAX.

AN ACT relating to the motor vehicle fuel tax and amending chapter 58, Laws of 1933, as amended, by adding thereto a new section to be designated section 8-a.

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

SECTION 1. Chapter 58, Laws of 1933, as amended, is amended by adding thereto after section 8 (sec. 8327-8, Rem. Rev. Stat.; sec. 977-15, PPC) a new section to be designated section 8-a, reading as follows:

Section 8-a. When any application, report, notice, or payment to be made to any officer, agent, or employee of the state under the provisions of this act has been deposited in the United States mail addressed to such officer, agent, or employee, it shall be deemed to have been received by him on the date such application, report, notice, or payment was deposited in the United States mail. It shall be presumed until the contrary is established that the date shown by the post office cancellation mark on the envelope containing the application, report, notice or payment is the date it was deposited in the United States mail.

Presumption
of receipt
when mailed.

Passed the Senate February 28, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 136.

[S. S. B. 374.]

DIRECTOR OF FISHERIES—ENFORCEMENT OF CONVENTION.

AN ACT relating to fish and fisheries and authorizing the Director of the Department of Fisheries and his duly authorized agents to adopt and to enforce the provisions of the convention between the United States and the Dominion of Canada for the protection, preservation and extension of the sockeye salmon fishery of the Fraser River System, signed at Washington, District of Columbia, on the 26th day of May, 1930, and the regulations of the commission promulgated under authority of said convention.

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

Authority to adopt and enforce provisions.

SECTION 1. The Director of the Department of Fisheries and his duly authorized agents are hereby authorized to adopt and to enforce the provisions of the convention between the United States and the Dominion of Canada for the protection, preservation and extension of the sockeye salmon fishery of the Fraser River System, signed at Washington, District of Columbia, on the 26th day of May, 1930 and the regulations of the commission promulgated under authority of said convention.

Passed the Senate March 4, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 137.

[S. B. 101.]

COMPENSATION OF STEAMBOAT INSPECTORS.

AN ACT relating to the pay of steamboat inspectors, amending section 27, chapter 200, Laws of 1907 (sec. 9869, Rem. Rev. Stat.; sec. 643-53, PPC).

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

SECTION 1. Section 27, chapter 200, Laws of 1907 (sec. 9869, Rem. Rev. Stat.; sec. 643-53, PPC) is amended to read as follows:

Section 27. The inspectors provided for in this act shall receive compensation at such rate as shall be prescribed by the Director of Labor and Industries, and shall be paid necessary traveling expenses when making such inspections and conducting such examinations at other than the domicile of said inspectors.

Compensation.

Expenses.

Passed the Senate February 24, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 138.

[S. B. 191.]

DEPARTMENT OF GAME—PURCHASE OF PROPERTY.

AN ACT relating to the Department of Game; providing for the purchase of property and the erection of a building thereon for offices of the department and for storage, warehouse and garage facilities; making an appropriation therefor and declaring an emergency.

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

SECTION 1. The State Game Commission is hereby authorized and directed to acquire by gift, purchase, or condemnation, in the manner provided by law for the acquisition of property for public purposes, such land and premises, such building for the

May acquire site.

office of the Department of Game, and such property as may be necessary for storage, warehouse and garage facilities of said department.

May construct building.

SEC. 2. The State Game Commission is hereby further authorized, whenever such land and premises has been acquired, to cause to be constructed thereon a building for the offices, storage, warehouse and garage facilities aforesaid.

Appropriation.

SEC. 3. There is hereby appropriated out of the State Game Fund to the Department of Game, the sum of two hundred fifty thousand dollars (\$250,000) or so much thereof as may be necessary to carry out the purposes of this act.

Effective immediately.

SEC. 4. This act is necessary for the support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 19, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 139.

[S. B. 217.]

EMINENT DOMAIN BY CITIES AND TOWNS.

AN ACT relating to eminent domain proceedings by cities and towns; and amending section 22 of chapter 153, Laws of 1907, as last amended by chapter 87, Laws of 1929, and section 28, chapter 153, Laws of 1907 (secs. 9236 and 9242 Rem. Rev. Stat.; secs. 26-43 and 26-55 PPC) with respect to eminent domain commissioners compensation and fee for filing objections.

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

SECTION 1. That section 22, chapter 153, Laws of 1907, as last amended by chapter 87, Laws of 1929 (sec. 9236, Rem. Rev. Stat.; sec. 26-43 PPC) is amended to read as follows:

Section 22. All Commissioners, before entering upon their duties shall take and subscribe an oath that they will faithfully perform the duties of the office to which they are appointed, and will to the best of their abilities make true and impartial assessments according to the law. Every Commissioner shall receive compensation at the rate of ten dollars per day for each day actually spent in making the assessment herein provided for: *Provided*, That in any city of the first class the Superior Court of the county in which said city is situated may, by order duly entered in its record, fix the compensation of each Commissioner in an amount in no case to exceed twenty-five dollars per day for each day actually spent in making the assessment herein provided for. Each Commissioner shall file in the proceeding in which he has made such assessment his account, stating the number of days he has actually spent in said proceeding, and upon the approval of said account by the judge before whom the proceeding is pending, the Comptroller or City Clerk of such city shall issue a warrant in the amount approved by the judge upon the special fund created to pay the awards and costs of said proceeding, and the fees of such Commissioner so paid shall be included in the cost and expense of such proceedings. In case such Commissioners are, during the same period, or parts thereof, engaged in making assessments in different proceedings, in rendering their accounts they shall apportion them to the different proceedings in proportion to the amount of time actually spent by them on the assessment in each proceeding.

Oath.

Compensation.

Superior court may fix compensation.

Filing of account.

Approval by court.

Warrant.

Apportionment of cost.

SEC. 2. That section 28, chapter 153, Laws of 1907 (sec. 9242 Rem. Rev. Stat.; sec. 26-55 PPC) is amended to read as follows:

Section 28. Any person interested in any property assessed may without payment of any fee to

Objections. the Clerk of Court file objections to such report at any time before the day set for hearing said roll. As to all property to the assessment of which objections are not filed as herein provided, default may be entered and the assessment confirmed by the court. On the hearing, the report of such Commissioners shall be competent evidence and either party may introduce such other evidence as may tend to establish the right of the matter. The hearing shall be conducted as in other cases at law, tried by the court without a jury, and if it shall appear that the property of the objector is assessed more or less than it will be benefited or more or less than its proportionate share of the costs of the improvement, the court shall so find and also find the amount in which said property ought to be assessed, and the judgment shall be entered accordingly.

Default.

Procedure at hearing.

Findings and judgment.

Passed the Senate March 4, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 140.

[S. B. 234.]

REGULATION OF THE PUBLICATION OF OFFICIAL NOTICES.

AN ACT relating to and regulating the publication of legal and other official notices and fixing the fees therefor; amending section 4, chapter 99, Laws of 1921 (sec. 253-4, Rem. Rev. Stat.; sec. 79-15, PPC).

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

SECTION 1. Section 4, chapter 99, Laws of 1921 (sec. 253-4, Rem. Rev. Stat.; sec. 79-15, PPC) is amended to read as follows:

Section 4. In all cases where publication of legal notices of any kind is required or allowed by law, the person or officer desiring such publication shall

be required to pay on a basis of two dollars per folio of one hundred words for the first insertion and one dollar and fifty cents per folio of one hundred words for each subsequent insertion, or its equivalent in number of words: *Provided*, That any newspaper having a circulation of over 20,000 copies each issue may charge such additional rate as it may deem necessary and just and any person or officer authorizing the publication of any legal notice in such newspaper may legally pay such rate as is charged by such newspaper, and: *Provided, further*, That this section shall not apply to the amount to be charged for the publication of any legal notice or advertisement for any school district, village, town, city, county, state, municipal or quasi-municipal corporation or the United States government.

Fee.

Circulation of over 20,000 copies.

Exceptions.

Passed the Senate March 3, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 141.

[S. B. 244.]

RELATING TO COUNTY PRINTING.

AN Act relating to county printing and amending section 2, chapter 114, Laws 1917 (sec. 4081, Rem. Rev. Stat.; sec. 494-3, PPC).

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

SECTION 1. Section 2, chapter 114, Laws of 1917 (sec. 4081, Rem. Rev. Stat.; sec. 494-3, PPC) is amended to read as follows:

Section 2. It shall be the duty of the County Auditor, at least five weeks before, and not more than eight weeks before the meeting of the County Commissioners in April of each year, to advertise for proposals for the public printing, for the term

Advertisement for proposals.

Number and time of insertions.

Maximum price for acceptance.

Specification must be stated.

of one year, beginning on the first day of July following, which advertisement shall be inserted for four consecutive weeks in the official newspaper of the county, or if there be no official newspaper, then in some other newspaper published in the county, or in a county adjacent to said county, and having a general circulation in said county: *Provided*, That the County Commissioners shall not be compelled in any event to accept any bid for a greater price than two dollars per folio, of one hundred words for the first insertion, and one dollar fifty cents per folio of one hundred words for each subsequent insertion, or its equivalent in number of words: *Provided further*, That the County Auditor, when calling for bids, shall state how the matter shall be set, what kind of type, and whether solid or leaded.

Passed the Senate March 3, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 142.

[S. B. 326.]

LIMITATION OF VETERANS' BENEFITS.

AN ACT limiting veterans' benefits and advantages to persons who have served in full military or naval service.

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

SECTION 1. All benefits, advantages or emoluments, not available upon equal terms to all citizens, including but not being limited to preferred rights to public employment, civil service preference, exemption from license fees or other impositions, preference in purchasing state property and special pension or retirement rights, which by any law of this state have been made specially available to war veterans or to persons who have served in the armed

forces or defense forces of the United States, shall be available only to persons who have been subject to full and continuous military control and discipline as actual members of the Federal armed forces. Service with such forces in a civilian capacity, or in any capacity wherein a person retained the right to terminate his service or to refuse full obedience to military superiors, shall not be the basis for eligibility for such benefits. Service in any of the following shall not for purposes of this act be considered as military service: The Office of Civilian Defense or any component thereof; The American Red Cross; The United States Coast Guard Auxiliary; United States Coast Guard Reserve Temporary; United States Coast and Geodetic Survey; American Field Service; Civil Air Patrol; Cadet Nurse Corps, and any other similar organization.

Available only to those subjected to continuous Federal military control.

Services not eligible.

Passed the Senate February 25, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 143.

[S. B. 370.]

TAKING OF EXAMINATIONS BY PHYSICALLY HANDICAPPED PERSONS.

AN ACT relating to examinations for a license to practice any trade, occupation, or profession; and providing for the writing of such examinations by physically handicapped persons.

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

SECTION 1. Any person taking any written examination prescribed or authorized by law, for a license or permit to practice any trade, occupation, or profession, who, because of any handicap, is unable to write the examination himself, may dictate it to and have it written or typed by an-

Examination may be dictated and typed by another person.

other, to the same effect as though the examination were written out by himself. Any expense connected therewith shall be borne by the person taking the examination.

Passed the Senate February 28, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 144.

[H. B. 9.]

RELATING TO INTOXICATING LIQUORS.

AN ACT relating to intoxicating liquor, making unlawful the sale of beer and wine by the drink in certain locations and amending section 27, chapter 62, Laws Ex. Ses. 1933 as amended by section 3, chapter 174, Laws of 1935 (sec. 7306-27, Rem. Rev. Stat.; sec. 678-185, PPC).

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

SECTION 1. Section 27, chapter 62, Laws Ex. Ses. 1933 as amended by section 3, chapter 174, Laws of 1935 (sec. 7306-27, Rem. Rev. Stat.; sec. 678-185, PPC) is amended to read as follows:

Section 27. 1. Every license shall be issued in the name of the applicant and no license shall be transferable, nor shall the holder thereof allow any other person to use the license.

License not transferable.

2. For the purpose of considering any application for a license, the Board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises. The Board may, in its discretion, grant or refuse the license applied for: *Provided*, That no retail license of any kind shall be issued to:

Inspection.

License discretionary with Board.

1. A person who is not a citizen of the United States, except when in contravention of treaty;

License not to be issued to: Alien.

2. A person who has not resided in the State of Washington for at least one year prior to making application, except in cases of licenses issued to dining places on railroads, boats or aeroplanes; Non-resident.
3. A person who has been convicted of a felony within 5 years prior to filing his application; Exception.
4. A co-partnership, unless all of the members of such co-partnership shall be qualified to obtain a license, as provided in this section; Felon.
5. A person whose place of business is conducted by a manager or agent, unless such manager or agent possesses the same qualifications required of the licensee; Co-partnership unless all members qualified.
6. A person who has been convicted of a violation of any Federal or state law concerning the manufacture, possession, or sale of alcoholic liquor subsequent to the passage of this act or shall have forfeited his bond to appear in court to answer charges for any such violation; Person, unless his manager or agent is qualified.
7. A corporation, unless all of the officers thereof are citizens of the United States. Person convicted of violating liquor laws or forfeiting bond.
2. A. The Board may, in its discretion, with or without hearing, suspend or cancel any license; and all rights of the licensee to keep or sell beer or other liquors thereunder shall be suspended or terminated, as the case may be. In any case where the Board in its discretion grants a hearing, said hearing shall be summary and upon oral or written testimony. The Board may appoint examiners, who shall have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, and to receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, under such rules and regulations as the Board may adopt. Corporation, unless all officers are citizens.
- Witnesses may, in the discretion of the Board, be allowed fees at the rate of two dollars (\$2.00) per day, plus five cents per mile each way. Fees need Suspension or cancellation.
- Hearings.
- Examiners.
- Witness fees.

not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.

Superior court may compel obedience.

In case of disobedience of any person to comply with the order of the Board or a subpoena issued by the Board, or any of its members, or examiners, or on the refusal of a witness to testify to any matter regarding which he may be lawfully interrogated, the Judge of the Superior Court of the county in which the person resides, on application of any member of the Board or Examiner, shall compel obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.

Delivery of license to Board on notice.

3. Upon receipt of notice of the suspension or cancellation of a license, the licensee shall forthwith deliver up the license to the Board. Where the license has been suspended only, the Board shall return the license to the licensee at the expiration or termination of the period of suspension, with a memorandum of the suspension written or stamped upon the face thereof in red ink. The Board shall notify all vendors in the city or place where the licensee has its premises of the suspension or cancellation of the license; and no employee shall allow or cause any liquor to be delivered to or for any person at the premises of that licensee.

Return of license.

Notification to vendors.

Deliveries prohibited.

License expiration.

4. Unless sooner cancelled, every license issued by the Board shall expire at midnight of the 30th day of September of the fiscal year for which the license was issued.

Licenses subject to regulation.

5. Every license issued under this section shall be subject to all conditions and restrictions imposed by this act or by the regulations in force from time to time.

Posting of license.

6. Every licensee shall post and keep posted its license, or licenses, in a conspicuous place on the premises.

7. Before the Board shall issue a license to an applicant it shall give notice of such application to the chief executive officer of the incorporated city or town, if the application be for a license within an incorporated city or town, or to the Board of County Commissioners, if the application be for a license outside the boundaries of incorporated cities or towns; and such incorporated city or town, through the official or employee selected by it, or the Board of County Commissioners or the official or employee, selected by it, shall have the right to file with the Board within ten days after date of transmittal of such notice, written objections against the applicant or against the premises for which the license is asked, and shall include with such objections a statement of all facts upon which such objections are based, and in case written objections are filed, may make oral argument in support of such objections at the time fixed by the Board, after the Board shall have given to the applicant written notice of such oral argument at least five days prior thereto. Upon the granting of a license under this act the Board shall cause a duplicate of the license to be transmitted to the chief executive officer of the incorporated city or town in which the license is granted, or to the Board of County Commissioners if the license is granted outside the boundaries of incorporated cities or towns.

Notice of application to be given local officials.

Objections may be filed.

Arguments in support of objections.

Notice of argument.

Copy of license to local officials.

8. Before the Board issues any license to any applicant, it shall give due consideration to the location of the business to be conducted under such license with respect to the proximity of churches, schools and public institutions: *Provided*, That on and after the effective date of this act, the Board shall issue no beer retailer license Class A, B, or D or wine retailer license Class C covering any premises not now licensed, if such premises are within five hundred (500) feet of the premises of any church, parochial or tax-supported public elemen-

Location of business.

Proximity to churches and schools.

tary or secondary school measured along the most direct route over or across established public walks, streets or other public passageway from the outer property line of the church or school grounds to the nearest public entrance of the premises proposed for license, unless the Board shall receive written notice from an official representative or representatives of the schools and/or churches within five hundred (500) feet of said proposed licensed premises, indicating to the Board that there is no objection to the issuance of such license because of proximity to a school or church. For the purpose of this section, church shall mean a building erected for and used exclusively for religious worship and schooling or other activity in connection therewith.

Transfers
of existing
licenses
authorized.

9. The restrictions set forth in the preceding sub-section shall not prohibit the Board from authorizing the transfer of existing licenses now located within the restricted area to other persons or locations within the restricted area: *Provided*, Such transfer shall in no case result in establishing the licensed premises closer to a church or school than it was before the transfer.

Passed the House March 6, 1947.

Passed the Senate March 5, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 145.

[H. B. 225.]

GUARDIANSHIPS AND GUARDIANS' BONDS.

AN ACT relating to guardianships and guardians' bonds, and amending section 203, chapter 156, Laws of 1917, as amended (sec. 1573, Rem. Rev. Stat.; sec. 206-17, PPC).

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

SECTION 1. Section 203, chapter 156, Laws of 1917, as amended by chapter 41, Laws of 1945 (sec. 1573, Rem. Rev. Stat.; sec. 206-17, PPC), is amended to read as follows:

Section 203. Before letters of guardianship are issued, each guardian shall take and subscribe an oath and file a bond, with sureties to be approved by the Court, payable to the State of Washington, in such sum as the Court may fix, and such bond shall be conditioned substantially as follows:

The condition of this obligation is such, that if the above bound A. B., who has been appointed guardian for C. D., shall faithfully discharge the office and trust of such guardian according to law and shall render a fair and just account of his guardianship to the Superior Court for the county of, from time to time as he shall thereto be required by such Court, and comply with all orders of the Court, lawfully made, relative to the goods, chattels, moneys, care, management and education of such minor, insane or mentally incompetent person, or his or her property, and render and pay to such minor, insane or mentally incompetent person all moneys, goods, chattels, title papers and effects which may come into the hands or possession of such guardian, at such time and in such manner as the Court may order or adjudge, then this obligation shall be void, otherwise to be and remain in full force and effect.

Bond for
benefit
of ward.

Suits and
recoveries.

Additional
bond.

Bond not
required
from bank
or trust
company.

Court may
waive bond
requirement.

The said bond shall be for the use of such minor, insane or mentally incompetent person, and shall not become void upon the first recovery, but may be put in suit from time to time against all or any one of the obligors, in the name and for the use and benefit of any person entitled by the breach thereof, until the whole penalty shall be recovered thereon. The Court may require an additional bond whenever for any reason it may appear to the Court that such additional bond should be given. In all cases where a bank or trust company authorized to act as guardian is appointed as guardian, or now or hereafter acts as guardian by reason of an appointment as such heretofore made, no bond shall be required.

When it appears from the petition for letters of guardianship and from the evidence submitted at the hearing thereon that the value of the estate does not exceed five hundred dollars (\$500), that the rights of the ward and creditors will not be jeopardized thereby, and that the guardian is a parent of, or a person standing in *loco parentis* to the ward, the Court may order that letters of guardianship be issued without bond.

Passed the House February 24, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 146.

[H. B. 234.]

FIDUCIARY—HOLDING OF SECURITIES.

AN ACT relating to the manner in which securities may be held by a trust company or national banking association, and authorizing securities to be held in the name of a nominee without mention of fiduciary relationship, and defining the obligation of fiduciary in such case.

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

SECTION 1. Any trust company incorporated under the laws of this state and any national banking association authorized to act in a fiduciary capacity in this state, when acting in a fiduciary capacity, either alone or jointly with an individual or individuals, may, with the consent of such individual fiduciary or fiduciaries, who are hereby authorized to give such consent, cause any stocks, securities, or other property now held or hereafter acquired to be registered and held in the name of a nominee or nominees of such corporate or association fiduciary without mention of the fiduciary relationship. Any such fiduciary shall be liable for any loss occasioned by the acts of any of its nominees with respect to such stocks, securities or other property so registered.

Property
may be held
in name of
nominee.

Liability
for loss.

Passed the House February 28, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 147.

[H. B. 278.]

RELATING TO BANKS AND TRUST COMPANIES.

AN ACT relating to banks and trust companies, and amending section 52, chapter 80, Laws of 1917, as amended by section 22, chapter 42, Laws of 1933 (sec. 3259, Rem. Rev. Stat.; sec. 314-3, PPC).

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

SECTION 1. Section 52, chapter 80, Laws of 1917, as amended by section 22, chapter 42, Laws of 1933 (sec. 3259, Rem. Rev. Stat.; sec. 314-3, PPC), is amended to read as follows:

Transactions
with em-
ployees per-
mitted.

Section 52. 1. Any bank or trust company shall be permitted to make loans to any employee of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any employer to any other person, to the same extent as if the employee were in no way connected with the corporation. Any bank or trust company shall be permitted to make loans to any officer of such corporation, or to purchase, discount or acquire, as security or otherwise, the obligation or debt of any officer to any other person: *Provided*, That the total value of the loans made and obligation acquired for any one officer shall not exceed twenty-five hundred dollars (\$2500): *And provided further*, That no such loan shall be made, or obligation acquired, unless a resolution authorizing the same shall be adopted by a vote of a majority of the board of directors of such corporation, at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes. No loan shall be made by any bank or trust company to any director of such corporation, nor shall the note or obligation of such director be discounted by any such corpora-

Officers.

Limitation.

Majority
vote of board
required.

Entry on
minutes.

Directors.

tion, or by any officer or employee thereof in its behalf, unless a resolution authorizing the same shall be adopted by a vote of a majority of the entire board of directors of such corporation exclusive of the vote of such interested director, at a meeting of the board of directors of such corporation held within thirty days next prior to the making of such loan or discount, and such vote and resolution shall be entered in the corporate minutes.

Majority
vote
required.

Entry on
minutes.

The amount of any endorsement or agreement of suretyship or guaranty of any such director to the corporation shall be construed to be a loan within the provisions of this section. Any extension, renewal or modification of the terms of an existing obligation shall be construed to be a loan within the meaning of this section.

Loans to
directors
construed.

The Supervisor of Banking may at any time, if in his judgment excessive, unsafe or improvident loans are being made or are likely to be made by a bank or trust company to any of its directors, or to any corporation, copartnership or association of which such director is a stockholder, member, co-owner, or in which such director is financially interested, or like discounts of the notes or obligations of any such director, corporation, copartnership or association are being made or are likely to be made, require such bank or trust company to submit to him for approval all proposed loans to, or discounts of the note or obligation of, any such director, corporation, copartnership or association, and thereafter such proposed loans and discounts shall be reported upon such forms and with such information concerning the desirability and safety of such loans or discounts and of the responsibility and financial condition of the person, corporation, copartnership or association to whom such loan is to be made or whose note or obligation is to be discounted and of the amount and value of any collateral that may

Supervisor
may require
submitting
of such loan
for approval.

Reports on
forms pre-
scribed by
Supervisor.

be offered as security therefor, as the Supervisor of Banking may require, and no such loan or discount shall be made without his written approval thereon.

Interest in profits limited.

2. A director, officer or employee of a bank or trust company shall not (a) Have any interest, direct or indirect, in the profits of the corporation except to receive reasonable compensation for services actually rendered, which, in the case of an officer or director, shall be determined by the board of directors; and except to receive dividends upon any stock of the corporation that he may own, the same as any other stockholder and under the same regulations and conditions; and except to receive interest upon deposits he may have with the corporation, the same as other like depositors and under the same regulations and conditions: *Provided, however,* That nothing in this section shall be construed to prevent the payment to an employee of a salary bonus in addition to his normal salary, when such bonus is authorized by a resolution adopted by a vote of a majority of the board of directors of such corporation.

Authorized salary bonus excepted.

Membership on board of another similar institution.

(b) Become a member of the board of directors of any other bank or trust company or a national banking association, of which board enough other directors, officers or employees of the corporation are members to constitute with him a majority of its board of directors.

Compensations, benefits, commission or banking transactions prohibited.

(c) Receive directly or indirectly and retain for his own use any commission or benefit from any loan made or other transaction had by the corporation, or any pay or emolument for services rendered to any borrower from the corporation or from any person transacting business with it, in connection with the loan or transaction, except that an attorney for the corporation, though he be a director

Attorneys excepted.

thereof, may receive reasonable compensation for professional services rendered the borrower or other person.

Passed the House February 28, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 148.

[H. B. 279.]

ESCHEAT OF UNCLAIMED DIVIDENDS AND OTHER PROPERTY.

AN ACT relating to banking and trust business, and the escheat of unclaimed dividends and other property.

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

SECTION 1. Whenever any bank or trust company shall voluntarily liquidate, any dividends to depositors or other creditors of such bank or trust company remaining uncalled for and unpaid at the conclusion of the liquidation shall be transmitted to the Supervisor of Banking and shall be deposited by him in a bank or trust company to his credit in trust for the benefit of the persons entitled thereto, and shall be paid by him to them upon receipt of satisfactory evidence of their right thereto.

Unclaimed dividends transmitted to supervisor.

Deposit in trust for owner.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state for the benefit of the permanent school fund and shall be paid by the Supervisor of Banking into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action.

Automatic escheat to school fund after five years.

SEC. 2. Whenever any bank or trust company shall be liquidated, voluntarily or involuntarily, and shall retain in its possession at the conclusion of the liquidation, uncalled for and unclaimed personal property left with it for safekeeping, such property

Unclaimed personal property.

Inventory.

shall, in the presence of at least one witness, be inventoried by the liquidating agent and sealed in separate packages, each package plainly marked with the name and last known address of the person in whose name the property stands on the books of the bank or trust company. If the property is in safety deposit boxes, such boxes shall be opened by the liquidating agent in the presence of at least one witness, and the property inventoried, sealed in packages and marked as above required. All the packages shall be transmitted to the Supervisor of Banking, together with certificates signed by the liquidating agent and witness or witnesses, listing separately the property standing in the name of any one person on the books of the bank or trust company, together with the date of inventory and name and last known address of the person in whose name the property stands.

Sealing in packages.

Transmittal to Supervisor.

Certificate.

Supervisor to open and inventory packages.

SEC. 3. Upon receiving possession of the packages, the Supervisor of Banking shall cause them to be opened in the presence of at least one witness, the property reinventoried, and the packages resealed, and held for safekeeping. The liquidated bank, its directors, officers, and shareholders, and the liquidating agent shall thereupon be relieved of responsibility and liability for the property so delivered to and received by the Supervisor. The Supervisor of Banking shall send immediately to each person in whose name the property stood on the books of the liquidated bank or trust company, at his last known address, in a securely closed, post-paid and registered letter, a notice that the property listed will be held in his name for a period of not less than two years. At any time after the mailing of such notice, and before the expiration of two years, such person may require the delivery of the property so held, by properly identifying himself and offering evidence of

Registered notice to owner or depositor.

Proof required for delivery to owner or depositor.

his right thereto, to the satisfaction of the Supervisor of Banking.

SEC. 4. After the expiration of two years from the time of mailing the notice herein provided for, the Supervisor of Banking shall mail in a securely closed postpaid registered letter, addressed to such person at his last known address, a final notice stating that two years have elapsed since the sending of the notice referred to in Sec. 3, above, and that the Supervisor will sell all the property or articles of value set out in said notice, at a specified time and place, not less than thirty days after the time of mailing such final notice. Unless such person shall, on or before the day mentioned, claim the property, identify himself and offer evidence of his right thereto, to the satisfaction of the Supervisor of Banking, the Supervisor may sell all the property or articles of value listed in said notice, at public auction, at the time and place stated in said final notice, provided a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper published in the county where the sale is held. Any such property held by the Supervisor of Banking, the owner of which is not known, may be sold at public auction after it has been held by the Supervisor for two years, provided that a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper published in the county where the sale is held.

Final notice to owner or depositor after two years.

Date of sale to be specified.

Sale at public auction.

Publication of notice of sale.

Sales of property of unknown owner.

Publication of notice.

SEC. 5. The proceeds of such sale shall be deposited by the Supervisor in a bank or trust company to his credit, in trust for the benefit of the person entitled thereto, and shall be paid by him to such person upon receipt of satisfactory evidence of this [his] right thereto.

Proceeds deposited in trust for owner or depositor.

All moneys so deposited remaining unclaimed for five years after deposit shall escheat to the state

Automatic escheat to school fund after five years.

for the benefit of the permanent school fund and shall be paid by the Supervisor of Banking into the state treasury. It shall not be necessary to have the escheat adjudged in a suit or action.

Holding and destruction of documents, letters and papers.

SEC. 6. Whenever the personal property held by a liquidated bank or trust company shall consist either wholly or in part, of documents, letters, or other papers of a private nature, such documents, letters, or papers shall not be sold, but shall be retained by the Supervisor for a period of five years, and, unless sooner claimed by the owner, may be thereafter destroyed in the presence of the Supervisor and at least one other witness.

Passed the House February 28, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 149.

[H. B. 282.]

BANK OR TRUST COMPANY—REAL ESTATE.

AN ACT relating to banking and trust business, and amending section 37, chapter 80, Laws of 1917 (sec. 3244, Rem. Rev. Stat.; sec. 309-51, PPC).

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

SECTION 1. Section 37, chapter 80, Laws of 1917 (sec. 3244, Rem. Rev. Stat.; sec. 309-51, PPC) is amended to read as follows:

Purposes limited.

Section 37. A bank or trust company may purchase, hold and convey real estate for the following purposes and no other:

For transaction of business.

1. Such as shall be necessary for the convenient transaction of its business, including with its banking offices other apartments in the same building to rent as a source of income: *Provided*, That as to any corporation hereafter organized not to exceed thirty

Apartments in same building.

- per cent of its capital and surplus and undivided profits may be so invested: *And provided further*, Any bank or trust company heretofore organized shall not hereafter invest in the aggregate to exceed thirty per cent of its capital, surplus and undivided profits in a bank building without the approval of the State Bank Examiner.
2. Such as shall be purchased or conveyed to it in satisfaction, or on account of, debts previously contracted in the course of its business.
3. Such as it shall purchase at sale under judgments, decrees, liens or mortgage foreclosures, against securities held by it.
4. Such as a trust company receives in trust or acquires pursuant to the terms or authority of any trust.
5. Such as it may take title to for the purpose of investing in real estate conditional sales contracts.
- No real estate specified in subdivision four shall be considered an asset of the corporation holding the same in trust nor shall any real estate except that specified in subdivision one be carried as an asset on the corporation's books for a longer period than five years from the date title is acquired thereto, unless an extension of time be granted by the State Bank Examiner.

Limitation.

Approval by state bank examiner.

Property acquired in settlements.

Property purchased at certain sales.

Trust property.

Title taken under investment in conditional sales.

Limitation as to carrying property as assets.

Passed the House February 25, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 150.

[H. B. 64.]

EXEMPTION FROM TAXATION OF EASEMENTS.

AN ACT relating to taxation; providing for the exemption from taxation and from sale for delinquent taxes of easements of cities, towns, counties or other municipal corporations, and of the property embraced by such easements.

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

Exemption from taxation and sale.

SECTION 1. Whenever the state, or any city, town, county or other municipal corporation has obtained a written easement for a right of way over and across any private property and the written instrument has been placed of record in the County Auditor's office of the county in which the property is located, the easement rights shall be exempt from taxation and exempt from general tax foreclosure and sale for delinquent property taxes of the property over and across which the easement exists; and all property tax records of the county and tax statements relating to the servient property shall show the existence of such easement and that it is exempt from the tax; and any notice of sale and tax deed relating to the servient property shall show that such easement exists and is excepted from the sale of the servient property.

Tax records and statements to show easement and exemption.

Passed the House February 21, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 151.

[H. B. 68.]

PUBLIC IMPROVEMENTS—FOURTH CLASS CITIES
AND TOWNS.

AN ACT relating to fourth class cities and towns and public works and improvements therein; and amending section 166, Laws of 1889-90, page 209, with respect to necessity for calls for bids therefor.

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

SECTION 1. That section 166, Laws of 1889-90, page 209, (section 9185 Rem. Rev. Stat.; also section 383-51 PPC) is amended to read as follows:

Section 166. In the erection, improvement and repair of all public buildings and works, in all street and sewer work, and in all work in or about streams, bays or water fronts, or in or about embankments, or other works for protection against overflow, and in furnishing any supplies or materials for the same, when the expenditure required for the same exceeds the sum of five hundred dollars the same shall be done by contract and shall be let to the lowest responsible bidder, after due notice, under such regulations as may be prescribed by ordinance: *Provided*, That the council may reject all bids presented and readvertise in their discretion or if in the judgment of the council such work can be performed or supplies or materials furnished by the city independent of contract cheaper than under the lowest bid submitted, it may cause such work to be performed, or supplies, or materials to be furnished independent of contract.

Contract and purchase expenditures limited to \$500.00.

Advertisement and bids.

Bids may be rejected and work performed by city.

Passed the House February 21, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 152.

[H. B. 88.]

FORECLOSURE OF DELINQUENT ASSESSMENTS IN
EMINENT DOMAIN PROCEEDINGS.

AN ACT relating to the foreclosure of delinquent assessments in eminent domain proceedings in cities and towns and amending section 34, chapter 153, Laws of 1907, as last amended by section 7, chapter 154, Laws of 1915 (section 9248, Remington's Revised Statutes, also Pierce's Perpetual Code 26-67), and repealing section 8, chapter 154, Laws of 1915 (section 9249, Remington's Revised Statutes, also Pierce's Perpetual Code 26-69), section 35, chapter 153, Laws of 1907 as last amended by section 9, chapter 154, Laws of 1915 (section 9250, Remington's Revised Statutes, also Pierce's Perpetual Code 26-71), section 36, chapter 153, Laws of 1907 as last amended by section 1, chapter 195, Laws of the Extraordinary Session of 1925 (section 9251, Remington's Revised Statutes, also Pierce's Perpetual Code 26-73), section 37, chapter 153, Laws of 1907 (section 9252, Remington's Revised Statutes, also Pierce's Perpetual Code 26-75), section 38, chapter 153, Laws of 1907 (section 9253, Remington's Revised Statutes, also Pierce's Perpetual Code 26-77), section 39, chapter 153, Laws of 1907 (section 9254, Remington's Revised Statutes, also Pierce's Perpetual Code 26-79), section 40, chapter 153, Laws of 1907 (section 9255, Remington's Revised Statutes, also Pierce's Perpetual Code 26-81), section 41, chapter 153, Laws of 1907 (section 9256, Remington's Revised Statutes, also Pierce's Perpetual Code 26-83).

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

SECTION 1. That section 7, chapter 154, Laws of 1915 (section 9248 Remington's Revised Statutes, also section 26-67 Pierce's Perpetual Code) be amended to read as follows:

Section 7. Whenever any assessment or installment thereof shall become delinquent, the City Treasurer shall enforce the collection thereof in the same manner as provided in section 34, chapter 98, Laws of 1911, last amended by chapter 9, Laws of 1933, (sections 9386, 9386-1, 9386-2 Remington's Revised Statutes, 1940 Supp., also section 401-63, 401-65

Collection
of delin-
quencies.

Pierce's Perpetual Code), or such other laws as may be hereafter enacted for the foreclosure of delinquent local (physical) improvement assessments. All assessments or installments unpaid at the expiration of the time fixed herein for the payment of the same, shall bear interest at the rate of ten per cent per annum, from said date until paid.

Interest
ten per cent
on delin-
quencies.

SEC. 2. That section 8, chapter 154, Laws of 1915 (section 9249 Remington's Revised Statutes, also Pierce's Perpetual Code 26-69), section 35, chapter 153, Laws of 1907 as last amended by section 9, chapter 154, Laws of 1915 (section 9250 Remington's Revised Statutes, also Pierce's Perpetual Code 26-71), section 36, chapter 153, Laws of 1907 as last amended by section 1, chapter 195, Laws of the Extraordinary Session of 1925 (section 9251 Remington's Revised Statutes, also Pierce's Perpetual Code 26-73), section 37, chapter 153, Laws of 1907 (section 9252 Remington's Revised Statutes, also Pierce's Perpetual Code 26-75), section 38, chapter 153, Laws of 1907 (section 9253 Remington's Revised Statutes, also Pierce's Perpetual Code 26-77), section 39, chapter 153, Laws of 1907 (section 9254 Remington's Revised Statutes, also Pierce's Perpetual Code 26-79), section 40, chapter 153, Laws of 1907 (section 9255 Remington's Revised Statutes, also Pierce's Perpetual Code 26-81), section 41, chapter 153, Laws of 1907 (section 9256 Remington's Revised Statutes, also Pierce's Perpetual Code 26-83), are hereby repealed.

Repeals.

Passed the House February 6, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 153.

[H. B. 117.]

RELATING TO FOOD AND GAME FISH.

AN ACT relating to food and game fish; consenting to the continuance of present established fish cultural stations, laboratories; to the establishment of additional stations and laboratories under agreement with the United States when approved by the Director of Fisheries and the State Game Commission; providing for the installation of fish conservation devices in the Columbia River Basin under agreement with the United States; providing for the acquirement of the use of lands necessary to such improvements or construction; and for the construction and maintenance of fish cultural stations, laboratories or conservation devices by the Department of Fisheries and/or the State Game Commission under agreements with the United States.

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

United States may establish stations when location is approved by Director of Fisheries and Game Commission.

SECTION 1. Consent of the State of Washington is hereby given to the United States for the continuance of present established fish cultural stations and laboratories located in this state; for the establishment of one or more additional fish cultural stations, sub-stations or laboratories to be constructed, maintained and operated by the United States or the State of Washington, under the terms of agreements to be entered into between the United States and the Director of Fisheries and the State Game Commission: *Provided*, That this consent shall be effective as to additional establishments only when the location of such additional establishments has been approved in advance by the Director of Fisheries and the State Game Commission. The Secretary of the Interior, and his duly authorized agents, are hereby accorded the right to conduct scientific investigations, fish hatching and fish cultural stations and all operations connected therewith at any and all times and in any manner that may by the secretary be considered necessary and proper, in accordance with the provisions of certain Acts of Congress en-

Scientific Research.

titled "An Act to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries," approved May 21, 1930, and the provision of the Act of May 11, 1938 (Ch. 193, 52 Stat. 354, 16 U. S. C. 755-757), as amended by "An Act to amend the Act of May 11, 1938, for the conservation of the Fishery Resources of the Columbia River, and for other purposes," approved August 8, 1946, or acts amendatory thereof, at presently established stations and laboratories and at additional establishments when approval of the location of any such additional establishment has been given as provided in this section.

Acts of
Congress.

SEC. 2. The Director of Fisheries and the State Game Commission are hereby authorized to enter into agreements with the United States for the construction and installation of fish cultural stations, laboratories and devices in the Columbia River Basin for the improvement of feeding and spawning conditions for fish, for the protection of migratory fish from irrigation projects and for facilitating free migration of fish over obstructions, in accordance with the Act of Congress of May 11, 1938 (Ch. 193, 52 Stat. 354, 16 U. S. C. 755-757), as amended by "An Act to amend the Act of May 11, 1938 for the conservation of the Fishery Resources of the Columbia River, and for other purposes," approved August 8, 1946, or acts amendatory thereof.

Agreements
with United
States.

SEC. 3. The Director of Fisheries and/or the State Game Commission may acquire by gift, purchase, lease, easement or condemnation the necessary title to, interest therein, rights of way over or licenses covering the use of lands where such construction or improvement is to be carried on by the United States.

Acquisition
of lands
necessary.

SEC. 4. The Director of Fisheries and/or the State Game Commission is hereby authorized to receive funds from the Federal Government for

Authority
to receive
funds.

the construction, maintenance and operation of fish cultural stations, sub-stations, laboratory or fish conservation devices or for any other purpose deemed necessary by the Director of Fisheries and/or the State Game Commission for the rehabilitation and conservation of the fisheries resources of the Columbia River Basin.

Maintenance and operation of stations, laboratories and devices.

SEC. 5. After the construction and installation of any such fish cultural station, sub-station, laboratory or fish conservation devices, the Department of Fisheries and/or the State Game Commission may maintain and operate the same in accordance with the terms of the agreement entered into with the United States in regard thereto.

Passed the House February 6, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 154.

[H. B. 263.]

RELEASE OF STATE CLAIM AGAINST TACOMA.

AN ACT releasing and cancelling a certain claim of the state against the City of Tacoma.

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

Release and cancellation.

SECTION 1. The claim of the state in the amount of one thousand eight hundred seventy-eight and nineteen one-hundredths dollars (\$1,878.19) which has been assessed by the Department of Licenses against the City of Tacoma in connection with the operation of its Belt Line Division, representing penalty and interest assessed under the "use fuel tax" act, being chapter 127, Laws of 1941, for the period January 1, 1943 to September 30, 1945 is hereby released and cancelled, it appearing that the

tax for such period has been paid in full and that late payment was due to unavoidable circumstances.

Passed the House February 25, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 155.

[H. B. 258.]

LOCAL IMPROVEMENTS IN CITIES AND TOWNS.

AN ACT relating to local improvements in cities and towns, and amending section 13, chapter 98, Laws of 1911, as last amended by section 1, chapter 90, Laws of 1941 (sec. 9365, Rem. Rev. Stat.; sec. 401-25, PPC) to provide an additional method for creating a local improvement district and making assessments therefor.

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

SECTION 1. Section 13, chapter 98, Laws of 1911, as last amended by section 1, chapter 90, Laws of 1941 (sec. 9365, Rem. Rev. Stat.; sec. 401-25, PPC) is amended to read as follows:

Section 13. Every ordinance ordering any improvement mentioned in this act, payment for which shall be made in whole or in part by special assessments, shall establish a local improvement district to be called "Local Improvement District No.," which district shall embrace as near as may be all the property specially benefited by such improvement.

Ordinance establishing improvement district.

Except in the cases herein otherwise specifically provided for, and unless otherwise provided in the ordinance ordering such improvement, such district shall include all the property between the termini of said improvement abutting upon, adjacent, vicinal or proximate to the street, avenue, lane, alley, boulevard, park drive, parkway, public place or square proposed to be improved to a distance back

Property included.

Distances from the improvements.

Unplatted property.

All property within limits held benefited.

Assessment of cost and expense.

from the marginal lines thereof to the center line of the blocks facing or abutting thereon: *Provided*, That in any case such distance back shall be at least ninety (90) feet: *And provided, further*, That in case of unplatted property, the distance back shall be the same distance as that included in the assessment of the platted lands immediately adjacent thereto. All property included within such limits of such local improvement district shall be considered and held to be the property and to be all the property specially benefited by such local improvement, and shall be the property to be assessed to pay the cost and expense thereof or such part thereof as may be chargeable against the property specially benefited by such improvement, which cost and expense shall be assessed upon all of said property so benefited in accordance to the special benefits conferred on such property in proportion to area and distance back from the marginal line of the street or other public way or area improved.

Division into zones or subdivisions.

First subdivision.

Second subdivision.

Third subdivision.

Said local improvement district shall, for the purpose of ascertaining the amount to be assessed against such separate lot, tract, parcel of land or other property within said district be divided into subdivisions or zones paralleling the margin of the street, avenue, lane, alley, boulevard, park drive or parkway, public place or square to be improved, said subdivisions to be numbered respectively first, second, third, fourth, and fifth. The first subdivision shall include all the lands within the district lying between the street margins and lines drawn parallel therewith and thirty (30) feet therefrom. The second subdivision shall include all lands within the district lying between lines drawn parallel with and thirty (30) feet and sixty (60) feet respectively from said margins. The third subdivision shall include all lands within the district lying between lines drawn parallel with and sixty (60) feet and

ninety (90) feet respectively from such street margins. The fourth subdivision shall include all lands, if any, within the district lying between lines drawn parallel with and ninety (90) and one hundred twenty (120) feet respectively from said street margins. The fifth subdivision shall include all lands, if any, within the district lying between a line drawn parallel with and one hundred twenty (120) feet from said street margin and the outer limit of said local improvement district as hereinbefore described.

Fourth
subdivision.

Fifth
subdivision.

The rate of assessment per square foot in each subdivision shall be fixed on the basis that the special benefits conferred on a square foot of land in subdivisions first, second, third, fourth, and fifth, respectively, are related to each other as are the numbers 45, 25, 10, and 5, respectively, and shall be ascertained in the following manner: The products of the number of square feet in subdivisions first, second, third, fourth and fifth respectively, and the numbers 45, 25, 20, 10, and 5, respectively, shall be ascertained, and their sum taken, which sum shall be divided into the total cost and expense of such improvement. The products of the resultant quotient and the numbers 45, 25, 20, 10, and 5, respectively, shall be the separate rate of assessment per square foot for subdivisions first, second, third, fourth, and fifth, respectively. The total assessment thus ascertained against each separate lot, tract, parcel of land, or other property within such district shall be entered upon the assessment roll as to the amount to be levied and assessed against each such separate lot, tract, parcel of land, or other property. Each local improvement district may include adjoining, vicinal or neighboring streets, avenues and alleys, even though the improvement thus made is not connected or continuous: *Provided*, That the cost and expense of each continuous unit of the improve-

Assessment
ratios.

Board or
cost and
expense.

ment shall be ascertained separately, as near as may be, and the assessment rates shall be computed on the basis of said cost and expense in each said unit.

Ordinance may specify other method.

Whenever the nature of the improvement is such that the special benefits conferred on the property are not fairly reflected by the use of the aforesaid termini and zone method, the ordinance ordering the improvement may provide that the assessment shall be made against the property of the district in accordance with the special benefits it will derive from the improvement without regard to the zone and termini method herein provided.

Passed the House February 28, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 156.

[H. B. 164.]

CONTROL OF INSECT PESTS AND PLANT DISEASES.

AN ACT to prevent the introduction of insect pests and plant diseases and to control and/or eradicate insect pests and plant diseases in the State of Washington; authorizing the Director of Agriculture to acquire property for certain designated uses; validating certain proceedings heretofore had and done by the Director of Agriculture and/or the Division of Horticulture; to establish a system of certifying nursery stock; prescribing the duties of certain officials; making an appropriation, and providing that this act shall take effect April 1, 1947.

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

Authority to apply quarantine controls.

SECTION 1. The Director of Agriculture of the State of Washington, and the Supervisor of Horticulture of the Department of Agriculture of the State of Washington, are authorized and empowered to apply such quarantine control methods as may be necessary to prevent the introduction of insect pests or plant diseases including the virus disease

known as potato leaf roll that may be destructive to the agricultural or horticultural industries of the State of Washington, and to apply such methods as may be necessary for quarantine, and/or eradication, and/or control of insect pests or plant diseases that are now established or later become established in the State of Washington that may seriously endanger the agricultural or horticultural industries of the State of Washington.

SEC. 2. The Director of Agriculture and the Supervisor of Horticulture are authorized to cooperate with any individual, group of citizens, municipalities and counties of the State of Washington, the State College of Washington or any of its experiment stations, and/or with the Secretary of Agriculture of the United States and such agencies as the Secretary may designate, and/or with any other state or states, agency or group the Director of Agriculture may designate, to carry out the provisions of this act.

Cooperation
with others.

SEC. 3. The Director of Agriculture shall have the power and authority to acquire in fee or in trust, by gift, or, whenever funds are appropriated for such purpose, by purchase, easement, lease or condemnation, such lands or other property, water supplies, and rights of way therefor, and the maintenance of same, as may be deemed necessary for the use of the Department of Agriculture in establishing quarantine stations, and/or farms for the purpose of the prevention, eradication, elimination and control of insect pests or plant diseases that infect the agricultural or horticultural products of the State of Washington.

Acquisition
of sites for
quarantine
stations.

SEC. 4. The Director of Agriculture is authorized to enter into agreements with individuals, associations and companies for the purpose of certifying nursery stock grown under the rules and regulations

Agreements
to certify
stock.

Fees for services.

promulgated by the Director of Agriculture and, from time to time, to fix, change and adjust fees for such services rendered, and any agricultural and horticultural commodities incidentally produced in any operation hereunder and sold, said fees to be deposited with the State Treasurer to the credit of the general fund. All actions of the Director of Agriculture and/or the Department of Agriculture in accepting deeds from any individual or group of individuals for any of the purposes heretofore specifically enumerated are, from the date of the acceptance of such deed, hereby ratified and validated.

Acceptance of deeds ratified.

May furnish funds.

SEC. 5. The Director of Agriculture, acting by and through the Supervisor of Horticulture of the State of Washington, may, in his discretion, provide funds for technical or scientific services, labor, materials and supplies for the purposes specified in sections 1, 2, 3 and 4.

Appropriation.

SEC. 6. There is hereby appropriated the sum of two hundred and ninety-nine thousand five hundred dollars (\$299,500), or as much thereof as may be necessary, from the general fund of the State Treasury for the Department of Agriculture, to be used by the Division of Horticulture, State Department of Agriculture, for the purposes specified in this act.

Effective immediately.

SEC. 7. This act is necessary for the immediate preservation of the public peace, health and safety, and for the immediate support of the state government and its existing public institutions and shall take effect April 1, 1947.

Passed the House March 8, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 157.

[H. B. 170.]

CHANGE OF NAMES OF CUSTODIAL SCHOOLS.

AN ACT changing the name of the Eastern State Custodial School and the Western State Custodial School and amending section 1, chapter 64, Laws of 1917, as amended by section 1, chapter 62, Laws of 1939 (sec. 4656, Rem. Rev. Stat.; sec. 878-5, PPC).

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

SECTION 1. Section 1, chapter 64, Laws of 1917, as amended by section 1, chapter 62, Laws of 1939 (sec. 4656, Rem. Rev. Stat.; sec. 878-5, PPC), is amended to read as follows:

Section 1. The name of "The Eastern State Custodial School" is hereby changed to "Lakeland Village." Name changed.

SEC. 2. The name of the "Western State Custodial School" is hereby changed to read "Rainier State School." Name changed.

Passed the House March 1, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 158.

[H. B. 173.]

MOTOR VEHICLE OPERATORS—QUALIFICATIONS.

AN ACT relating to motor vehicle operators and providing for the qualification of juvenile operators and amending section 45, chapter 188, Laws of 1937 (sec. 6312-45, Rem. Rev. Stat.; sec. 289-5, PPC).

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

SECTION 1. Section 45, chapter 188, Laws of 1937 (sec. 6312-45, Rem. Rev. Stat.; sec. 289-5, PPC) is amended to read as follows:

Licenses
denied to
certain
persons.

Section 45. (a) The Director of Licenses shall not issue a vehicle operator's license to any person under the age of sixteen years: *Provided*, That any person over the age of fifteen years, who is enrolled in a course of driver's training accredited by the State Department of Public Instruction, may drive a motor vehicle upon the public highways of this state while accompanied by a qualified instructor of such course who occupies the seat beside the driver. Such operation of a motor vehicle as described in this section need not be supported by a temporary instruction permit otherwise required.

Person
whose li-
cense has
been sus-
pended or
revoked.

(b) The Director of Licenses shall not issue a vehicle operator's license to any person whose vehicle operator's license has been suspended, during the period for which such license was suspended, nor shall the Director of Licenses issue a vehicle operator's license to any person whose vehicle operator's license has been revoked until the expiration of one year from the revocation of such license, nor shall the Director of Licenses issue a vehicle operator's license to any person whose vehicle operator's license has been cancelled until he shall determine that it is proper to do so and the applicant is otherwise entitled thereto;

Habitual
drunkards,
narcotic
addicts.

(c) The Director of Licenses shall not issue a vehicle operator's license to any person whom he has determined is an habitual drunkard or is addicted to the use of narcotic drugs;

Mentally in-
competent
persons.

(d) The Director of Licenses shall not issue a vehicle operator's license to any person who has previously been adjudged insane or an idiot, epileptic, imbecile or feeble-minded, and who has not at the time of application been restored to competency by judicial decree or released from a hospital for the insane or feeble-minded upon a certificate of the Superintendent that such person is competent; nor shall the Director of Licenses then issue a ve-

hicle operator's license to such person unless he is satisfied that such person is competent to operate a motor vehicle with safety to persons and property;

(e) The Director of Licenses shall not issue a vehicle operator's license to any person when in the opinion of the Director of Licenses such person is afflicted with or suffering from such physical or mental disability or disease as will serve to prevent such person from exercising a reasonable and ordinary control of a motor vehicle while operating the same upon the public highways, nor shall a license be issued to any person who is unable to understand highway warning or direction signs in the English language: *Provided*, The Director of Licenses may permit any such person to demonstrate personally that notwithstanding such disability or disease he is a proper person to operate a motor vehicle and may further require a certificate of such person's condition signed by a proper authority designated by the Director of Licenses and the Director of Licenses in his discretion may cause to be issued to such person a restricted vehicle operator's license containing such restriction as he may deem advisable under all the circumstances and such restriction shall be endorsed on such restricted vehicle operator's license. A person holding such a restricted vehicle operator's license shall not operate a motor vehicle except as, when and where permitted under such restriction and the Director of Licenses may at any time with or without further cause cancel or revoke such restricted license: *Provided, further*, This subsection shall not be construed to prevent the Director of Licenses from refusing a vehicle operator's license, either restricted or unrestricted, to any person whom he shall determine incapable of operating a motor vehicle with safety to himself and to persons and property;

Restricted
license.

Limited permit for persons under sixteen to operate farm trucks, etc.

(f) Upon receiving a written application on a form provided by the Director of Licenses for permission for a person under the age of 16 years to operate a motor vehicle under 20,000 pounds gross weight over and upon the public highways of this state in connection with farm work, the Director of Licenses is hereby authorized to issue a limited driving permit to be known as a juvenile agricultural driving permit, such issuance to be governed by the following procedure:

Application.

(1) The application must be signed by the applicant and by the applicant's father, mother or legal guardian.

Examination.

(2) Upon receipt of the application, the Director of Licenses shall cause an examination of the applicant to be made as by law provided for the issuance of a motor vehicle operator's license.

Investigation.

(3) The Director of Licenses shall cause an investigation to be made of the need for the issuance of such operation by the applicant.

Restricted locality.

Such permit shall authorize the holder to operate a motor vehicle over and upon the public highways of this state within a restricted farming locality which shall be described upon the face thereof.

Expiration of permit.

A permit issued under this act shall expire one year from date of issue, except that upon reaching the age of 16 years such person holding a juvenile agricultural driving permit shall be required to make application for a motor vehicle operator's license.

Fee.

The Director of Licenses shall charge a fee of one dollar (\$1) for each such permit and renewal thereof to be paid as by law provided for the payment of motor vehicle operator's licenses and deposited to the credit of the highway safety fund.

May transfer permit from one locality to another.

The Director of Licenses shall have authority to transfer this permit from one farming locality to another but this does not constitute a renewal of the permit.

The Director of Licenses shall have authority to deny the issuance of a juvenile agricultural driving permit to any person whom he shall determine incapable of operating a motor vehicle with safety to himself and to persons and property.

May deny permit.

The Director of Licenses shall have authority to suspend, revoke or cancel the juvenile agricultural driving permit of any person when in his sound discretion he has cause to believe such person has committed any offense for which mandatory suspension or revocation of a motor vehicle operator's license is provided by law.

May suspend, revoke or cancel permit.

Violation of law.

The Director of Licenses shall have authority to suspend, cancel or revoke a juvenile agricultural driving permit when in his sound discretion he is satisfied the restricted character of the permit has been violated.

Violation of permit restrictions.

Passed the House March 7, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 159.

[H. B. 221.]

FIDUCIARIES—TRANSFER OF SECURITIES.

AN ACT relating to the transfer of securities to or by fiduciaries or their nominees, and duties and obligations of persons involved or affected with respect thereto.

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

SECTION 1. If a fiduciary or the nominee of a fiduciary in whose name are registered or to be registered any shares of stock, bonds or other securities of any corporation, public or private, or company or other association, or of any trust, applies for the registration or transfer of the same, such corporation or company or other association, or any

Liability
upon actual
knowledge
of breach
of trust.

of the managers of the trust, or its or their transfer agent, is not bound to inquire whether the fiduciary or nominee is committing a breach of his obligation as fiduciary or nominee in making such registration or transfer, or to see to the performance of the fiduciary obligation, and is liable for such registration or transfer only where such registration or transfer is made with actual knowledge that such fiduciary or nominee is committing a breach of trust in requesting such registration or transfer, or with knowledge of such facts that its or their participation in such registration or transfer amounts to bad faith.

Fiduciary—
definition.

SEC. 2. "Fiduciary" includes a trustee under any trust, expressed, implied, resulting or constructive, executor, administrator, guardian, receiver, trustee in bankruptcy, assignee for the benefit of creditors, partner, agent, officer of a corporation, public or private, public officer, nominee, or any other person acting in a fiduciary capacity for any person, trust or estate.

Passed the House February 28, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 160.

[H. B. 224.]

CORPORATE DIVIDENDS AND SHARE RIGHTS—
PRINCIPAL OR INCOME.

AN ACT relating to corporate shares, corporate dividends and share rights and providing when corporate dividends or share rights shall constitute principal or income.

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

SECTION 1. This act shall govern the ascertainment of income and principal with respect to corporate dividends and share rights between tenants and remaindermen in all cases where principal has been established with or without the interposition of a trust; except that in the establishment of the principal, whether by trust or otherwise, provision may be made touching all matters covered by this act, and the person establishing the principal may himself direct the manner of ascertainment of income and principal or grant discretion to the trustee or other person to do so, and such provision and direction, where not otherwise contrary to law, shall control, notwithstanding this act. This act shall hereafter apply to all estates of tenants or remaindermen heretofore effective or hereafter becoming legally effective.

Act to govern ascertainment of principal and income.

Exception.

Applicability.

SEC. 2. (1) All dividends on shares of a corporation forming a part of the principal which are payable in the shares of the corporation shall be deemed principal. Subject to the provisions of this section, all dividends payable otherwise than in the shares of the corporation itself, including ordinary and extraordinary dividends and dividends payable in shares or other securities or obligations of corporations other than the declaring corporation, shall be deemed income. Where the trustee shall have the option of receiving a dividend either in cash or in the shares of the declaring corporation, it shall be

Principal and income specified.

considered as a cash dividend and deemed income, irrespective of the choice made by the trustee.

(2) All rights to subscribe to the shares or other securities or obligations of a corporation accruing on account of the ownership of shares or other securities in such corporation, and the proceeds of any sale of such rights, shall be deemed principal. All rights to subscribe to the shares or other securities or obligations of a corporation accruing on account of the ownership of shares or other securities in another corporation, and the proceeds of any sale of such rights, shall be deemed income.

(3) Where the assets of a corporation are liquidated, amounts paid upon corporate shares as cash dividends declared before such liquidation occurred or as arrears of preferred or guaranteed dividends shall be deemed income; all other amounts paid upon corporate shares on disbursement of the corporate assets to the stockholders shall be deemed principal. All disbursements of corporate assets to the stockholders, whenever made, which are designated by the corporation as a return of capital or division of corporate property shall be deemed principal.

Merger,
consolidation
or reorgan-
ization.

(4) Where a corporation succeeds another by merger, consolidation or reorganization or otherwise acquires its assets, and the corporate shares of the succeeding corporation are issued to the shareholders of the original corporation in like proportion to, or in substitution for, their shares of the original corporation, the two corporations shall be considered a single corporation in applying the provisions of this section. But two corporations shall not be considered a single corporation under this section merely because one owns corporate shares of or otherwise controls or directs the other.

Controlling
date.

(5) In applying this section the date when a dividend accrues to the person who is entitled to it shall be held to be the date specified by the cor-

poration as the one on which the stockholders entitled thereto are determined, or in default thereof the date of declaration of the dividend.

Passed the House February 18, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 161.

[H. B. 226.]

RELATING TO DIVORCE.

AN ACT relating to divorce and alimony; prescribing duties and powers of the court; amending section 2006, Code of 1881, as last amended by section 1, chapter 112, Laws of 1933 (sec. 988, Rem. Rev. Stat.; sec. 23-15, PPC).

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

SECTION 1. Section 2006, Code of 1881, as last amended by section 1, chapter 112, Laws of 1933 (sec. 988, Rem. Rev. Stat.; sec. 23-15, PPC) is amended to read as follows:

Section 2006. Pending the action for the divorce, the Court, or Judge thereof, may make, and by attachment enforce, such orders for the disposition of the persons, property and children of the parties as may be deemed right and proper, and such orders relative to the expenses of such action as will insure to the wife an efficient preparation of her case, and a fair and impartial trial thereof; at the conclusion of the trial the court must make and file findings of fact and conclusions of law. The Court may deny a divorce to either party, and may enter a decree of separate maintenance in favor of the party entitled thereto, and make all necessary orders required for support, attorney's fees, costs, and for the care, custody, support, and education of minor children; and may set aside property for the benefit of the wife and children, if any, and impose

Court may make intermediate orders.

Findings mandatory.

Separate maintenance.

Other orders.

Modification. a lien on community property to compel obedience to the decree. Such decree may be modified, altered or revised by the court from time to time on a showing that the conditions rendering it necessary have changed or no longer exist. Such final order or decree of separate maintenance shall be appealable. If, however, the Court determines that either party, or both, is entitled to a divorce an interlocutory order must be entered accordingly, declaring that the party in whose favor the Court decides is entitled to a decree of divorce as hereinafter provided; which order shall also make all necessary provisions as to alimony, costs, care, custody, support and education of children and custody, management and division of property, which order as to alimony and the care, support and education of children may be modified, altered and revised by the Court from time to time as circumstances may require; such order, however, as to the custody, management and division of property shall be final and conclusive upon the parties subject only to the right of appeal; but in no case shall such interlocutory order be considered or construed to have the effect of dissolving the marriage of the parties to the action, or of granting a divorce, until final judgment is entered: *Provided*, That the Court shall, at all times, have the power to grant any and all restraining orders that may be necessary to protect the parties and secure justice. Appeals may be taken from such interlocutory order within ninety days after its entry.

Interlocutory order to make necessary provisions.

Interlocutory order final as to property unless appealed; marriage not dissolved until final judgment.

Restrainer.

Appeals from interlocutory order within ninety days.

Passed the House March 3, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 162.

[H. B. 422.]

GROUP INSURANCE FOR CITY EMPLOYEES.

AN ACT authorizing cities of the second, third and fourth classes to provide group insurance for employees.

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

SECTION 1. Any city of the second, third or fourth class may contract with an insurance company authorized to do business in this state to provide group insurance for its employees, and pursuant thereto may use a portion of its revenues to pay an employer's portion of the premium for such insurance, and may make deductions from the payrolls of employees for the amount of the employees' contribution and may apply the amount deducted in payment of the employees' portion of the premium.

City may contribute to premium and make payroll deductions.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 163.

[H. B. 144.]

CONTROL AND ERADICATION OF CERTAIN ANIMAL DISEASES.

AN ACT relating to the Department of Agriculture; making an appropriation for the payment of indemnities in the eradication of bovine tuberculosis, para-tuberculosis and Bang's disease; for the production or purchase of certain biologics and medicinal treatments for the control and eradication of certain animal diseases; for the payment of salaries and operating expenses of veterinarians for animal disease control and eradication, for the period beginning with the approval of this act and ending March 31, 1949; and declaring an emergency.

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

SECTION 1. The following sums, or as much thereof as shall severally be found necessary, are hereby appropriated out of the general fund of the state treasury for the payment of indemnities to the owners of cattle slaughtered in the eradication of bovine tuberculosis, para-tuberculosis and Bang's disease, and for the employment of veterinary inspectors, including salaries and operating expenses, and for the production or purchase of biological products and medicinal treatments to be used in the control and eradication of animal diseases for the fiscal biennium ending March 31, 1949, incurred in the eradication of bovine tuberculosis, para-tuberculosis, Bang's disease and mastitis.

Appropriation for specified purposes.

For Bovine Tuberculosis and Para-tuberculosis Indemnities	\$10,000
For Bang's Disease Indemnities and for the Production or Purchase of Biological Products and Medicinal Treatments, including Vaccines for Bang's Disease Control and Eradication	\$400,000
For the Employment of Veterinary Inspectors, including Salaries and Operating expenses.....	\$350,000
For the Diagnosis and Treatment of Mastitis by any and all means available, including the Production or Purchase of Biological Products and Medicinal Treatments	\$250,000

SEC. 2. This act is necessary for the immediate preservation of public peace, health and safety, and the support of the state government and its existing public institutions and shall take effect immediately.

Effective
immediately

Passed the House March 5, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 164.

[H. B. 204.]

MOTOR VEHICLES—LICENSING AND REGULATION.

AN ACT relating to motor vehicles, evidence of ownership, registration, licensing and identification thereof, and regulation and licensing of operators thereof; providing for the issuance of certificates of ownership and registration; regulating purchase, sale or other transfer of ownership thereof; providing for vehicle license number plates and use thereof; examining and licensing of vehicle operators; prescribing powers and duties of certain public officers; providing for certain fees and the collection and disposition thereof; providing for certain general licensing provisions; defining offenses and providing penalties; amending sections 3, 4, 6, 9, 11, 29, 32, 33, 34, 35, 37, 38, 40, 50, and 60, chapter 188, Laws of 1937 (secs. 6312-3, -4, -6, -9, -11, -29, -32, -33, -34, -35, -37, -38, -40, -50, and -60, Rem. Rev. Stat.; secs. 279-3, -5, -9, -15 and -19; 290-29, -35, -37, -39, -41, -45, -47 and -51; 289-15 and -35, PPC); amending sections 5, 7 and 52, chapter 188, Laws of 1937, as amended by sections 1, 2 and 8, chapter 182, Laws of 1939 (secs. 6312-5, -7 and -52, Rem. Rev. Stat.; secs. 279-7 and -11; 289-19, PPC), and amending section 71, chapter 188, Laws of 1937, as amended by section 1, chapter 213, Laws of 1939 (sec. 6312-71, Rem. Rev. Stat.; sec. 289-57, PPC).

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

SECTION 1. Section 3, chapter 188, Laws of 1937 (sec. 6312-3, Rem. Rev. Stat.; sec. 279-3, PPC) is amended to read as follows:

Section 3. (a) No vehicle license number plates or certificate of license registration, whether original

<p>Issuance of number plates and certificate of license dependent upon certificate of ownership.</p>	<p>issues or duplicates, shall be issued or furnished by the Director of Licenses unless the applicant therefor shall at the same time make satisfactory application for a certificate of ownership or shall present satisfactory evidence that such a certificate of ownership covering such vehicle has been previously issued;</p>
<p>Contents of application for certificate.</p>	<p>(b) Said application for certificate of ownership shall be upon a blank form to be furnished by the Director of Licenses and shall contain:</p>
<p>Description.</p>	<p>(1) A full description of the vehicle, which said description shall contain the manufacturer's serial number if it be a trailer, the motor number or proper identification number if it be a motor vehicle, and any distinguishing marks of identification;</p>
<p>Character of ownership.</p>	<p>(2) A statement of the nature and character of the applicant's ownership, and the character of any and all encumbrances other than statutory liens upon said vehicle;</p>
<p>Other information.</p>	<p>(3) Such other information as the Director of Licenses may require: <i>Provided</i>, The Director of Licenses may in any instance, in addition to the information required on said application, require additional information and a physical examination of the vehicle or of any class of vehicles, or either;</p>
<p>Examination of vehicle.</p>	<p>(c) Such application shall be subscribed by the applicant and be sworn to by him before a notary public or other officer authorized by law to take acknowledgments of deeds, or other person authorized by the Director of Licenses to certify to the signature of the applicant upon such application;</p>
<p>Application must be notarized.</p>	<p>(d) Such application accompanied by a draft, money order or certified bank check for fifty cents (50¢), (together with the last preceding certificates or other satisfactory evidence of ownership), shall be forwarded to the Director of Licenses;</p>
<p>Accompanied by fee and last certificate.</p>	<p>(e) The fee for each original certificate of ownership shall be fifty cents (50¢) and shall be in addition to any other fee for the license registration</p>
<p>Fee for each original certificate.</p>	

of such vehicle. Said certificate of ownership shall not be required to be renewed annually, or at any other time, except as by law provided.

SEC. 2. Section 4, chapter 188, Laws of 1937 (sec. 6312-4, Rem. Rev. Stat.; sec. 279-5, PPC) is amended to read as follows:

Section 4. (a) The Director of Licenses, if satisfied from the statements upon said application that the applicant is the legal owner of the vehicle or otherwise entitled to have the certificate of ownership thereof in his name, shall thereupon issue an appropriate certificate of ownership, over his signature, authenticated by seal, and a new certificate of license registration if certificate of license registration is required;

Issuance of certificates of ownership and license.

(b) Both the certificate of ownership and the certificate of license registration shall contain upon the face thereof, the date of issue, the registration number assigned to the registered owner and to the vehicle, the name and address of the registered owner and legal owner, the motor number or proper identification number, if the certificate be for a motor vehicle, or the serial number, if the certificate be for a trailer, and such other description of the vehicle and facts as the Director of Licenses shall require;

Contents of certificates.

(c) The reverse side of the certificate of ownership only shall contain forms for assignment and notice to the Director of Licenses of a transfer of the ownership or interest of the registered owner and legal owner. A blank space shall be provided on the face of the certificate of license registration for the signature of the registered owner;

Forms for assignment and transfer.

(d) Upon issuance of the certificate of license registration and certificate of ownership and upon any reissue of same, the Director of Licenses shall deliver the certificate of license registration to the registered owner and the certificate of ownership to

Delivery to registered and legal owners.

the legal owner, or both to the person who is both the registered owner and legal owner.

SEC. 3. Section 5, chapter 188, Laws of 1937, as amended by section 1, chapter 182, Laws of 1939 (sec. 6312-5, Rem. Rev. Stat.; sec. 279-7, PPC) is amended to read as follows:

Application
for assign-
ment of
special
number.

Section 5. (a) Before the Director of Licenses shall issue a certificate of ownership, or reissue such a certificate, covering any vehicle, the motor number of which, in case of a motor vehicle, or the serial number of which, in case of a trailer, has been altered, removed, obliterated, defaced, omitted or is otherwise absent, the registered owner of such vehicle shall be required to file an application with the Director of Licenses, accompanied by a fee of fifty cents (50¢), upon a form provided, and containing such facts and information as shall be required by the Director of Licenses for the assignment of a special number for such vehicle. Upon receipt of such application, the Director of Licenses, if he is satisfied such applicant is entitled to the assignment of a motor number, identification number, or serial number, as the case may be, shall designate a special motor number, identification number, or serial number, as the case may be, together with a symbol indicative of this state, for such vehicle, which symbol followed by such number shall be noted upon the application therefor, and likewise upon a suitable record of the authorization of the use thereof, to be kept by and in the office of the Director of Licenses. The applicant for such assignment of number shall be, in case of a motor vehicle, promptly notified of the number assigned and the symbol to be prefixed thereto, and such applicant shall thereupon cause such symbol and motor number or identification number to be pressed or cut in a conspicuous position upon the motor, if the assigned number is a motor number, or frame or

Fee.

other permanent part of the said motor vehicle, if the number assigned is an identification number; the applicant for such assignment of number shall be, in case of a trailer, assigned a proper identification number, which number shall be placed or stamped in a conspicuous position upon the outside of such trailer in such manner and form as may be prescribed by the Director of Licenses. Upon receipt by the Director of Licenses of a certificate by an officer of the Washington State Patrol, or other person authorized by the Director of Licenses, that he has inspected such vehicle and that the motor number or identification number, together with the symbol so assigned, or the special serial number plate, as the case may be, have been legally pressed or cut in a conspicuous position upon the motor of the vehicle or upon the most permanent part of the motor vehicle most readily accessible for inspection, or stamped or securely attached in a conspicuous position upon the outside of the trailer, as the case may be, accompanied by an application for a certificate of ownership or application for reissue of such certificate and the required fee therefor, the Director of Licenses shall be and he hereby is authorized to use such number and such symbol as the numerical identification marks for such vehicle in any certificate of license registration or certificate of ownership he may thereafter issue covering such vehicles;

(b) Upon the destruction of any vehicle covered by certificate of license registration and ownership, it shall be the duty of the registered owner and of the legal owner, to forthwith and within five (5) days thereafter forward and surrender such certificates, together with the vehicle license plates therefor if available, to the Director of Licenses, together with a statement of the reason for such surrender and the time and place of destruction. Failure to notify the Director of Licenses, or the posses-

Destruction
of vehicle,
surrender of
certificates.

Violation. sion by any person of any such certificate of a vehicle so destroyed, after five (5) days following such destruction, shall be prima facie evidence of the violation of the provisions of this chapter and shall constitute a gross misdemeanor;

Installation of different motor.

(c) Any person holding the certificate of license registration to a vehicle in which there has been installed a new or different motor than that with which the same was issued certificates of ownership and license registration shall forthwith and within five (5) days after such installation forward and surrender such certificates to the Director of Licenses, together with an application for issue of corrected certificates of ownership and license registration and a fee of fifty cents (50¢), and a statement of the disposition which was made of the former motor. The possession by any person of any such certificates of a vehicle in which a new or different motor has been installed, after five (5) days following such installation, shall be prima facie evidence of the violation of the provisions of this chapter and shall constitute a misdemeanor;

Surrender of certificate.

Removal of portion of motor carrying number thereof.

(d) Whenever the motor or motor block carrying the identification number is removed from any motor vehicle and the vehicle has not been destroyed or dismantled in such a manner as to come under the provisions of subsection (b) above, and there has been issued and is outstanding a certificate of ownership for such vehicle, the registered owner or vehicle dealer having possession of such vehicle shall, within a period of five (5) days after the removal thereof, notify the Director of Licenses in writing on forms to be prescribed by the Director of Licenses and furnished for that purpose, the description of the vehicle from which such motor or motor block has been removed, the date of the removal thereof, and the name and address of the purchaser or holder thereof, or in the event the motor or motor block is not in a condition to be

used in a motor vehicle, the disposition made thereof. It shall be unlawful for any dealer or registered owner to fail, neglect or refuse to comply with the provisions of this subsection.

Src. 4. Section 6, chapter 188, Laws of 1937 (sec. 3312-6, Rem. Rev. Stat.; sec. 279-9, PPC) is amended to read as follows:

Section 6. (a) In the event of the sale or other transfer to a new registered owner of any vehicle for which a certificate of ownership and a certificate of license registration have been issued, the registered and legal owners shall endorse upon the back of the certificate of ownership an assignment thereof in form printed thereon, and deliver the same to the purchaser or transferee at the time of the delivery to him of the said vehicle;

Sale or transfer of vehicles, transfer of certificate.

(b) The purchaser or transferee, unless such person is a dealer, shall within thirty (30) days thereafter apply to the Director of Licenses or his duly authorized agent for the reissue of such certificate of ownership and transfer of license registration. Such application shall be made on forms prescribed by the Director of Licenses and accompanied by a fee of one dollar (\$1). Upon receipt of such application, accompanied by the endorsed certificate of ownership and such other documentary evidence as is deemed necessary, the Director of Licenses shall, if application is in order and if all provisions relating to certificates of ownership and license registration have been complied with, issue a new certificate of ownership and new certificate of license registration as in the case of an original issue and shall transmit the fees together with an itemized detailed report to the State Treasurer, to be deposited in the motor vehicle fund. If the purchaser or transferee fails or neglects to transfer said certificate of ownership and license registration within thirty (30) days after date of delivery

Application for reissue.

Fee.

Issuance of new certificate.

Penalty. of the vehicle to the purchaser, he shall be assessed a penalty of one dollar (\$1): *Provided*, That the penalty shall not apply to a registered dealer who has purchased the vehicle for the purpose of resale;

Dealer as purchaser. (c) If the purchaser or transferee be a dealer he shall, on selling or otherwise disposing of said vehicle, execute and deliver to the purchaser thereof a conveyance or assignment in such form as the Director of Licenses shall prescribe, to which shall be attached the assigned certificates of ownership and license registration received by such dealer. Thereupon the purchaser of said vehicle from such dealer shall apply for the issuance of new certificates of ownership and license registration;

Record titles. (d) Certificates of ownership when assigned and returned to the Director of Licenses, together with subsequently assigned reissues thereof, shall be retained by the Director of Licenses and appropriately filed and indexed so that at all times it will be possible to trace ownership to the vehicle designated therein: *Provided*, When the ownership of any vehicle shall pass by operation of law, the person thus acquiring ownership of such shall upon furnishing satisfactory proof to the Director of Licenses of his ownership, procure issuance of a certificate of ownership to said vehicle, regardless of whether a certificate of ownership has ever been issued: *Provided, further*, That in all cases of application for reissue of certificates of ownership or certificates of license registration, or either, by reason of transfer of legal ownership or registered ownership by operation of law, it shall be the duty of the Director of Licenses to give written notice thereof to both the legal owner and registered owner, by mail, postage prepaid, at his or their last given address, which notice shall require the surrender of certificates of ownership or license registration, or both, within ten days from the date of posting of such letter. In the event that such certificates or

Notices to registered and legal owners on application for reissuc.

either of such certificates shall not have been surrendered to the Director of Licenses within ten days from and after the date of posting of notice therefor, such certificates or either of them shall become void and the Director of Licenses shall pass upon such application without regard for such outstanding certificates or either of them, unless restrained from so doing;

(e) In case of dealers in vehicles, including manufacturers who sell to other than dealers, a separate certificate of ownership, either of such dealer's immediate vendor properly assigned or of the dealer himself, shall be required covering each used vehicle kept in his possession;

Dealers and
manu-
facturers.

(f) Whenever application shall be made to the Director of Licenses by a new legal or registered owner of a vehicle and the applicant is unable to present the certificate of ownership or license registration previously issued for such vehicle for the reason of same being unlawfully withheld by one in possession or otherwise not available, the Director of Licenses is hereby authorized to receive such application and to examine into the circumstances of the case and may require filing of affidavits or other information, and when the Director of Licenses is satisfied that the applicant is entitled thereto he is hereby authorized to transfer such vehicle or re-register such vehicle and issue new certificates for said vehicle to the person found to be entitled thereto: *Provided*, The required fee has been previously paid to the Director of Licenses;

Certificates
unlawfully
withheld
from owner.

(g) If the Director of Licenses shall determine at any time that the applicant for the certificate of ownership or for the certificate of license registration of a vehicle is not entitled thereto, he may refuse to issue such certificate or to license such vehicle and may, for a like reason and after notice and in the exercise of discretion, cancel license registration already acquired or any outstanding certificate of

Refusal to
issue
certificates.

Cancellation
on notice.

Unlawful to
operate
without
certificate.

ownership. Said notice shall be served in person or by registered mail. It shall then be unlawful for any person to remove, drive, or operate such vehicle until proper certificate of ownership or license registration has been issued and any person removing, driving or operating such vehicle after the refusal to issue certificates or the revocation of such certificate shall be guilty of a gross misdemeanor.

SEC. 5. Section 7, chapter 188, Laws of 1937, as amended by section 2, chapter 182, Laws of 1939 (sec. 6312-7, Rem. Rev. Stat.; sec. 279-11, PPC) is amended to read as follows:

Vehicles
mortgaged.

Section 7. If, after a certificate of ownership is issued, a mortgage is placed on the vehicle described in the certificate of ownership, the registered owner shall, within ten days thereafter, present his application to the Director of Licenses, signed by the mortgagee, to which shall be attached the certificate of license registration and the certificate of ownership last issued covering said vehicle, which application shall be upon a form provided by the Director of Licenses and shall be accompanied by a money order, bank draft or certified bank check for a fee of fifty cents (50¢). The Director of Licenses, if he is satisfied that there should be a reissue of said certificates, shall note such change upon his records and issue to the registered owner a new certificate of license registration and to the mortgagee a new certificate of ownership. Upon the full payment of a contract or mortgage on a vehicle, the legal owner or mortgagee shall assign said certificate of ownership and deliver the same to the registered owner, who shall within ten days thereafter present the said certificate of ownership and certificate of license registration to the Director of Licenses accompanied by a fee of fifty cents (50¢) together with an application for reissue thereof,

Fee.

which said application shall be handled by the Director of Licenses as in the case of original application for certificate of license registration and certificate of ownership. Upon the full payment of a contract or mortgage on a vehicle the legal owner or mortgagee shall immediately notify the Director of Licenses of such fact on a form to be provided by the Director of Licenses therefor.

SEC. 6. Section 9, chapter 188, Laws of 1937 (sec. 6312-9, Rem. Rev. Stat.; sec. 279-15, PPC) is amended to read as follows:

Section 9. In the event that any certificate of ownership or certificate of license registration shall be lost, mutilated or shall have become illegible, the person who is entitled thereto shall immediately file with the Director of Licenses an application for the issuance of a duplicate of such certificate, such application to be upon a form to be prescribed and furnished by the Director of Licenses, accompanied by a fee of fifty cents (50¢). Upon receipt of such application and fee the Director of Licenses shall issue a "duplicate" of such certificate if the above facts have been established by satisfactory proof.

Loss of
certificate.

SEC. 7. Section 11, chapter 188, Laws of 1937 (sec. 6312-11, Rem. Rev. Stat.; sec. 279-19, PPC) is amended to read as follows:

Section 11. The Director of Licenses, or his agents, shall forward all funds accruing under the provisions of this chapter to the State Treasurer, together with a proper identifying detailed report. The State Treasurer shall credit such moneys to the motor vehicle fund, and all expenses incurred in carrying out the provisions of this chapter relating to certificates of ownership and license registration shall be paid from the motor vehicle fund as by appropriation provided.

Credit to
motor
vehicle fund.

SEC. 8. Section 29, chapter 188, Laws of 1937 (sec. 6312-29, Rem. Rev. Stat.; sec. 290-29, PPC) is amended to read as follows:

Contents of
application
for vehicle
license.

Section 29. Application for original vehicle license shall be made on form furnished for the purpose by the Director of Licenses. Such application shall be made by the owner of the vehicle or his duly authorized agent over the signature of such owner or agent, and he shall certify that the statements therein are true to the best of his knowledge. The application must show:

(1) Name and address of the owner of the vehicle;

(2) Trade name of the vehicle, model, year, type of body, the motor number or identification number thereof if such vehicle be a motor vehicle, or the serial number thereof if such vehicle be a trailer;

(3) The power to be used—whether electric, steam, gas or other power;

(4) The purpose for which said vehicle is to be used and the nature of the license required;

(5) The maximum gross license for such vehicle which in case of for hire vehicles and auto stages shall be the maximum adult seating capacity thereof, exclusive of the operator, and in cases of motor trucks, trailers and semi-trailers shall be the unladen weight of such vehicle to which shall be added the maximum gross load to be carried thereon as set by the applicant, which maximum gross license shall in no event be less than the unladen weight thereof or more than the legal limit for such vehicle as allowed by law;

(6) The weight of such vehicle, if it be a motor truck or trailer, which shall be the shipping weight thereof as given by the manufacturer thereof unless another weight is shown by weight slip verified by a certified weighmaster, which slip shall be attached to the original application;

(7) Such other information as shall be required upon such application by the Director of Licenses.

SEC. 9. Section 32, chapter 188, Laws of 1937 (sec. 6312-32, Rem. Rev. Stat.; sec. 290-35, PPC) is amended to read as follows:

Section 32. At the time application is made to the Director of Licenses, the County Auditor or other agent for the issuance of a vehicle license, or for transfer of vehicle license, change in vehicle license classification or for original or increase in vehicle gross weight license or seating capacity, the applicant shall pay to the Director of Licenses, County Auditor or other agent a fee of twenty-five cents (25¢) for each application in addition to the license fee for such vehicle, which fee of twenty-five cents (25¢), if paid to the County Auditor as agent of the Director of Licenses, shall be paid to the County Treasurer in the same manner as other fees collected by the County Auditor and credited to the county current expense fund. In the event that such fee is paid to another agent of the Director of Licenses then the same shall be used by such agent to defray his expenses in handling the applications. All such filing fees collected by the Director of Licenses or branches of his office shall be certified to the State Treasurer and deposited to the credit of the motor vehicle fund.

Fee for application.

SEC. 10. Section 33, chapter 188, Laws of 1937 (sec. 6312-33, Rem. Rev. Stat.; sec. 290-37, PPC) is amended to read as follows:

Section 33. Upon receipt by agents of the Director of Licenses, including County Auditors, of original application for vehicle license accompanied by the proper fees, such agents shall, if such applications are in proper form and accompanied by such information as may be required by the Director of Licenses, immediately forward such applications to the Director of Licenses, and shall immediately for-

Applications to be forwarded to Director of Licenses.

Fees for-
warded to
State
Treasurer.

ward such fees, together with a proper identifying detailed report, to the State Treasurer.

Sec. 11. Section 34, chapter 188, Laws of 1937 (sec. 6312-34, Rem. Rev. Stat.; sec. 290-39, PPC) is amended to read as follows.

Recheck of
application
by Director.

Section 34. (a) Upon receipt of the application and proper fee for original vehicle license, the Director of Licenses shall make a recheck of the same and in the event that there shall be any error in the application the same may be returned to the County Auditor or other agent to effectively secure the correction of such error and return the same corrected to the Director of Licenses.

Renewal of
license.

(b) Application for the renewal of a vehicle license shall be made to the Director of Licenses or his agents, including County Auditors, by the registered owner on a form prescribed by the director, accompanied by the certificate of registration for the last registration period in which the vehicle was registered in Washington, and the payment of such license fees and excise tax as may be required by law. Such application shall be handled in the same manner and the fees transmitted to the State Treasurer in the same manner as in the case of an original application.

Penalty for
failure to
renew.

(c) If the application for renewal is not filed prior to January 10th, in each year, a penalty shall be assessed equal to the basic fee charged for the original license, which in no instance shall be more than three dollars (\$3), unless the applicant can furnish an affidavit certifying that the vehicle has not been operated in this state since the expiration date of the last license issued in this state; or that the vehicle has been stolen or embezzled: *Provided*, That this penalty shall not apply to vehicles that at the expiration date were held for sale by a registered dealer.

SEC. 12. Section 35, chapter 188, Laws of 1937 (sec. 6312-35, Rem. Rev. Stat.; sec. 290-41, PPC) is amended to read as follows:

Section 35. Such vehicle license and vehicle license number plates may be issued for the ensuing calendar year on and after the fifteenth day of November preceding and may be used and displayed from the date of issue until December 31st of the succeeding calendar year for which the same is issued.

Issue of plates.

Period for use and display.

SEC. 13. Section 37, chapter 188, Laws of 1937 (sec. 6312-37, Rem. Rev. Stat.; sec. 290-45, PPC) is amended to read as follows:

Section 37. Upon the loss, defacement, or destruction of both of the vehicle license number plates issued upon any vehicle or where they have become so illegible or in such a condition as to be difficult to distinguish, the owner of such vehicle shall make application for new vehicle license number plates upon a form furnished by the Director of Licenses, upon which form it shall be required that the owner shall, in addition to other requirements, make a complete statement as to the cause of the loss, defacement or destruction of such original vehicle license number plates, which statement shall be subscribed and sworn to before a notary public or other person authorized to certify to statements upon vehicle license applications. Such application shall be filed with the Director of Licenses or his authorized agent, accompanied by the certificate of license registration of such vehicle and a fee in the same amount as upon the original application for vehicle license, whereupon the Director of Licenses, or his authorized agent, shall issue new vehicle license number plates to such applicant. Upon the loss, defacement or destruction of one of the vehicle license number plates issued for any vehicle, application shall be made on a form provided by the Director of Licenses and in the same manner as

Loss of plates.

Fee.

above prescribed, except that the same shall be accompanied by a fee of one dollar (\$1). Whereupon the Director of Licenses shall issue to the applicant a duplicate vehicle license number plate of the one lost, defaced or destroyed.

SEC. 14. Section 38, chapter 188, Laws of 1937 (sec. 6312-38, Rem. Rev. Stat.; sec. 290-47, PPC) is amended to read as follows:

Destruction, loss, sale of stage, truck, etc.

Section 38. In case of loss or destruction, sale or transfer of any for hire vehicle, auto stage, motor truck, trailer, or semi-trailer, the registered owner thereof may retain the right to the load license or seat license to apply in licensing such vehicle as may be procured in replacement thereof and in any case of sale or transfer where load or seat license has not been assigned on the certificate of license registration it will be presumed that the same was intended to be retained by the previous registered owner thereof. Whenever during the calendar year any vehicle has been so altered as to change its license classification, in such a manner that the vehicle license number plates are rendered improper therefor, the current vehicle license number plates shall be surrendered to the Director of Licenses and new and proper vehicle license number plates issued on application therefor accompanied by a fee therefor in the amount of one dollar (\$1), in addition to any other or different charge by reason of licensing under a new classification. Such application shall be on forms prescribed by the Director of Licenses and forwarded with proper fee to his office or the office of his duly authorized agent.

Load or seat license.

Change in classification.

Fee.

SEC. 15. Section 40, chapter 188, Laws of 1937 (sec. 6312-40, Rem. Rev. Stat.; sec. 290-51, PPC) is amended to read as follows:

Section 40. All fees received by the Director of Licenses or his agents, including County Auditors, for vehicle licenses under the provisions of this

chapter shall be forwarded to the State Treasurer, accompanied by a proper identifying, detailed report, and deposited by him to the credit of the motor vehicle fund.

Fees deposited in motor vehicle fund.

SEC. 16. Section 50, chapter 188, Laws of 1937 (sec. 6312-50, Rem. Rev. Stat.; sec. 289-15, PPC) is amended to read as follows:

Section 50. (a) Every application for a vehicle operator's license shall be made upon the form prescribed and furnished by the Director of Licenses and shall be verified by the applicant before a person authorized to administer oaths or before an officer of the Washington State Patrol or other person authorized by the Director of Licenses to certify to the signature of the applicant on such application and shall be forwarded to the Director of Licenses. A fee of two dollars (\$2) shall be paid by each applicant. Whenever applications are received by the Washington State Patrol, a County Auditor or other agent of the Director of Licenses, the application shall be forwarded to the Director of Licenses and the fees collected by such agents shall be transmitted, accompanied by a proper identifying detailed report, to the State Treasurer.

Application for vehicle operator's license.

(b) Every application shall state the name, date of birth, sex, and residence address of the applicant, and whether or not the applicant has heretofore been licensed as a vehicle operator and if so when and by what state, and whether or not such license has ever been suspended, revoked, cancelled or refused, and if so the date of and reason for such suspension, revocation, cancellation or refusal.

Contents of application.

SEC. 17. Section 52, chapter 188, Laws of 1937, as amended by section 8, chapter 182, Laws of 1939 (sec. 6312-52, Rem. Rev. Stat.; sec. 289-19, PPC) is amended to read as follows:

Section 52. After issuing such license the Director of Licenses shall file the application together with

Operator's
case record.

any documentary evidence required in the issuance of such license, including examinations and confidential reports, in the operator's case record established for that purpose in the office of the Director of Licenses.

SEC. 18. Section 60, chapter 188, Laws of 1937 (sec. 6312-60, Rem. Rev. Stat.; sec. 289-35, PPC) is amended to read as follows:

Loss of
operator's
license.

Section 60. In the event that a vehicle operator's license shall be lost or destroyed, the person to whom the same was issued may obtain a duplicate thereof upon furnishing proof of such fact satisfactory to the Director of Licenses and upon reapplication without reexamination and payment of a fee of fifty cents (50¢) to the Director of Licenses.

SEC. 19. Section 71, chapter 188, Laws of 1937, as amended by section 1, chapter 213, Laws of 1939 (section 6312-71, Rem. Rev. Stat.; sec. 289-57, PPC) is amended to read as follows:

Moneys
collected.

Section 71. The Director of Licenses or his agents, including County Auditors, shall forward all funds accruing under the provisions of this chapter to the State Treasurer together with a proper identifying, detailed report. The State Treasurer shall deposit such moneys to the credit of the highway safety fund except that out of each fee of two dollars (\$2) collected for a vehicle operator's license the sum of twenty cents (20¢) shall be paid into the state parks and parkways fund. All expenses incurred in carrying out the provisions of this chapter relating to vehicle operator's license shall be paid from the highway safety fund as by appropriation provided.

Deposit
in funds.

Passed the House February 17, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 165.

[H. B. 265.]

STATE AERONAUTICS COMMISSION.

AN ACT relating to aeronautics, airports and air facilities; creating a State Aeronautics Commission and Director of Aeronautics and fixing the duties thereof; providing for the acquisition of property; defining offenses and prescribing penalties; making an appropriation and repealing chapter 252, Laws of 1945 (secs. 10964-60 to 10964-68, incl., Rem. Rev. Stat.; secs. 297d-51, -53, -55, -57, -59, -61, -63, -65, -67, -69, -71, incl., PPC), and declaring an emergency.

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

SECTION 1. Definitions. As used in this act, unless the context clearly indicates otherwise: (a) "Aeronautics" means the science and art of flight and including but not limited to transportation by aircraft; the operation, construction, repair, or maintenance of aircraft, aircraft power plants and accessories, including the repair, packing, and maintenance of parachutes; the design, establishment, construction, extension, operation, improvement, repair, or maintenance of airports or air navigation facilities; and instruction in flying or ground subjects pertaining thereto.

Definitions.

Aero-
nautics.

(b) "Aircraft" means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air.

"Aircraft."

(c) "Airport" means any area of land or water which is used, or intended for use, for the landing and take-off of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or right-of-way, together with all airport buildings and facilities located thereon.

"Airport."

(d) "Commission" means the State Aeronautics Commission.

"Commis-
sion."

"Director." (e) "Director" means the Director of Aeronautics of this state.

"State" or "this state." (f) "State" or "this state" means the State of Washington.

"Air navigation facility." (g) "Air navigation facility" means any facility, other than one owned or operated by the United States, used in, available for use in, or designed for use in aid of air navigation, including any structures, mechanisms, lights, beacons, markers, communicating systems, or other instrumentalities or devices used or useful as an aid, or constituting an advantage or convenience, to the safe taking-off, navigation, and landing of aircraft, or the safe and efficient operation or maintenance of an airport, and any combination of any or all of such facilities.

"Operation of aircraft" or "operate aircraft." (h) "Operation of aircraft" or "operate aircraft" means the use, navigation or piloting of aircraft in the airspace over this state or upon any airport within this state.

"Airman." (i) "Airman" means any individual who engages, as the person in command or as pilot, mechanic, or member of the crew in the navigation of aircraft while under way, and any individual who is directly in charge of the inspection, maintenance, overhauling, or repair of aircraft engines, propellers, or appliances, and any individual who serves in the capacity of aircraft dispatcher or air-traffic control-tower operator; but does not include any individual employed outside the United States, or any individual employed by a manufacturer of aircraft, aircraft engines, propellers, or appliances to perform duties as inspector or mechanic in connection therewith, or any individual performing inspection or mechanical duties in connection with aircraft owned or operated by him.

"Aeronautics instructor." (j) "Aeronautics instructor" means any individual who for hire or reward engages in giving instruction or offering to give instruction in flying or ground subjects pertaining to aeronautics, but

excludes any instructor in a public school, university or institution of higher learning duly accredited and approved for carrying on collegiate work, who instructs in flying or ground subjects pertaining to aeronautics, while in the performance of his duties at such school, university or institution.

(k) "Air school" means any person who advertises, represents or holds out as giving or offering to give instruction in flying or ground subjects pertaining to aeronautics whether for or without hire or reward; but excludes any public school, university, or institution of higher learning duly accredited and approved for carrying on collegiate work. "Air school."

(l) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof. "Person."

(m) "Municipal" means pertaining to a municipality, and "Municipality" shall mean any county, city, town, authority, district or other political subdivision or public corporation of this state. "Municipal."

(n) "Airport hazard" means any structure, object of natural growth, or use of land, which obstructs the airspace required for the flight of aircraft in landing or taking off at an airport or is otherwise hazardous to such landing or taking off. "Airport hazard."

(o) "State airway" means a route in the navigable airspace over and above the lands or waters of this state, designated by the commission as a route suitable for air navigation. "State airway."

SEC. 2. It is hereby declared that the purpose of this act is to further the public interest and aeronautical progress by providing for the protection and promotion of safety in aeronautics; by cooperating in effecting uniformity of the laws and regulations relating to the development and regulation of aeronautics in the several states consistent with Legislative purpose and policy.

federal aeronautics laws and regulations; by granting to a state agency such powers and imposing upon it such duties that the state may properly perform its functions relative to aeronautics and effectively exercise its jurisdiction over persons and property within such jurisdiction, assist in the development of a statewide system of airports, cooperate with and assist the municipalities of this state and others engaged in aeronautics, and encourage and develop aeronautics; by establishing only such regulations as are essential in order that persons engaged in aeronautics of every character may so engage with the least possible restriction, consistent with the safety and the rights of others; and by providing for cooperation with the federal authorities in the development of a national system of civil aviation and for coordination of the aeronautical activities of those authorities and the authorities of this state.

Commission
created.

SEC. 3. There is hereby created the "Washington State Aeronautics Commission," to consist of six members, who shall be appointed by the Governor, by and with the advice and consent of the Senate, and who shall continue in office, as designated by the Governor at the time of appointment, through the last day of the second, third, fourth, fifth, sixth and seventh calendar years, respectively, following the passage of this act. The successors of the members initially appointed shall be appointed for terms of five years except that any person appointed to fill a vacancy occurring prior to the expiration of any term shall be appointed only for the remainder of such term. Each member shall serve until the appointment and qualification of his successor. No more than four of the members shall be appointed from the same political party and one member shall be chosen from each congressional district. All members of the Commission shall be citizens and bona fide residents of the state. No more than three members shall have

Terms of
office.

Political
party.

any direct or indirect financial or pecuniary interest in civil aviation. No member shall receive any salary for his services, but shall be reimbursed for actual and necessary expenses incurred by him in the performance of his duties and shall be paid the sum of twenty-five dollars (\$25) per diem for each day actually spent in attending to his duties as a member of the Commission, but no member shall receive more than five hundred dollars (\$500) in any one year as per diem. The members of the Commission may be removed by the Governor for inefficiency, neglect of duty, or malfeasance in office in the manner provided by law for the removal of other public officials for like cause.

Compensation.

Expenses.

Removal of Commissioner.

SEC. 4. A Director of Aeronautics shall be appointed by the Commission and shall serve at the pleasure of the Commission. He shall be appointed with due regard to his fitness, by aeronautical education and by knowledge of and recent practical experience in aeronautics, for the efficient dispatch of the powers and duties duly vested in and imposed upon him. He shall devote his entire time to the duties of his office and shall not be actively engaged or employed in any other business, vocation, or employment, nor shall he have any pecuniary interest in or any stock in or bonds of any civil aeronautics enterprise. He shall receive a salary of not to exceed seven thousand five hundred dollars (\$7,500) per year and shall be reimbursed for all traveling and other expenses incurred by him in the discharge of his official duties.

Director.

Salary.

Expenses.

He shall be the executive officer of the Commission and under its supervision shall administer the provisions of this act and the rules, regulations and orders established thereunder and all other laws of the state relative to aeronautics. He shall attend, but not vote at, all meetings of the Commission. He shall be in charge of the offices of the Commission and responsible to the Commission for the prepara-

Director's duties.

tion of reports and the collection and dissemination of data and other public information relating to aeronautics. At the direction of the Commission, he shall, together with the chairman of the Commission, execute all contracts entered into by the Commission.

Appointment
of agents,
employees,
etc.

The Director shall appoint, subject to the approval of the Commission such experts, field and office assistants, clerks, and other employees as may be required and authorized for the proper discharge of the functions of the Commission and for whose services funds have been appropriated.

Delegation
of powers
by Com-
mission.

The Commission may, by written order filed in its office, delegate to the Director any of the powers or duties vested in or imposed upon it by this act. Such delegated powers and duties may be exercised by the Director in the name of the Commission.

Organization
of Com-
mission.

SEC. 5. The Commission shall, within thirty days after its appointment, organize, adopt a seal, and make such rules and regulations for its administration, not inconsistent herewith, as it may deem expedient and may from time to time amend such rules and regulations. At such organization meeting it shall elect from among its members a chairman, a vice-chairman, and a secretary to serve for one year, and annually thereafter shall elect such officers; all to serve until their successors are appointed and qualified. The Commission shall at its initial meeting fix a date and place for its regular meeting. Four members shall constitute a quorum, and no action shall be taken by less than a majority of the Commission. Special meetings may be called as provided by its rules and regulations. Regular meetings shall be held at the Commission's established offices, but, whenever the convenience of the public or of the parties may be promoted, or delay or expense may be prevented, it may hold meetings, hearings or proceedings at any other place designated by it. The Commission shall transmit a report

Seal.

Meetings.

Quorum.

in writing to the Governor before December 1 of each year, which report shall contain a summary of its proceedings during the preceding fiscal year, a detailed and itemized statement of all revenue and of all expenditures made by or in behalf of the Commission, such other information as it may deem necessary or useful, and any additional information which may be requested by the Governor. The fiscal year of the Commission shall conform to the fiscal year of the state.

Report to
Governor.

SEC. 6. Suitable offices and office equipment shall be provided by the state for the Commission in a city in the state that it may designate and the Commission may incur the necessary expense for office furniture, stationery, printing, incidental expenses, and other expenses necessary for the administration of this act.

Offices.

Expenses.

SEC. 7. The Commission shall have general supervision over aeronautics within this state. It is empowered and directed to encourage, foster, and assist in the development of aeronautics in this state and to encourage the establishment of airports and air navigation facilities. It shall cooperate with and assist the federal government, the municipalities of this state, and other persons in the development of aeronautics, and shall seek to coordinate the aeronautical activities of these bodies and persons. Municipalities are authorized to cooperate with the Commission in the development of aeronautics and aeronautical facilities in this state.

Powers and
duties of
Commission.

SEC. 8. The Commission may draft and recommend necessary legislation to advance the interests of the state in aeronautics, represent the state in aeronautical matters before federal agencies and other state agencies, and participate as party plaintiff or defendant or as intervener on behalf of the state or any municipality or citizen thereof in any

Representa-
tion of state
at hearings,
litigation,
etc.

controversy which involves the interest of the state in aeronautics.

Assistance and loans to municipalities.

SEC. 9. The Commission may make available its engineering and other technical services, with or without charge, to any municipality or person desiring them in connection with the planning, acquisition, construction, improvement, maintenance or operation of airports or air navigation facilities.

Maximum loans.

The Commission may render financial assistance by grant or loan or both to any municipality or municipalities acting jointly in the planning, acquisition, construction, improvement, maintenance, or operation of an airport owned or controlled, or to be owned or controlled by such municipality or municipalities, out of appropriations made by the Legislature for such purposes. Such financial assistance may be furnished in connection with federal or other financial aid for the same purposes: *Provided*, That no grant or loan or both shall be in excess of one hundred thousand dollars (\$100,000) for any one project: *Provided further*, That no grant or loan or both shall be granted unless the municipality or municipalities acting jointly shall from their own funds match any funds made available by the Commission.

Agent for municipalities.

The Commission is authorized to act as agent of any municipality or municipalities acting jointly, upon the request of such municipality or municipalities, in accepting, receiving, receipting for and disbursing federal moneys, and other moneys public or private, made available to finance, in whole or in part, the planning, acquisition, construction, improvement, maintenance or operation of a municipal airport or air navigation facility; and if requested by such municipality or municipalities may act as its or their agent in contracting for and supervising such planning, acquisition, construction, improvement, maintenance, or operation; and all municipali-

May accept financing.

ties are authorized to designate the Commission as their agent for the foregoing purposes. The Commission, as principal on behalf of the state, and any municipality on its own behalf, may enter into any contracts, with each other or with the United States or with any person, which may be required in connection with a grant or loan of Federal moneys for municipal airport or air navigation facility purposes. All federal moneys accepted under this section shall be accepted and transferred or expended by the Commission upon such terms and conditions as are prescribed by the United States. All moneys received by the Commission pursuant to this section shall be deposited in the State Treasury, and, unless otherwise prescribed by the authority from which such moneys were received, shall be kept in separate funds designated according to the purposes for which the moneys were made available, and held by the state in trust for such purposes. All such moneys are hereby appropriated for the purposes for which the same were made available, to be disbursed or expended in accordance with the terms and conditions upon which they were made available.

Deposit
of funds.

Trust.

Appropriation
for
purposes
of trust.

SEC. 10. The Commission is authorized on behalf of and in the name of the state, out of appropriations and other moneys made available for such purposes, to plan, establish, construct, enlarge, improve, maintain, equip, operate, regulate, protect and police airports, air navigation facilities, and air markers and/or air marking systems, either within or without the state, including the construction, installation, equipment, maintenance and operation at such airports of buildings and other facilities for the servicing of aircraft or for the comfort and accommodation of air travelers. For such purposes the Commission may by purchase, gift, devise, lease, condemnation or otherwise, acquire property, real or personal, or any interest therein, including ease-

May acquire,
construct
and main-
tain air
navigation
facilities, etc.Acquisition
of lands.

ments or land outside the boundaries of an airport or airport site, as are necessary to permit safe and efficient operation of the airports or to permit the removal, elimination, marking or lighting of obstructions or airport hazards, or to prevent the establishment of airport hazards. In like manner the Commission may acquire existing airports and air navigation facilities: *Provided*, That it shall not acquire or take over any airport or air navigation facility owned or controlled by a municipality of this or any other state without the consent of such municipality. The Commission may by sale, lease, or otherwise, dispose of any such property, airport, air navigation facility, or portion thereof or interest therein. Such disposal by sale, lease, or otherwise, shall be in accordance with the laws of this state governing the disposition of other property of the state, except that in the case of disposals to any municipality or state government or the United States for aeronautical purposes incident thereto, the sale, lease, or other disposal may be effected in such manner and upon such terms as the Commission may deem in the best interest of the state. The Commission may exercise any powers granted by this section jointly with any municipalities, agencies or departments of the state government, with other states or their municipalities, or with the United States.

Sale or disposal of property.

Exercise of powers jointly.

Authority to zone not restricted.

Condemnation.

SEC. 11. Nothing contained in this act shall be construed to limit any right, power or authority of the state or a municipality to regulate airport hazards by zoning.

SEC. 12. In the condemnation of property authorized by this section, the Commission shall proceed in the name of the state in the manner that property is acquired by the State Highway Department for public uses.

SEC. 13. In operating an airport or air navigation facility owned or controlled by the state, the Commission may enter into contracts, leases and other arrangements for a term not exceeding twenty-five years with any persons granting the privilege of using or improving such airport or air navigation facility or any portion or facility thereof, or space therein for commercial purposes, conferring the privilege of supplying goods, commodities, things, services or facilities at such airport or air navigation facility, or making available services to be furnished by the Commission or its agents at such airport or air navigation facility. In each case the Commission may establish the terms and conditions and fix the charges, rentals, or fees for the privileges or services, which shall be reasonable and uniform for the same class of privilege or service and shall be established with due regard to the property and improvements used and the cost of operation to the state: *Provided*, That in no case shall the public be deprived of its rightful, equal and uniform use of the airport, air navigation facility, or portion or facility thereof.

Operation of airports, etc.

Contracts leases.

Fees for uses and services.

Equal use by public.

SEC. 14. The Commission may by contract, lease or other arrangement, upon a consideration fixed by it, grant to any qualified person for a term not to exceed twenty-five years the privilege of operating, as agent of the state or otherwise, any airport owned or controlled by the state: *Provided*, That no such person shall be granted any authority to operate the airport other than as a public airport or to enter into any contracts, leases, or other arrangements in connection with the operation of the airport which the Commission might not have undertaken under section 13 herein.

Lease of airports.

SEC. 15. To enforce the payment of any charges for repairs to, improvements, storage or care of any personal property made or furnished by the Com-

Liens for charges, repairs, etc.

mission or its agents in connection with the operation of an airport or air navigation facility owned or operated by the state, the state shall have liens on such property, which shall be enforceable by the Commission as provided by law.

Authority to
expend
monies.

SEC. 16. The Commission is authorized to accept, receive, receipt for, disburse and expend federal moneys, and other moneys public or private, made available to accomplish, in whole or in part, any of the purposes of this section. All federal moneys accepted under this section shall be accepted and expended by the Commission upon such terms and conditions as are prescribed by the United States. In accepting federal moneys under this section, the Commission shall have the same authority to enter into contracts on behalf of the state as is granted to the Commission under section 9 of this act with respect to federal moneys accepted on behalf of municipalities. All moneys received by the Commission pursuant to this section shall be deposited in the State Treasury, and, unless otherwise prescribed by the authority from which such moneys were received, shall be kept in separate funds designated according to the purposes for which the moneys were made available, and held by the state in trust for such purposes. All such moneys are hereby appropriated for the purpose of which the same were made available, to be disbursed or expended in accordance with the terms and conditions upon which they were made available.

Condition
of grants,
loans, etc.

Deposit
with State
Treasurer.

Trust.

Appropriation
for trust
purposes.

State
airways.

SEC. 17. The Commission may designate, design, and establish, expand, or modify a state airways system which will best serve the interest of the state. It may chart such airways system and arrange for publication and distribution of such maps, charts, notices and bulletins relating to such airways as may be required in the public interest. The system shall be supplementary to and coordinated in design

Coordination
with Federal
system.

and operation with the Federal airways system. It may include all types of air navigation facilities, whether publicly or privately owned: *Provided*, That such facilities conform to Federal safety standards.

Conformance with Federal safety standards.

SEC. 18. The Commission may enter into any contracts necessary to the execution of the powers granted it by this act. All contracts made by the Commission, either as the agent of the state or as the agent of any municipality, shall be made pursuant to the laws of the state governing the making of like contracts: *Provided*, That where the planning, acquisition, construction, improvement, maintenance, or operation of any airport, or air navigation facility is financed wholly or partially with federal moneys, the Commission as agent of the state or of any municipality, may let contracts in the manner prescribed by the Federal authorities acting under the laws of the United States and any rules or regulations made thereunder.

Contracts.

SEC. 19. The Commission shall grant no exclusive right for the use of any landing area or air navigation facility under its jurisdiction. This section shall not be construed to prevent the making of contracts, leases and other arrangements pursuant to this act.

No exclusive rights to be granted.

SEC. 20. The acquisition of any lands or interest therein pursuant to this act, the planning, acquisition, establishment, construction, improvement, maintenance, equipment, and operation of airports and air navigation facilities, whether by the state separately or jointly with any municipality or municipalities, and the exercise of any other powers herein granted to the Commission are hereby declared to be public and governmental functions, exercised for a public purpose, and matters of public necessity. All lands and other property and privileges acquired and used by or on behalf of the state

Purposes of act declared to be public and governmental.

in the manner and for the purposes enumerated in this act shall and are hereby declared to be acquired and used for public and governmental purposes and as a matter of public necessity.

Rules and regulations.

SEC. 21. The Commission may perform such acts, issue and amend such orders, make, promulgate, and amend such reasonable general rules, regulations and procedures, and establish such minimum standards, consistent with the provisions of this act, as it shall deem necessary to perform its duties hereunder; all commensurate with and for the purpose of protecting and insuring the general public interest and safety, the safety of persons operating, using or traveling in aircraft or persons receiving instruction in flying or ground subjects pertaining to aeronautics, and the safety of persons and property on land or water, and developing and promoting aeronautics in this state. No rule or regulation of the Commission shall apply to airports or air navigation facilities owned or operated by the United States.

Airports and facilities owned by the United States.

Rules and regulations to be filed with Secretary of State.

The Commission shall keep on file with the Secretary of State, and at the principal office of the Commission, a copy of all its rules and regulations for public inspection.

Publication and distribution.

The Commission shall provide for the publication and general distribution of all its orders, rules, regulations and procedures having general effect.

Unlawful acts.

SEC. 22. It shall be unlawful for any person to operate an aircraft in the air, or on the ground or water, while under the influence of intoxicating liquor, narcotics, or other habit-forming drug, or to operate an aircraft in the air or on the ground or water, in a careless manner so as to endanger the life or property of another. In any proceeding charging careless or reckless operation of aircraft in violation of this section, the court in determining whether the operation was careless or reckless may consider the standards for safe operation of aircraft

prescribed by Federal statutes or regulations governing aeronautics.

SEC. 23. It shall be unlawful for any person to operate or cause or authorize to be operated any civil aircraft within this state unless such aircraft has an appropriate effective certificate, permit or license issued by the United States, if such certificate, permit or license is required by the United States. It shall be unlawful for any person to engage in aeronautics as an airman in the state unless he has an appropriate effective airman certificate, permit, rating or license issued by the United States authorizing him to engage in the particular class of aeronautics in which he is engaged, if such certificate, permit, rating or license is required by the United States.

Certificate for, permit or license of aircraft and airman.

Where a certificate, permit, rating or license is required for an airman by the United States, it shall be kept in his personal possession when he is operating within the state. Where a certificate, permit or license is required by the United States for an aircraft, it shall be carried in the aircraft at all times while the aircraft is operating in the state and shall be conspicuously posted in the aircraft where it may be readily seen by passengers or inspectors. Such certificates shall be presented for inspection upon the demand of any peace officer, or any other officer of the state or of a municipality or member, official or employee of the Department of Aeronautics authorized pursuant to this act to enforce the aeronautics laws, or any official, manager or person in charge of any airport, or upon the reasonable request of any person.

To be kept on person or in view on plane.

Inspection of certificates.

SEC. 24. Any person violating any of the provisions of this act, or any of the rules, regulations or orders issued pursuant thereto, shall be guilty of a misdemeanor and shall be punished by a fine of not more than one hundred dollars (\$100) or by

Violations.

Penalty a misdemeanor.

Penalty a gross misdemeanor.

imprisonment for not more than thirty days, or both such fine and imprisonment: *Provided*, That any person violating any of the provisions of section 22 or 23 of this act shall be guilty of a gross misdemeanor which shall be punished by a fine of not more than one thousand dollars (\$1,000) or by imprisonment for not more than one year or by both in any proceeding brought in Superior Court and by a fine of not more than five hundred dollars (\$500) or by imprisonment for not more than six months or by both in any proceedings brought in Justice Court. In addition to, or in lieu of, the penalties provided in this section, or as a condition to the suspension of a sentence which may be imposed pursuant thereto, the court in its discretion may prohibit the violator from operating an aircraft within the state for such period as it may determine but not to exceed one year. Violation of the duly imposed prohibition of the court may be treated as a separate offense under this section or as a contempt of court.

Court may impose additional or other penalty.

Registration of aircraft.

SEC. 25. Subject to the limitations of this section, the Commission is authorized to require that every aircraft shall be registered with the Commission for each year in which the aircraft is operated within this state. The Commission may charge for each such registration, and each annual renewal thereof, the sum of ten dollars (\$10). Registration certificates issued after expiration of the first six months of the annual registration year, as prescribed by the Commission, shall be issued at the rate of fifty per cent (50%) of the annual fee.

Fee.

How registered.

Possession of the appropriate effective Federal certificate, permit, rating or license relating to ownership and airworthiness of the aircraft, and payment of the fee duly required pursuant to the provisions of this section shall be the only requisites for registration of an aircraft under this section.

Registration shall be effected by filing with the Commission a written statement containing the information reasonably required by the Commission for such purposes. It shall not be necessary for the registrant to provide the Commission with originals or copies of Federal certificates, permits, ratings or licenses. The Commission may issue certificates of registration, or such other evidences of registration or payment of fees as it may deem proper; and in connection therewith may prescribe requirements for the possession and exhibition of such certificates or other evidences: *Provided*, That the provisions of this section shall not apply to: (a) an aircraft owned by and used exclusively in the service of any government or any political subdivision thereof, including the government of the United States, any state, territory, or possession of the United States, or the District of Columbia, which is not engaged in carrying persons or property for commercial purposes;

Evidence of registration.

Exceptions.

Publicly owned.

(b) an aircraft registered under the laws of a foreign country;

Foreign.

(c) an aircraft which is owned by a non-resident and registered in another state: *Provided*, That if said aircraft shall remain in and/or be based in this state for a period of ninety days or longer it shall not be exempt under this section;

Non-resident.

(d) an aircraft engaged principally in commercial flying constituting an act of interstate or foreign commerce.

Interstate commerce.

Sec. 26. Except as hereinafter provided, the Commission is authorized to provide for the approval of airport sites and the issuance of certificates of such approvals. No charge shall be made for any such approval and certificates of such approval shall be issued without charge to all persons requesting them. Any municipality or person desiring or planning to construct or establish an airport may, prior

Approval of airport sites.

Certificate.

to the acquisition of the site or prior to the construction or establishment of the proposed airport, make application to the Commission for approval of the site. The Commission shall with reasonable dispatch grant approval of a site if it is satisfied that the site is adequate, that if constructed or established it will conform to minimum standards of safety, and that safe air traffic patterns could be worked out for such proposed airport and for all existing airports and approved airport sites in its vicinity. An approval of a site may be granted subject to any reasonable conditions which the Commission may deem necessary to effectuate the purposes of this section, and shall remain in effect, unless sooner revoked by the Commission, until a license for an airport located on the approved site has been issued. The Commission may, after notice and opportunity for hearing to holders of certificates of an approval, revoke such approval when it shall reasonably determine that there has been an abandonment of the airport site, or a failure within the time prescribed, or if no time was prescribed, within a reasonable time, to develop the site as an airport or to comply with the conditions of the approval, or that because of a change of physical or legal conditions or circumstances the site is no longer usable for the aeronautical purposes for which the approval was granted. No approval shall be required for the site of any existing airport.

Minimum standards.

Conditions.

Revocation of approval after notice and hearing.

Exception of existing airports.

Licensing of airports.

Fees.

Renewals.

SEC. 27. The Commission is authorized to provide for the licensing of airports and the annual renewal of such licenses. It may charge license fees not exceeding one hundred dollars (\$100) for each original license, and not exceeding fifty dollars (\$50) for each renewal thereof. The Commission shall, with reasonable dispatch, upon receipt of an application for an original license and the payment of the duly required fee therefor, issue an appropriate

license. All licenses shall be renewable annually upon payment of the fees prescribed. Licenses and renewals thereof may be issued subject to any reasonable conditions that the Commission may deem necessary to effectuate the purposes of this section. The Commission may, after notice and opportunity for hearing to the licensee, revoke any license or renewal thereof, or refuse to issue a renewal, when it shall reasonably determine that there has been an abandonment of the airport as such, or that there has been a failure to comply with the conditions of the license or renewal thereof, or that because of change of physical or legal conditions or circumstances the airport has become either unsafe or unusable for the aeronautical purposes for which the license or renewal was issued. It shall be unlawful for any municipality, or officer or employee thereof, or any person to operate an airport without an appropriate license for such, as may be duly required by rule or regulation issued pursuant to this subsection.

Conditions.

Revocation of license after notice and hearing.

In connection with the grant of approval of a proposed airport site or the issuance of an airport license, the Commission may, on its own motion or upon the request of an affected or interested person, hold a public hearing thereon.

Public hearing on approval of site or license.

The provisions of this section shall not apply to airports owned or operated by the United States. The Commission may exempt any other class of airports, pursuant to a reasonable classification or grouping, from any rule or regulation promulgated or from any requirement of such rule or regulation if it finds that the application of such rule, regulation or requirement would be an undue burden on such class and is not required in the interest of public safety.

Airports owned by the United States or exempted by Commission.

SEC. 28. The Commission or any member thereof and the Director or any officer or employee of the

Investigations, inquiries and hearings.

Accidents.

Oaths.

Subpoenas.

Aid by court.

Contempt.

Joint hearings or conferences.

May obtain records, etc., from and make same available to United States and its agencies.

Report of accidents.

Commission designated by it shall have the power to hold investigations, inquiries and hearings concerning matters covered by the provisions of this act including accidents in aeronautics within this state. Hearings shall be open to the public and, except as hereinafter provided, shall be held upon such call or notice as the Commission shall deem advisable. Each member of the Commission, the Director and every officer or employee of the Commission designated by it to hold any inquiry, investigation or hearing shall have the power to administer oaths and affirmations, certify to all official acts, issue subpoenas, and order the attendance of witnesses and the production of papers, books and documents. In case of the failure of any person to comply with any subpoena or order issued under the authority of this section, the Commission or its authorized representatives may invoke the aid of any competent court of general jurisdiction. The court may thereupon order such person to comply with the requirements of the subpoena or order or to give evidence touching the matter in question. Failure to obey the order of the court may be punished by the court as a contempt thereof.

SEC. 29. The Commission is authorized to confer with or to hold joint hearings with any agency of the United States in connection with any matter arising under this act, or relating to the development of aeronautics.

The Commission is authorized to avail itself of the cooperation, services, records and facilities of the agencies of the United States as fully as may be practicable in the administration and enforcement of this act, and shall furnish to the agencies of the United States such services, records and facilities as may be practicable.

The Commission shall report to the appropriate agency of the United States all accidents in aeronautics in this state of which it is informed, and

shall in so far as is practicable preserve, protect and prevent the removal of the component parts of any aircraft involved in an accident being investigated by it until the Federal agency institutes an investigation.

Protection
of parts, etc.

SEC. 30. In carrying out the provisions of this act the Commission may use the facilities and services of other agencies of the state and of the municipalities of the state to the utmost extent possible, and such agencies and municipalities are authorized and directed to make available their facilities and services.

State
agencies and
municipalities to
cooperate.

SEC. 31. It shall be the duty of the Commission, its members, Director, officers and employees of the Commission, and every state and municipal officer charged with the enforcement of state and municipal laws, to enforce and assist in the enforcement of this act and of all other laws of this state relating to aeronautics.

Enforcement
of this act.

SEC. 32. Every order of the Commission requiring performance of certain acts or compliance with certain requirements and any denial or revocation of an approval, certificate or license shall set forth the reasons and shall state the acts to be done or requirements to be met before approval by the Commission will be given or the approval, license or certificate granted or restored or the order modified or changed. Orders issued by the Commission pursuant to the provisions of this act shall be served upon the persons affected either by registered mail or in person. In every case where notice and opportunity for hearing are required under the provisions of this act the order of the Commission shall, on not less than ten days notice, specify a time when and place where the person affected may be heard, or the time within which he may request hearing, and such order shall become effective upon the expiration of the time for exercising such opportunity for

Orders of
Commissioner.

Service
of orders.

Hearings.

hearing, unless a hearing is held or requested within the time provided, in which case the order shall be suspended until the Commission shall affirm, disaffirm or modify such order after hearing held or default by the person affected. To the extent practicable, hearings on such orders shall be in the county where the affected person resides or does business. Any person aggrieved by an order of the Commission or by the grant, denial or revocation of any approval, license or certificate may have the action of the Commission reviewed by the courts of this state in the manner provided for, and subject to the rules of law applicable to the review of the orders of other administrative bodies of the state.

Where hearings held.

Review of orders.

Reports of Commission's activities.

Receiving reports from others.

Agreements regarding data.

Appropriation.

SEC. 33. The Commission is authorized to report to the appropriate federal agencies and agencies of other states all proceedings instituted charging violation of sections 22 and 23 of this act and all penalties, of which it has knowledge, imposed upon airmen or the owners or operators of aircraft for violations of the law of this state relating to aeronautics or for violations of the rules, regulations or orders of the Commission. The Commission is authorized to receive reports of penalties and other data from agencies of the Federal government and other states and, when necessary, to enter into agreements with Federal agencies and the agencies of other states governing the delivery, receipt, exchange and use of reports and data. The Commission may make the reports and data of the Federal agencies, the agencies of other states, and the courts of this state available, with or without request therefor, to any and all courts of this state.

SEC. 34. There is hereby appropriated from the general fund the sum of two hundred fifty thousand dollars (\$250,000) to carry out the purposes of this act, of which sum an amount of not to exceed fifty thousand dollars (\$50,000) shall be used for the

administration of this act and for the functions of the Director and the State Aeronautics Commission and the remainder of said appropriation shall be used under the provisions of this act as determined by the State Aeronautics Commission as matching funds for construction and maintenance of emergency landing fields and air navigation facilities.

SEC. 35. If any provision of this act or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable. Severability of act.

SEC. 36. Chapter 252, Laws of 1945 (secs. 10964-60 to 10964-68, incl., Rem. Rev. Stat.; secs. 297d-51, -53, -55, -57, -59, -61, -63, -65, -67, -69, and -71, incl., PPC) and all acts and parts of acts inconsistent with the provisions of this act are hereby repealed. Repealed statutes.

SEC. 37. This act may be cited as the "State Aeronautics Commission Act." Short title.

SEC. 38. This act is necessary for the immediate preservation of the public peace, health and safety, for the support of the state government and its existing public institutions and shall take effect April 1, 1947. Emergency.

Passed the House March 4, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 166.

[H. B. 302.]

REGULATION OF COAL MINES.

AN ACT relating to coal mines; providing for additional regulation thereof; fixing compensation for inspectors thereof; amending section 7, chapter 36, Laws of 1917, as last amended by section 5, chapter 306, Laws of 1927; sections 27 and 33, chapter 36, Laws of 1917; section 118, chapter 36, Laws of 1917, as last amended by section 8, chapter 211, Laws of 1943; and section 154, chapter 36, Laws of 1917, as last amended by section 10, chapter 211, Laws of 1943 (secs. 8642, 8662, 8668, 8753, and 8789, Rem. Rev. Stat.; secs. 742, 215, 385, 397, 337, and 25, PPC).

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

SECTION 1. Section 7, chapter 36, Laws of 1917, as last amended by section 5, chapter 306, Laws of 1927 (sec. 8642, Rem. Rev. Stat.; secs. 742 and 215, PPC) is amended to read as follows:

Salary of Chief Mine Inspector.

Section 7. The salary of Chief State Mine Inspector shall be five thousand dollars (\$5,000) per annum, and the salary of each Deputy State Mine Inspector shall be such sum as shall be fixed by the Director of Labor and Industries, not to exceed four thousand four hundred dollars (\$4,400) per annum. The Chief Inspector and his Deputies shall be allowed their necessary expenses for office maintenance, stenographic services, and for equipment and instruments, as well as for actual and necessary traveling expenses while in the performance of their duties, under the provisions of this act. The State Auditor is hereby authorized and directed to draw his warrant on the State Treasurer in favor of the Chief State Mine Inspector and his Deputies for the amounts due them for their salaries monthly, and also for their expenses, upon proper vouchers, to be paid out of any moneys in the State Treasury appropriated for that purpose.

Salary of deputy.

Expenses.

Payment.

Devote full time.

The Chief State Mine Inspector and his Deputies shall devote their entire time to the duties of their

respective offices; they shall have no financial interest, direct or indirect, in any mine under the supervision of the division of mining safety.

No interest
in mines.

The Chief State Mine Inspector and his Deputies shall, before entering upon the discharge of their duties, each take an oath to discharge their duties impartially and with fidelity and to the best of their knowledge and ability.

Oath.

It shall be the duty of the Chief State Mine Inspector and his Deputies to enforce the provisions of this act, for the regulation of coal mines, and the educational standards for coal mines and coal mining, unless enforcement is otherwise especially provided for.

Enforce
this act.

Sec. 2. Section 27, chapter 36, Laws of 1917 (sec. 8662, Rem. Rev. Stat.; secs. 742 and 385, PPC) is amended to read as follows:

Section 27. The operator, or superintendent, of every coal mine shall provide and maintain ample mechanical means of ventilation to furnish a constant and adequate supply of pure air for employees in the mine. The minimum quantity of air shall be one hundred (100) cubic feet per minute for each person employed in the mine, and five hundred (500) cubic feet per minute for each horse or mule, and as much more as may be necessary to keep the mine free from dangerous and explosive gases.

Ventilation.

Sec. 3. Section 33, chapter 36, Laws of 1917 (sec. 8668, Rem. Rev. Stat.; secs. 742 and 397, PPC) is amended to read as follows:

Section 33. In every coal mine in which inflammable gas has been found within the preceding twelve (12) months, or spontaneous combustion occurs, a fire boss, or fire bosses, shall be appointed, who shall, within three hours before the time for commencing work in any part of the mine, inspect with an approved safety lamp all working places, and shall make a true report of the condition there-

Appointing
fire bosses.

of. All new coal mines shall comply with the sections of this act pertaining to the regulation of gaseous mines.

SEC. 4. Section 118, chapter 36, Laws of 1917, as last amended by section 8, chapter 211, Laws of 1943 (sec. 8753, Rem. Rev. Stat.; secs. 742 and 337, PPC) is amended to read as follows:

Mine rescue apparatus.

Section 118. Within one year after this act goes into effect, every coal mine employing as many as twenty (20) underground men, shall have and maintain ready for use at all times, at least three (3) sets of mine rescue apparatus, and one reviving device, of a type approved by the United States Bureau of Mines.

Reviving device.

Number required.

For each one hundred (100) underground men in addition to the first twenty (20), one additional apparatus shall be maintained, up to six (6) sets.

Supplies for equipment.

At every coal mine where mine rescue equipment is maintained, supplies for same shall be kept on hand to last at least twenty-four (24) hours. The superintendent of the mine, or some person designated by him for that purpose, shall examine each apparatus once each month and report the condition of same, also the amount of supplies on hand at the time of such examination. This report shall be made in writing by the person making the examination and a record of same shall be kept at the mine office and shall be accessible to the Mine Inspector or his Deputy at all times.

Examination.

Report.

When two or more mines considered as one.

Whenever two or more coal mines are operated by the same company within a radius of twenty (20) miles, they shall be considered as one mine. However, mines within a radius of twenty (20) miles and connected by a wagon road or railroad, may agree to equip and maintain one central station at which there shall not be less than six (6) apparatuses and one reviving device; when more than four (4) mines are associated at one central station, an additional

Equipment required.

machine must be added: *Provided, however,* That any coal mining operation within fifty (50) miles of a properly equipped and maintained U. S. Bureau of Mines Rescue Station, in lieu of the provisions of this section, shall be required to furnish such personnel as the Bureau of Mines or the State Mine Inspector may require for adequate training in mine rescue and first aid work, the cost of the training of said personnel to be borne by the mine operator.

Training by
U. S. Bureau
of Mines
Rescue
Station.

SEC. 5. Section 154, chapter 36, Laws of 1917, as last amended by section 10, chapter 211, Laws of 1943 (secs. 8789, Rem. Rev. Stat.; secs. 742 and 25, PPC) is amended to read as follows:

Section 154. Every stationary motor underground, together with its starting resistance, shall be protected by a fuse or circuit breaking device on at least one pole for direct current; and all poles for alternating current motors, and by switches arranged to entirely cut off the power from the motor. The above devices shall be installed in a convenient position near the motor.

Motors in
coal mines.

Circuit
breaking
devices.

Motors in Coal Mines: In any coal mine all motors, unless placed in such rooms as are separately ventilated with intake air, shall have all their current carrying parts, also their starters, terminals and connections, completely closed in explosion-proof inclosures made of noninflammable materials. These inclosures shall not be opened except by an authorized person, and then only when the motor is switched off. The power shall not be switched on while the inclosures are open.

Separate
rooms for
motors.

Mechanization: In any coal mine, all electrical equipment shall be of permissible type approved by the U. S. Bureau of Mines, unless used strictly in pure intake air. Inby last open cross cut is not to be considered as pure intake air. (a) Frequent inspections must be made. All electrical parts including trailing cables and wiring must be kept in a safe con-

Electrical
equipment.

Intake air.

Inspections
to be made
frequently.

dition. A permissible junction box must be used in connecting the power circuit, unless the connections are made in pure intake air. (b) All bolts, nuts, screws, and other means of fastenings must be in place, properly tightened and secured. The maximum clearance shall not exceed .004 of an inch on all flange fits. (c) Inspections, repairs, or renewals of electrical parts must not be made unless the current is disconnected from the power circuit. The power must not be turned on until all parts are properly assembled. (d) Spliced cables must not be used unless the splices are properly made and vulcanized. (e) The frame of all electrical equipment must be connected to an adequate ground. The power wires must not be used for grounding. (f) The power shall not be turned on any piece of electrical equipment until a test for explosive gas has been made, unless said equipment is operated in intake air. (g) A test for gas must be made before starting the mining machine or electric drill and also a test for gas must be made at least every ten (10) minutes while the machine or drill is in operation. (h) Water must be used on the cutter bar of mining machines while in operation in dusty conditions. (i) It is positively forbidden to use mining machines or electrical drills unless they are in good condition. (j) Hand drills shall not be operated on a higher potential than low voltage.

Fastenings to be secured.

When current must be disconnected.

Spliced cables.

Grounds.

Testing for gas.

Mining machines.

The person in charge of a coal cutter or drilling machine shall not leave the machine while it is working, and shall, before leaving the working place, see that the current is cut off from the trailing cables.

Electric sparking.

In any portion of a mine if any electric sparking or arc be produced outside of a coal-cutting or other portable motor, or by the cable or rails, the machine shall be stopped and not worked again until the de-

fect is repaired, and the occurrence shall be reported to an official of the mine.

Passed the House March 3, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 167.

[H. B. 321.]

STERILIZATION OF CERTAIN PERSONS.

AN ACT relating to sterilization of certain persons and repealing chapter 53, Laws of 1921.

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

SECTION 1. Chapter 53, Laws of 1921, is hereby Act repealed. repealed.

Passed the House February 24, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 168.

[H. B. 378.]

RELATING TO THE PRACTICE OF MEDICINE.

AN ACT relating to the practice of medicine and surgery; and amending section 6, chapter 192, Laws of 1909, as amended by section 3, chapter 134, Laws of 1919. (sec. 10008, Rem. Rev. Stat.; sec. 734-17, PPC).

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

SECTION 1. Section 6, chapter 192, Laws of 1909, as amended by section 3, chapter 134, Laws of 1919 (sec. 10008, Rem. Rev. Stat.; sec. 734-17, PPC) is amended to read as follows:

Section 6. Only one form of certificate shall be issued by the said Board. Such certificate shall be Form of certificate.

under the seal of the Board and signed by the president and secretary, and shall authorize the holder thereof to practice medicine and surgery within this state. Upon compliance with the requirements of this act by an applicant for a license to practice medicine and surgery in this state, the Board shall issue such certificate, authorizing the holder thereof to use drugs or what are known as medicinal preparations in or upon human beings and to sever or penetrate the tissues of human beings and to use any and all other methods in the treatment of diseases, injuries, deformities, or other physical or mental conditions.

Requirements for certificate.

In order to procure a certificate to practice medicine and surgery, the applicant for such certificate must file with said Board at least thirty days prior to a regular meeting thereof, satisfactory testimonials of his moral character, and a diploma issued by a medical school which has been accredited and approved by the Association of American Medical Colleges and the Council of Medical Education and hospitals of the American Medical Association, at the time a diploma shall have been issued therefrom, or satisfactory evidence of having possessed a diploma from a medical school accredited and approved as herein provided, and he must file with such diploma an application sworn to before some person authorized to administer oaths, and attested by the hand and seal of such officer, if he have a seal, stating that he is the person named in said diploma, that he is the lawful holder thereof, and that the same was procured in the regular course of instruction and examination, without fraud or misrepresentation. From and after July 1, 1919, said applicant must furnish evidence that he has served for not less than one year as interne in a thoroughly equipped hospital which shall have had at least twenty-five beds for each interne devoted to the treatment of medical, surgical, gynecological and

Diploma.

Identification.

Internship.

special diseases, and he also must have had a service of six weeks, or the equivalent thereof in the maternity department of the same or some other hospital, during which time he shall have attended or participated in the attendance upon not less than six confinements. He shall furnish evidence that he has had some experience in, and a practical working knowledge of pathology, and the administration of anaesthetics: *Provided*, That when an applicant who has graduated before July 1, 1919, has not completed one year as interne as above provided, he must furnish evidence that he has been engaged in the active practice of medicine and surgery for a period of at least two years prior to that date. The said application shall be made upon a blank furnished by said Board, and it shall contain such information concerning said medical instruction and the preliminary education of the applicant as said Board may by rule provide. Applicants who have failed to meet the requirements must be rejected.

Experience
in maternity
cases.

Knowledge
of path-
ology and
anaesthetics.

Active prac-
tice in lieu
of intern-
ship.

Other in-
formation.

Passed the House March 3, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 17, 1947.

CHAPTER 169.

[S. B. 114.]

WASHINGTON STATE SCHOOL DIRECTORS' ASSOCIATION.

AN ACT relating to education; recognizing the necessity for coordination of policy making, control, and management of school districts; creating an agency therefor to be known as the Washington State School Directors' Association, and prescribing the powers and duties of said agency; and imposing duties upon certain state and school district officers.

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

Association created.

SECTION 1. The public necessity for the coordination of programs and procedures pertaining to policy making and to control and management among the school districts of the state is hereby recognized, and in the furtherance of such coordination there is hereby created for said purpose an agency of the state to be known as the Washington State School Directors' Association, hereinafter designated as the School Directors' Association.

Membership.

SEC. 2. The membership of the School Directors' Association shall comprise the members of the boards of directors of the school districts of the state.

Powers.

Adopt constitution.

SEC. 3. The School Directors' Association shall have the power (a) to prepare and adopt, amend and repeal a constitution and rules, regulations, and by-laws for its own organization including county units and for its government and guidance, provided action taken with respect thereto is not inconsistent with the provisions of this act or with other provisions of law; (b) to arrange for and call such meetings of the association or of the officers and committees thereof as are deemed essential to the performance of its duties; (c) to provide for the payment of travel and subsistence expenses incurred by members and/or officers of the association while engaged in the performance of duties under

Call meetings.

Provide for payment of expenses.

direction of the association; and (d) to employ an executive secretary and pay such employee out of the funds of the association.

Employ executive secretary.

SEC. 4. It shall be the duty of the School Directors' Association (a) to take such action as the association deems advisable to effect a coordination of policy making, control, and management of the school districts of the state; and (b) to prepare and submit to the Superintendent of Public Instruction annually, and oftener if deemed advisable by the association, reports and recommendations respecting the aforesaid matters and any other matters which in the judgment of the association pertain to an increase in the efficiency of the common school system.

Duties.

Coordinate.

Make recommendations.

SEC. 5. The Washington State School Directors' Association is hereby empowered to establish a schedule of dues for members of the association which schedule shall provide for dues not in excess of five dollars (\$5) per annum for a member from any school district. The Board of Directors of a school district shall make provision for payment out of the General Fund of the district of the dues of association members resident in the district, which payment shall be made in the manner provided by law for the payment of other claims against the General Fund of the district.

Dues.

Payment.

Passed the Senate February 22, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 170.

[S. B. 127.]

STATE SEAL.

AN ACT relating to the custody and use of the state seal, and declaring an emergency.

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

Unauthor-
ized use of
state seal
prohibited.

SECTION 1. It shall be unlawful for any individual, person, firm, association or corporation to use or make any die of the state seal, or any impression thereof, for any use whatsoever, unless written permission has first been obtained for the use of same from the Secretary of State.

Penalty.

SEC. 2. Any person violating the provisions of this act shall be guilty of a gross misdemeanor.

Emergency.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 24, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 171.

[S. B. 196.]

LEASE OF STATE LANDS.

AN ACT relating to state lands and the leasing of state lands for grazing purposes, providing that such lands shall be open to the public for hunting and fishing, and amending section 61, chapter 255, Laws of 1927 (sec. 7797-61, Rem. Rev. Stat.; sec. 940-17, PPC).

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

SECTION 1. Section 61, chapter 255, Laws of 1927 (sec. 7797-61, Rem. Rev. Stat.; sec. 940-17, PPC) is amended to read as follows:

Section 61. The Commissioner of Public Lands shall be authorized to lease, for a term of five years or less, to the highest bidder at public auction, any state lands, except capitol building lands, for any purpose, except mining of valuable minerals or coal or extraction of petroleum or gas, and to likewise lease capitol building lands for any purpose except agriculture, but such lands shall not be leased for less than the appraised rental value thereof, nor shall agricultural lands be leased for less than ten cents per acre.

Lease of state lands.

All state lands hereafter leased for grazing purposes shall be open and available to the public for purposes of hunting and fishing unless closed to public entry because of fire hazard or unless lawfully posted by lessee to prohibit hunting and fishing thereon. In the event any such lands are so posted it shall be unlawful for any person to hunt or fish on any such posted lands.

Grazing land open to hunting and fishing unless posted.

The Commissioner of Public Lands shall insert the provisions of the preceding paragraph in all grazing leases hereafter issued.

Passed the Senate March 7, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 172.

[S. B. 252.]

DISEASES OF DOMESTIC ANIMALS.

AN ACT relating to and providing for the discovery, prevention and eradication of diseases of domestic animals, providing for compensation to the owner of bovine animals slaughtered because of being infected, suspected of being infected with tuberculosis, or Bangs disease, defining the powers and duties of certain officers, providing penalties for violation of this act, providing for licensing of rendering plants which utilize the carcasses of diseased animals; repealing certain acts and amending chapter 165, Laws of 1927; chapter 210, Laws of 1929; chapter 177, Laws of 1933; chapter 196, Laws of 1939; chapter 249, Laws of 1909.

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

Power and
duty of
Director of
Agriculture.

SECTION 1. That sections 1 and 15, chapter 165, Laws of 1927, as amended by section 1, chapter 177, Laws of 1933 (sec. 3110, Rem. Rev. Stat.; sec. 267-1, PPC), be amended to read as follows:

Enforce
quarantine.

Section 1. The Director of Agriculture shall have general supervision of the prevention of the spread and the suppression of infectious, contagious, communicable and dangerous diseases affecting the domestic animals within, in transit through, and, by means of the Division of Dairy and Livestock, shall have the power to establish and enforce quarantine of and against any and all such animals affected with any such disease or diseases or that may have been exposed to others thus affected, whether within or without the state, for such length of time as he may deem necessary to determine whether any such animal is infected with any such disease.

SEC. 2. That section 3, chapter 165, Laws of 1927 (sec. 3112, Rem. Rev. Stat.; sec. 267-3, PPC), be amended to read as follows:

Section 3. It shall be unlawful for the owner or owners of any domestic animal quarantined, or their agents or employees, to fail to place the quarantined

animals within the certain described and designated enclosure or area within this state, to break such quarantine or to move, or allow to be moved, any such animal from within the quarantined area, or across the quarantined line, as established, or to sell, exchange or in any other way part with the products of such animals, without first obtaining a permit in writing from the Director of Agriculture, or his duly authorized representative. Any owner or owners of any quarantined animal or any agent of such owner or owners, who fails to comply with or violates any such quarantine or who negligently allows any such quarantined animal to escape from quarantine, and any other person who removes any quarantined animal from such quarantine shall be guilty of a misdemeanor.

Unlawful
to violate
quarantine.

Penalty.

SEC. 3. That section 4, chapter 165, Laws of 1927 (sec. 3113, Rem. Rev. Stat.; sec. 267-7, PPC), be amended to read as follows:

Section 4. The Director of Agriculture shall have power to promulgate and enforce such reasonable rules, regulations and orders as he may deem necessary or proper to prevent the introduction or spreading of infectious, contagious, communicable or dangerous diseases affecting domestic animals in this state, and to promulgate and enforce such reasonable rules, regulations and orders as he may deem necessary or proper governing the inspection and test of all domestic animals within or about to be imported into this state, and to promulgate and enforce inter-county embargoes and quarantine to prevent the shipment, trailing, trucking, transporting or movement of bovine animals from any county that has not been declared modified accredited by the United States Bureau of Animal Industry for tuberculosis and/or Bangs disease, into a county which has been declared modified accredited by the United States Bureau of Animal Industry for tuberculosis

Director
may make
rules and
regulations.

Inspection
tests.

Controlling
movement
of bovine
animals.

Tuberculin
test cer-
tificate.

and/or Bangs disease, unless such animals are accompanied by a negative certificate of tuberculin test made within sixty days and/or a negative Bangs test made within ten days, last prior to the movement of such animal into such county, issued by a duly authorized veterinary inspector of the State Department of Agriculture, or of the United States Bureau of Animal Industry, or an accredited veterinarian authorized by permit issued by the Director of Agriculture to execute such certificate.

SEC. 4. That section 5, chapter 165, Laws of 1927 (sec. 3114, Rem. Rev. Stat.; sec. 267-9, PPC), be amended to read as follows:

Unlawful im-
portation of
animals.

Section 5. It shall be unlawful for any person, or any railroad or transportation company, or other common carrier, to bring into this state for any purpose any domestic animals without first having secured an official health certificate, certified by the state veterinarian of origin that such animals meet the health requirements promulgated by the Director of Agriculture of the State of Washington, and without having obtained a permit so to do from the Director of Agriculture or his duly authorized representative: *Provided*, That this section shall not

Exceptions.

apply to domestic animals imported into this state for immediate slaughter, or domestic animals imported for the purpose of unloading for feed, rest, and water, for a period not in excess of twenty-eight hours except upon prior permit therefor secured from the Director of Agriculture. It shall be unlawful for any person to divert enroute for other than to a Federal inspected stockyard for immediate slaughter or to sell for other than immediate slaughter or to fail to slaughter within fourteen days after arrival, any animal imported into this state for immediate slaughter. It shall be unlawful for any person, railroad, transportation company, or other common carrier, to keep any domestic animals

Unlawful
diversion,
sale, and
failure to
slaughter.

which are unloaded for feed, rest and water in other than quarantined pens, or not to report any missing animals to the Director of Agriculture at the time the animals are reloaded.

Report of missing animals.

SEC. 5. That section 6, chapter 165, Laws of 1927 (sec. 3115, Rem. Rev. Stat.; sec. 267-11, PPC), be amended to read as follows:

Section 6. It shall be unlawful for any person to willfully hinder, obstruct or resist the Director of Agriculture or any duly authorized representative, or any peace officer acting under him or them, when engaged in the performance of the duties or in the exercise of the powers conferred by this act, and it shall be unlawful for any person to willfully fail to comply with or violate any rule, regulation or order promulgated by the Director of Agriculture or his duly authorized representatives under the provisions of this act. The Director of Agriculture shall have the authority under such rules and regulations as shall be promulgated by him to make tests on any domestic animals for diseased conditions, and it shall be unlawful for any person to interfere with such tests in any manner, or to violate any segregation or identification order made in connection with such tests by the Director of Agriculture, or his duly authorized representative.

Unlawful to hinder Director.

Unlawful willfully to violate rules and regulations

Director may test animals.

SEC. 6. That section 7, chapter 165, Laws of 1927 (sec. 3116, Rem. Rev. Stat.; sec. 267-13, PPC), be amended to read as follows:

Section 7. Whenever a majority of any board of health, board of county commissioners, city council or other governing body of any incorporated city or town, or trustees of any township, whether in session or not, shall, in writing or by telegraph, notify the Director of Agriculture of the prevalence of or probable danger of infection from any of the diseases of domestic animals the Director of Agriculture personally, or by the Supervisor of Dairy

Notice of probable danger of infection of animals.

Duties of
Department
of Agriculture.

and Livestock, or by a duly appointed and deputized veterinarian of the Division of Dairy and Livestock, shall at once go to the place designated in said notice and take such action as the exigencies may in his judgment demand, and may in case of an emergency appoint deputies or assistants, with equal power to act. The compensation to be paid such emergency deputies and assistants, shall be fixed by the Director of Agriculture in conformity with the standards effective in the locality in which the services are performed.

SEC. 7. That section 8, chapter 165, Laws of 1927 (sec. 3117, Rem. Rev. Stat.; sec. 267-15, PPC), be amended to read as follows:

Veterinarians to report diseases to Director.

Section 8. It shall be unlawful for any person registered to practice veterinary medicine, surgery and dentistry in this state not to immediately report in writing to the Director of Agriculture the discovery of the existence or suspected existence among domestic animals within the state of any reportable diseases as published by the Director of Agriculture.

SEC. 8. That section 9, chapter 165, Laws of 1927 (sec. 3118, Rem. Rev. Stat.; sec. 267-17, PPC), be amended to read as follows:

Diseased animals may be destroyed when necessary.

Section 9. Whenever in the opinion of the Director of Agriculture, upon the report of the Supervisor or a duly appointed and qualified veterinarian of the Division of Dairy and Livestock, the public welfare demands the destruction of any animal found to be affected with any infectious, contagious, communicable or dangerous disease, he shall be authorized to by written order direct such animal to be destroyed by or under the direction of the Supervisor or a duly appointed and qualified veterinarian of the Division of Dairy and Livestock.

SEC. 9. That section 11, chapter 165, Laws of 1927, as amended by section 1, chapter 210, Laws of

1929 (sec. 3120, Rem. Rev. Stat.; sec. 267-21, PPC), be amended to read as follows:

Section 11. The Director of Agriculture of the state shall cause all bovine animals within the state to be examined and tested for the presence or absence of tuberculosis and/or Bangs disease. Such tests and examinations shall be made under the supervision of the Director of Agriculture by any duly authorized Veterinary Inspector of the Department of Agriculture, such tests to be made in such manner, and at such reasonable and seasonable times, and in such counties or localities as the Director of Agriculture may from time to time prescribe.

All bovine animals to be tested.

The giving of such tests and examinations shall commence immediately upon the taking effect of this act in any county or counties which the Director of Agriculture may select: *Provided, however,* That the owners of a majority of the bovine animals in any county, as shown by the last assessment roll in such county, may petition the Director of Agriculture to have the bovine animals in the county of their residence tested and examined forthwith, said petition to be filed with the County Auditor in the county where such animals are located, and it shall be the duty of the County Auditor of such county immediately upon the filing of such a petition to forward to the Director of Agriculture a certified copy of such petition. The Director of Agriculture upon receipt of the first petition so filed shall immediately cause the bovine animals in such county to be tested, and tuberculin and/or Bangs disease tests in other counties shall be made under the direction of the Director of Agriculture in the order in which said petitions are filed as herein provided except when in the opinion of the Director of Agriculture an emergency exists, by reason of the outbreak of contagious or infectious diseases of

When tests to be given.

Owners may petition for examination of animals in their county.

Tests made in order of receipt of petitions.

Tests may be suspended in emergency.

animals, and in such event all or any portion of the tests being conducted in the state may be suspended until such time as the Director of Agriculture shall decide that such emergency no longer exists, and in such event the testing and examinations herein mentioned shall be renewed.

Director to designate counties wherein tests are to be made.

In the event that no petition to have tuberculin and/or Bangs disease tests of bovine animals made is filed with the County Auditor, as herein provided, or in the event that such tests, in the counties having petitioned for such tests, as herein prescribed, are completed, the Director of Agriculture shall designate in what counties or localities such tests shall be made.

Quarantine of premises when owner refuses to permit tests.

Whenever the owner of any untested bovine animal within the state refuses to have his bovine animal or animals tested then the Director of Agriculture may order the premises or farm on which such untested animal or animals is harbored to be put in quarantine, so that no domestic animal shall be removed from or brought to the premises quarantined, and so that no products of the domestic animals on the premises so quarantined shall be removed from the said premises.

Inspectors to be licensed veterinarians.

Every Inspector and Veterinarian of the Department of Agriculture making examinations and tests, as provided in this section, shall be a veterinarian duly licensed to practice veterinary medicine, surgery and dentistry in this state and shall, before making any examination and test, furnish and file with the Department of Agriculture a good and sufficient bond in the penal sum of two thousand dollars (\$2,000), payable to the State of Washington, conditioned that he will faithfully and honestly perform and discharge any work which he is authorized to undertake under this act: *Provided*, That the Veterinary Inspectors of the United States Bureau of Animal Industry may be appointed by the Direc-

Bond.

No bond required of Federal veterinary inspectors appointed by Director.

tor of Agriculture to make such examinations and tuberculin tests as herein provided, and when so employed they shall act without bond or compensation, and shall possess the same power and authority in this state as a Veterinary Inspector of the Department of Agriculture.

Should the owner or owners of any bovine animals desire to select a duly licensed and accredited veterinarian, approved by the Director of Agriculture, for making such examination and tests in accordance with the provisions of this act, the owner or owners shall pay all expenses in connection with such examinations and tests.

Owners may select and pay licensed veterinarians approved by Director.

SEC. 10. That section 12, chapter 165, Laws of 1927, as last amended by section 1, chapter 196, Laws of 1939 (sec. 3121, Rem. Rev. Stat.; sec. 267-23, PPC), be amended to read as follows:

Section 12. If, on the completion of any examination and test as provided in the preceding section, the inspector or veterinarian making the examination and test, shall believe that the animal is infected with tuberculosis or Bangs disease, the owner of the animal shall have, with the approval of the Director of Agriculture or his representative, the option of indemnity or quarantine; if the owner selects indemnity he shall market the animal within thirty days from the date of condemnation. All bovine animals which have shown a suspicious reaction to the test on three successive tests for tuberculosis or Bangs disease and are held as suspects may be slaughtered under the provisions of this act at the option of the owner and approval of the Director or his representative and the owner shall have a valid claim for indemnity to the same extent and in the same amount as for bovine animals which give a positive reaction to the above test. The animal or animals shall be slaughtered under the supervision of a Veterinary Inspector of the Department

Option of indemnity or quarantine.

Marketing animals when owner chooses indemnity.

Three tests showing suspicious reaction is equivalent to positive test.

Slaughtering.

Post mortem
examina-
tions.

Maximum
amounts of
indemnity
payments.

No indem-
nity pay-
ments to gov-
ernmental
bodies.

Tests re-
quired
before con-
demnation.

of Agriculture, or the United States Bureau of Animal Industry, or a veterinarian duly licensed to practice veterinary medicine, surgery and dentistry in this state. The veterinary inspector or veterinarian shall hold a post mortem examination and determine whether or not the animal shall be passed to be used for food. The post mortem examination must conform with the meat inspection regulations of the United States Bureau of Animal Industry. Upon the receipt of the post mortem report and if the owner has complied with all lawful quarantine laws and regulations, the Director of Agriculture shall cause to be paid to the owner or owners of the animals an amount not exceeding twenty-five dollars (\$25) for any grade female, or more than fifty dollars (\$50) for any purebred registered bull or female, or such portion thereof as would represent an equitable and agreed amount of the contribution of the State of Washington as determined by the Director of Agriculture and representatives of the United States Bureau of Animal Industry, and in no case shall any indemnity be paid for grade bulls, for steers, or spayed females, and the state shall not be required to pay the owner of any animal imported into this state within six months prior to the inspection and test, the sums hereinabove provided for, but the owner of such animal shall receive the proceeds of the sale of such slaughtered animal: *Provided*, That the right to indemnity shall not exist nor shall payment be made for any animal owned by the United States, this state, or any county, city, town or township in this state: *And provided further*, That no bovine animal shall be condemned for tuberculosis without having been first subjected to the tuberculin test and a positive reaction has resulted and no bovine animal shall be condemned for Bangs disease unless it has been subjected to a blood agglutination test in dilutions of serum to

antigen of one to fifty (1:50), one to one hundred (1:100), and one to two hundred (1:200), by an approved laboratory, and a positive reaction for Bangs disease has resulted.

SEC. 11. That section 15, chapter 165, Laws of 1927, as amended by section 2, chapter 177, Laws of 1933 (sec. 3124, Rem. Rev. Stat.; sec. 267-31, PPC), be amended to read as follows:

Section 15. It shall be unlawful for any person to exhibit at any state, county, district or other fair, or any livestock exhibition within this state, any domestic animal unless a health certificate for said animal has been approved by the Director of Agriculture or his representative.

Health certificate required to exhibit animals.

SEC. 12. That section 289, chapter 249, Laws of 1909 (sec. 2541, Rem. Rev. Stat.; sec. 118-167, PPC), be amended to read as follows:

Section 289. Every person owning or having in charge any animal that has died or been killed on account of disease, shall immediately bury the carcass thereof at least three feet underground, or cause the same to be consumed by fire. No person shall sell or offer to sell or give away the carcass of any animal which died or was killed on account of disease, or convey the same along any public road or land not his own: *Provided*, That animals which have died or were killed on account of disease may be given away, or sold to, and legally transported on highways by any person or persons having an unrevoked, annual license permit expiring June 30 of each calendar year from the Director of Agriculture to operate a rendering plant utilizing such animals. Every violation of any provision of this section shall be a misdemeanor.

Burial or burning of diseased animals.

Dead diseased animals may not be sold or transported.

Exception.

Penalty.

SEC. 13. The fee for such annual license permit described in section 12 of this act shall be one hundred dollars (\$100); such license shall be issued by the Director of Agriculture upon application made

Fee for annual license to operate rendering plant.

Cancellation
of license.

therefore [therefor] when the director is satisfied that the applicant has complied with the rules and regulations promulgated by him governing the conduct of such business. It shall be a condition of said license that in the event of any violation of such rules and regulations said permit may be cancelled by the Director of Agriculture after a hearing held by him concerning such violation.

Repealed
statute.

SEC. 14. That section 14, chapter 165, Laws of 1927 (sec. 3123, Rem. Rev. Stat.; sec. 267-29, PPC), is hereby repealed.

Passed the Senate March 7, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 173.

[S. B. 275.]

RELATING TO WESTERN STATE CUSTODIAL SCHOOL.
AN ACT providing for the abolishment of the Western State Custodial School revolving fund and transferring the unexpended balance to the General Fund, and declaring an emergency.

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

Fund
abolished.

SECTION 1. The Western State Custodial School revolving fund, established by chapter 10, Laws of 1937, is hereby abolished.

Money
transferred
to general
fund.

SEC. 2. The State Treasurer is directed to transfer the balance, in the amount of nine thousand three hundred sixty-two and seventy-five hundredths dollars (\$9,362.75), to the General Fund.

Emergency.

SEC. 3. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 22, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 174.

[S. B. 287.]

WASHINGTON STATE PATROL—INJURED OFFICERS.

AN ACT authorizing the Chief of the Washington State Patrol to relieve from active duty certain officers who have been injured or incapacitated during official service in the patrol, and amending section 1, chapter 215, Laws of 1943 (sec. 6362-65 Rem. Rev. Stat.; sec. 931-31 PPC).

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

SECTION 1. Section 1, chapter 215, Laws of 1943 (sec. 6362-65 Rem. Rev. Stat.; sec. 935-31 PPC) is amended to read as follows:

Section 1. The Chief of the Washington State Patrol shall, and he is hereby authorized to, relieve from active duty Washington State Patrol officers who, while in the performance of their official duties, have been injured or have become incapacitated, or may hereafter be injured or become incapacitated, to such an extent as to be mentally or physically incapable of active service. Such officers shall receive one-half ($\frac{1}{2}$) of their compensation at the existing wage, during the time such disability continues in effect, less any compensation received through the Department of Labor and Industries. They shall be subject to mental or physical examination at any state institution or otherwise under the direction of the Chief of the Washington State Patrol at any time during their retirement from active duty for the purpose of ascertaining whether or not they are able to resume active duty.

Disabled officers may be relieved from duty.

Disability compensation.

Examination.

Passed the Senate March 1, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 175.

[S. B. 382.]

CANNERY REVOLVING FUND ABOLISHED.

AN ACT relating to state food processing plants and abolishing the cannery revolving fund created by section 9, chapter 120, Laws of 1939; and transferring any moneys therein to the state General Fund.

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

Fund abolished and money transferred to general fund.

SECTION 1. The cannery revolving fund created by section 9, chapter 120, Laws of 1939, is hereby abolished and any moneys now in such fund is hereby transferred to the state General Fund, and any vouchers heretofore issued against such revolving fund and unpaid shall be paid from the General Fund.

Passed the Senate March 1, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 176.

[S. B. 180.]

REGISTRATION OF MOTOR VEHICLES—RECIPROCAL
RELATIONS.

AN ACT relating to motor vehicles and providing for the registration of vehicles required to be licensed under reciprocal relations with foreign states, and amending section 24, chapter 188, Laws of 1937 (sec. 6312-24, Rem. Rev. Stat.; sec. 290-19, PPC).

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

SECTION 1. Section 24, chapter 188, Laws of 1937 (sec. 6312-24, Rem. Rev. Stat.; sec. 290-19, PPC) is amended to read as follows:

Section 24. Any commercial vehicle licensed in another state or territory and not licensed in this state and which under reciprocal relations with that state would be required to obtain a motor vehicle license in this state may, in lieu of a certificate of ownership and license registration be issued a permit. Such permit shall be issued in such form and under such conditions as the Director of Licenses shall prescribe. The Director of Licenses shall impose a fee equal to one-twelfth (1/12) of the annual capacity fee ordinarily charged under the laws of this state for a vehicle of the weight and type of the vehicle to be licensed. Such capacity fee shall be in addition to the basic registration fee as provided for in section 16, chapter 188, Laws of 1937: *Provided*, That these fees shall not be subject to quarterly reduction as provided in section 6312-18A, Rem. Rev. Stat. Application for the permit shall be made to the Director of Licenses on forms provided by him. On receiving such application, together with fees as provided herein, the Director of Licenses shall issue a permit authorizing one continuous trip to and from a point without the state to a point within the state, or in the event that the vehicle will be used in intra-state operations, for any

When permit may be issued in lieu of certificate of ownership and license registration.

Fee.

Application.

Permit.

Monthly
fee.

Permit to
be displayed.

Transmittal
of fees.

continuous period, there shall be charged and collected a monthly fee equal to one-twelfth (1/12) of the annual additional or capacity fee ordinarily charged for a vehicle of this weight and type. Such capacity fee to be in addition to the basic fee as by law provided for each month or part thereof that said vehicle will be operated upon the highways of this state. Such vehicles will be subject to all of the laws, rules and regulations affecting the operation of like motor vehicles in this state. The permit shall be displayed at all times in a prominent place on the vehicle, or if vehicle is a trailer, then the permit shall be at all times in vehicle operator's possession. All fees collected under the provisions of this act shall be forwarded by the Director of Licenses with a proper identifying detailed report to the State Treasurer who shall deposit such fees to the credit of the motor vehicle fund.

Passed the Senate February 27, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 177.

[S. B. 273.]

STATE INSTITUTE OF FOREST PRODUCTS.

AN ACT designed to increase employment in forest manufacturing and processing industries in the State of Washington by creating a State Institute of Forest Products to promote, correlate, and conduct research in the more complete utilization of timber grown in the state, for the use and benefit of all citizens thereof.

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

SECTION 1. There is hereby created the Institute of Forest Products of the State of Washington.

SEC. 2. The Institute of Forest Products, operating within the Department of Conservation and Development, shall be administered by a non-salaried Commission consisting of the Governor as chairman; the Supervisor of Forestry, the President of Washington State College, the Dean of Forestry of the University of Washington, and the Director of the Pacific Northwest Forest and Range Experiment Station as ex officio members; and four additional members who shall be appointed by the Governor and shall serve at his pleasure. Of these additional members, two shall represent the forest industries of the state and two shall represent the labor of the state.

Non-salaried
Commission.

Membership.

SEC. 3. The Institute of Forest Products shall investigate current and necessary research in forest utilization and the marketing of forest products, affecting the industrial and commercial development of the State of Washington; shall correlate, interchange information and disseminate the results of such research; and shall, to the extent deemed necessary, provide for or conduct additional research projects or pilot plant demonstrations of research results by cooperating with all existing educational, public and industrial institutions or agencies of the state and arranging for the financing of such projects.

Duties of the
Institute.

Results available to public.

SEC. 4. The results of any research or pilot plant tests undertaken by the Institute or in which the Institute participates shall be available to all industries and citizens of the State of Washington under such methods of dissemination and use as the Commission may designate.

Institute may accept funds.

SEC. 5. The Institute is hereby authorized to accept funds from any forest using industry or others for the prosecution of any research or pilot plant project which it may undertake; and the Commission shall determine the just and fair contributions from industries or persons benefiting from its activities as a necessary requirement to the initiation of any research project.

Report to 1949 Legislature.

SEC. 6. The Institute shall report to the 1949 Legislature its recommendations for an adequate program of forest utilization for the State of Washington and the means for financing thereof.

Appropriation.

SEC. 7. There is hereby appropriated from the General Fund to the Department of Conservation and Development for the Institute of Forest Products, the sum of twenty thousand dollars (\$20,000), or as much thereof as may be necessary for carrying out the provisions of this act.

Passed the Senate March 4, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 178.

[S. B. 388.]

McKAY MEMORIAL RESEARCH HOSPITAL.

AN ACT relating to McKay Memorial Research Hospital and experimental and scientific research thereat and amending section 2, chapter 46, Laws of 1939 as last amended by section 1, chapter 53, Laws of 1945 (sec. 6130-32, Rem. Rev. Stat.; sec. 636-77, PPC), and section 7, chapter 46, Laws of 1939 as amended by section 4, chapter 67, Laws of 1941 (sec. 6130-37, Rem. Rev. Stat.; sec. 636-87, PPC).

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

SECTION 1. Section 2, chapter 46, Laws of 1939, as last amended by section 1, chapter 53, Laws of 1945 (sec. 6130-32, Rem. Rev. Stat.; sec. 636-77, PPC) is amended to read as follows:

Section 2. A public institution is hereby established at Soap Lake, Washington, to be known as the McKay Memorial Research Hospital, for the treatment and care of persons afflicted with Buergers and for experimental and scientific study of such disease, cerebral palsy, arthritis, rheumatic fever, and all types of skin diseases, and the medicinal and curative properties of the waters of Soap Lake, and for general hospital care and treatment of indigent citizens of the State of Washington entitled to such service at public expense, to the extent that hospital facilities may be available for general hospital care and treatment under such rules and regulations as shall be prescribed by the department: *And provided further*, That veterans and persons afflicted with Buergers disease shall at all times be given preference over all other persons. The Director of Finance, Budget and Business may in his discretion, open any available excess accommodations to general hospitalization of other patients, except that no patient having a contagious disease shall be admitted.

Hospital
established.

Buergers
and other
diseases.

Veteran's
preferences.

Persons
having
contagious
diseases
excluded.

SEC. 2. Section 7, chapter 46, Laws of 1939, as amended by section 4, chapter 67, Laws of 1941 (sec. 6130-37, Rem. Rev. Stat.; sec. 636-87, PPC) is amended to read as follows:

Department
may contract
for treating
patients.

Section 7. The United States or any of its agencies, the State of Washington or any department or legal subdivision thereof, any other state or territory or legal subdivision thereof, or any person, corporation, association or voluntary association which may wish to provide for the care of persons afflicted with Buerger's disease, cerebral palsy, arthrities [arthritis], rheumatic fever and all types of skin diseases, in the institution and pay the cost of treatment and care as in this act provided may do so under such terms rules and regulations as may be prescribed by the Director, and the department is hereby empowered to enter into appropriate contracts on behalf of the State of Washington for such services including general hospital care and treatment of indigent citizens of the State of Washington entitled to such service at public expense.

Management
and control
may be
transferred.

SEC. 3. The Director of Finance, Budget and Business is hereby authorized, with the approval of the Governor, to transfer the management, control and direction of the McKay Memorial Research Hospital to some other state department or departments which is better equipped to furnish the treatment and care and carry on the experimental and research studies herein contemplated. If he deems it advisable, in lieu of making such transfer, the Director, with the approval of the Governor, may lease the said McKay Memorial Research Hospital to any individual, association of individuals or corporation duly authorized and equipped to undertake such treatment, care and studies, upon such terms as may be just, fair and equitable.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 179.

[H. B. 46.]

MAINTENANCE OF INSANE—ADVANCE REMITTANCES.

AN ACT relating to the maintenance of patients committed to state hospitals for the insane and amending the act of 1889-90 entitled "An Act in relation to the insane of the State of Washington and making an appropriation for the maintenance thereof, and declaring an emergency," approved March 14, 1890, as amended, by adding a new section thereto after section 16, to be known as section 16-a.

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

SECTION 1. The act of 1889-90 entitled "An Act in relation to the insane of the State of Washington and making an appropriation for the maintenance thereof, and declaring an emergency," approved March 14, 1890, as amended, is amended by adding a new section thereto after section 16, to be known as section 16-a, reading as follows:

Section 16-a. Advance remittances of the cost of care, maintenance, board, lodging and clothing of patients committed to state hospitals for the insane as provided in the preceding section may be held by the Director of Finance, Budget and Business in a suspense account before remitting to the State Treasurer for a period of not to exceed ninety (90) days in order to enable prompt refunds to be made in cases where the patient, by reason of death, recovery and discharge from the hospital, or other cause, no longer is a ward of the state, and the advance maintenance charges become refundable to the estate of the patient or his responsible relatives. Moneys in such account shall be deposited in such bank or banks as the Director may select and any such depository shall furnish suitable surety bond or collateral for their safekeeping.

Amendment.

Director may hold advance remittances for ninety days.

Passed the House February 7, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 180.

[H. B. 112.]

VETERANS—RELIEF.

AN ACT relating to veterans and providing for certain organizations to assist in their relief, amending sections 1 to 6 inclusive, chapter 117, Laws of 1888 as last amended by sections 1 to 6 inclusive, chapter 144, Laws of 1945 (secs. 10737 to 10741 incl., and 10757, Rem. Rev. Stat.; secs. 932-29, -33, -35, -37, -39, and -41, PPC) and section 1, chapter 64, Laws of 1909 as last amended by section 8, chapter 144, Laws of 1945 (sec. 10743, Rem. Rev. Stat.; sec. 932-31, PPC).

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

SECTION 1. Section 1, chapter 117, Laws of 1888 as last amended by section 1, chapter 144, Laws of 1945 (sec. 10737, Rem. Rev. Stat.; sec. 932-29, PPC) is hereby amended to read as follows:

Services specified.

Section 1. For the relief of indigent and suffering Union soldiers, sailors and marines who served in the Civil War, in the war of Mexico or in any of the Indian wars in the United States, the Spanish-American war and Philippine insurrection, soldiers, sailors and marines who served in the United States Army, Navy, or Marine Corps between April 6, 1917, and the date upon which peace is finally concluded with the German government and its allies, or soldiers, sailors and marines who served in the Army, Navy or Marine Corps of the United States in any other foreign war, insurrection, or expedition, which service shall be governed by the issuance of a campaign badge by the government of the United States of America, or for any members of the armed forces of the United States in the existing war between the United States and Japan and her allies, or the existing war between the United States and Germany and her allies, and their families or the families of those deceased, who need assistance in any city, town or precinct in this state, the Board of Commissioners of

the county in which said city, town or precinct is situated shall provide such sum or sums of money as may be necessary, to be drawn upon by the commander and quartermaster, or commander and adjutant of any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress in said city or town upon recommendation of the relief committee of said post, camp or chapter: *Provided*, Said soldier, sailor or marine, or the families of those deceased are and have been residents of the state for at least twelve months, and the orders of said commander and quartermaster, or commander and adjutant shall be the proper voucher for the expenditure of said sum or sums of money.

Board of
County Com-
missioners
shall provide
funds for
relief.

Local
veterans'
organization.

Residence
qualification.

SEC. 2. Section 2, chapter 117, Laws of 1888 as last amended by section 2, chapter 144, Laws of 1945 (sec. 10738, Rem. Rev. Stat.; sec. 932-33, PPC) is hereby amended to read as follows:

Section 2. If there be no post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress, in any precinct in which it should be granted, the County Commissioners of the county in which such precinct is, may accept and pay the orders drawn, as hereinbefore provided by the commander and quartermaster, or commander and adjutant, of any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress, located in the nearest city or town, upon the recommendation of a relief committee who shall be residents of the said precinct in which the relief may be furnished.

Nearest
veterans'
organization.

SEC. 3. Section 3, chapter 117, Laws of 1888 as last amended by section 3, chapter 144, Laws of 1945 (sec. 10739, Rem. Rev. Stat.; sec. 932-35, PPC) is hereby amended to read as follows:

Filing of notice of intention to undertake relief.

Section 3. Upon the passage of this act the commander of any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress which shall undertake the relief of indigent veterans and their families, as hereinbefore provided, before the acts of said commander and quartermaster, or commander and adjutant may become operative in any city or precinct, shall file with the County Auditor of such county, notice that said post, camp or chapter intends to undertake such relief as is provided by this act. Such notice shall contain the names of the relief committee of said post, camp or chapter in such city or precinct, and the commander of said post, camp or chapter shall annually thereafter during the month of October file a similar notice with said Auditor, and also a detailed statement of the amount of relief furnished during the preceding year, with the names of all persons to whom such relief shall have been furnished, together with a brief statement in each case from the relief committee upon whose recommendations the orders were drawn.

Contents of notice.

Annual filing.

SEC. 4. Section 4, chapter 117, Laws of 1888 as last amended by section 4, chapter 144, Laws of 1945 (sec. 10740, Rem. Rev. Stat.; sec. 932-37, PPC) is hereby amended to read as follows:

Bond may be required.

Section 4. The County Commissioners may require of the commander and quartermaster, or commander and adjutant, of any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress undertaking to distribute relief under this act a bond with sufficient and satisfactory sureties for the faithful and honest discharge of their duties under this act.

SEC. 5. Section 5, chapter 117, Laws of 1888 as last amended by section 5, chapter 144, Laws of 1945

(sec. 10741, Rem. Rev. Stat.; sec. 932-39, PPC) is hereby amended to read as follows:

Section 5. County Commissioners are hereby prohibited from sending indigent Union, Spanish-American war soldiers, sailors and marines, soldiers, sailors and marines who have served the United States in the United States Army, Navy, or Marine Corps between April 6, 1917, and the date upon which peace is finally concluded with the German Government and its allies, or soldiers, sailors and marines who served in the Army, Navy, or Marine Corps of the United States in any other foreign war, insurrection or expedition, which service shall be governed by the issuance of a campaign badge by the government of the United States of America, or any members of the armed forces of the United States in the existing war between the United States and Germany and her allies or the existing war between the United States and Japan and her allies (or their families or the families of the deceased), of the classes of persons mentioned in section 1, to any almshouse (or orphan asylum) without the concurrence and consent of the commander and relief committee of the post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress as provided in sections 1 and 2. Indigent veterans shall, whenever practicable, be provided for and relieved at their homes in such city, town or precinct in which they shall have a residence, in the manner provided in sections 1 and 2 of this act. Indigent or disabled veterans of the classes specified in section 1, who are not insane and have no families or friends with whom they may be domiciled, may be sent to any soldier's home.

County Commissioners prohibited from sending to almshouse.

SEC. 6. Section 6, chapter 117, Laws of 1888 as last amended by section 6, chapter 144, Laws of 1945

(sec. 10757, Rem. Rev. Stat.; sec. 932-41, PPC) is hereby amended to read as follows:

Interment
at county
expense.

Section 6. It shall be the duty of the Board of County Commissioners in each of the counties in this state to designate some proper authority other than the one designated by law for the care of paupers and the custody of criminals who shall cause to be interred at the expense of the county the body of any honorably discharged soldier, sailor or marine who served in the Army or the Navy of the United States of America during the late Civil War or in the war with Mexico or in any of the Indian wars that occurred in the State of Washington, or the Spanish-American war and the Philippine insurrection, soldiers, sailors and marines who served in the United States Army, Navy or Marine Corps between April 6, 1917, and the date upon which peace is finally concluded with the German Government and its allies, or soldiers, sailors and marines who served in the Army, Navy or Marine Corps of the United States in any other foreign war, insurrection or expedition which service shall be governed by the issuance of a campaign badge by the government of the United States of America, or any member of the armed forces of the United States in the existing war between the United States and Germany and her allies or the existing war between the United States and Japan and her allies, and the wives, husbands, widows or widowers of such soldiers, sailors or marines, who shall hereafter die without leaving means sufficient to defray funeral expenses; and when requested so to do by the commanding officer of any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress or the relief committee of any such posts, camps or chapters: *Provided, however,* That such interment shall not cost more than one hundred eighty dollars. If the deceased has relatives or friends who desire to conduct the burial of such

Expense
limitation.

deceased person, then upon request of said commander or relief committee a sum not to exceed one hundred eighty dollars shall be paid to said relatives or friends by the County Treasurer, upon due proof of the death and burial of any person provided for by this section and proof of expenses incurred.

Payment to relatives.

SEC. 7. Section 1, chapter 64, Laws of 1909 as last amended by section 8, chapter 144, Laws of 1945 (sec. 10743, Rem. Rev. Stat.; sec. 932-31, PPC) is hereby amended to read as follows:

Section 8. Any post, camp or chapter of any national organization of veterans now, or which may hereafter be, chartered by an act of Congress which has qualified to accept relief from the Indigent Soldiers' Relief Fund of any county may draw upon said county fund for the payment of the rent of its regular meeting place: *Provided*, That no post, camp or chapter shall be allowed to draw on such fund for this purpose to exceed the sum of one hundred eighty dollars in any one year, or in any amount for hall rental where said post, camp or chapter is furnished quarters by the state or by any municipality.

Payment of organization office rent by county.

Limitation.

Before such claims are ordered paid by the County Commissioners, the commander of such posts, camps or chapters shall file a proper claim each month with the County Auditor for such rental.

Claim to be filed for rental.

Passed the House February 19, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 181.

[H. B. 124.]

PAYMENT AND ASSIGNMENT OF WAGES—
MULTIPLE EMPLOYERS.

AN ACT relating to the payment and assignment of wages in employments where work is performed for several employers interchangeably; amending section 1, chapter CXXVIII, Laws of 1887-88, as amended by section 1, chapter 112, Laws of 1905 (sec. 7594, Rem. Rev. Stat.; sec. 701-13, PPC), and amending chapter 32, Laws of 1909 (secs. 7597 and 7598, Rem. Rev. Stat.; secs. 701-19 and 701-21, PPC) by adding thereto a new section to be designated section 3.

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

SECTION 1. Section 1, chapter CXXVIII, Laws of 1887-88, as amended by section 1, chapter 112, Laws of 1905 (sec. 7594, Rem. Rev. Stat.; sec. 701-13, PPC) is amended to read as follows:

Payment of wages.

How payable.

Redemption of checks, orders, etc.

Payment upon ceasing work.

Section 1. (a) It shall not be lawful for any corporation, person or firm engaged in manufacturing of any kind in this state, mining, railroading, constructing railroads, or any business or enterprise of whatsoever kind in this state, to issue, pay out or circulate for payment of wages of any labor, any order, check, memorandum, token or evidence of indebtedness, payable in whole or in part otherwise than in lawful money of the United States, unless the same is negotiable and redeemable at its face value, without discount, in cash or on demand, at the store or other place of business of such firm, person, or corporation when the same is issued, and the person who, or company which may issue any such order, check, memorandum, token or other evidence of indebtedness, shall upon presentation and demand redeem the same in lawful money of the United States. And when any laborer performing work or labor as above shall cease to work, whether by discharge or by voluntary withdrawal, the wages due shall be forthwith paid either in cash or by order redeemable in cash at its face value on presentation at bank,

store, commissary, or other place in the county where the labor was performed: *Provided*, Such order may be given payable in another county when the place of employment is more convenient of access to the employe.

(b) The second sentence of the preceding subsection shall not apply when workers are engaged in an employment that normally involves working for several employers in the same industry interchangeably, and the several employers or some of them cooperate to establish a plan for the weekly payment of wages at a central place or places and in accordance with a unified schedule of paydays providing for at least one payday each week; but this subsection shall not apply to any such plan until ten (10) days after notice of their intention to set up such a plan shall have been given to the Director of Labor and Industries by the employers who cooperate to establish the plan; and having once been established, no such plan can be abandoned except after notice of their intention to abandon such plan has been given to the Director of Labor and Industries by the employers intending to abandon the plan.

Several employers with central place for payment.

Notice to Director of Labor and Industries.

SEC. 2. Chapter 32, Laws of 1909 (secs. 7597 and 7598, Rem. Rev. Stat.; secs. 701-19 and 701-21, PPC) is amended by adding thereto a new section to be designated section 3, reading as follows:

Section 3. Notwithstanding the provisions of sections 1 and 2 of this act, no assignment of, or order for, wages or salaries earned or to be earned shall be valid under any circumstances, if the wages or salaries earned or to be earned are paid under a plan for payment at the central place or places established under the provisions of section 1 (b) of chapter CXXVIII, Laws of 1887-88, as amended by this act.

Assignments invalid where wages paid at central place.

Passed the House February 27, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 182.

[H. B. 157.]

COUNTY SUPERVISOR OF ELECTIONS.

AN ACT relating to elections in certain cities, towns and water districts; providing for a county supervisor of elections for certain elections; and repealing chapter 194, Laws of 1945 (secs. 5147 and 5166-1 to -8, incl., Rem. Rev. Stat.; secs. 522-9, -35, -37, -37(5), -39, -41; -43, -45 and -47, incl., PPC), and declaring an emergency.

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

SECTION 1. The County Auditor of each county shall be ex officio the supervisor of all elections and it shall be his duty to provide places for holding elections; to appoint the precinct election officers; to provide for their compensation; to provide ballot boxes and ballots or voting machines, poll books and tally sheets, and deliver them to the precinct election officers at the polling places, to publish and post notices of calling such elections in the manner provided by law, and to apportion to each city, town or district, its share of the expense of such elections: *Provided*, That in the appointment of the precinct election officers, the county supervisor of elections shall designate the inspector and one judge in each precinct from that political party polling the highest number of votes for its first presidential elector in such county in the last preceding general election at which presidential electors were voted for, and one judge from that political party polling the next highest number of votes for its first presidential elector in such county at said election: *Provided further*, That this act shall not apply to general or special elections for any city or town which is not subject to the consolidated election laws (sec. 2, chap. 62, Laws of 1921, as last amended by sec. 1, chap. 182, Laws of 1927, and sec. 1, chap. 170, Laws of 1921, as last amended by sec. 1, chap. 279, Laws of 1927) nor to elections for any purpose in water districts or in

Duties of
County
Auditor.

Inspectors
and judges
of elections.

Certain
elections
excluded.

second or third class school districts, but all such elections shall be held and conducted by the officials and in the manner provided by laws governing such elections in effect prior to the enactment of and as if chapter 194, Laws of 1945, had not been enacted. All elections, including special elections, under this act shall be held and conducted at the time and in the manner, with such notice, requirements for filing for office and certifications by local officers, as was required by law at the time chapter 194, Laws of 1945, was enacted.

Elections held under prior law.

SEC. 2. Chapter 194, Laws of 1945 (secs. 5147 and 5166-1 to -8, incl., Rem. Rev. Stat.; secs. 522-9, -35, -37, -37(5), -39, -41, -43, -45 and -47, incl., PPC) is hereby repealed: *Provided*, That any officer elected under the provisions of said chapter whose term of office was changed under said law, shall have his term and the beginning thereof under said law changed to conform to the law in effect at the time said law took effect, and a successor to such officer shall be elected at a time and for a term to begin as if said chapter 194, Laws of 1945, had not been enacted.

Terms of offices affected.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, and support of the state government and its existing institutions, and shall take effect immediately.

Effective immediately.

Passed the House March 7, 1947. .

Passed the Senate March 6, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 183.

[H. B. 186.]

WORKMEN'S COMPENSATION—SECOND-INJURY FUND.

AN ACT relating to Workmen's Compensation providing for transfers from the accident fund to the Second-injury Fund and amending section 2, chapter 219, Laws of 1945 (sec. 7676-1b, Rem. Supp. 1945; sec. 717-2(5), PPC).

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

SECTION 1. Section 2, chapter 219, Laws of 1945 (sec. 7676-1b, Rem. Supp. 1945; sec. 717-2(5), PPC) is hereby amended to read as follows:

Fund created.

Section 2. There is hereby created a special fund to be known as the "Second-injury Fund" which shall be used only for the purpose of defraying charges assessed against it as provided in section 1. There is hereby appropriated from the Accident Fund to the Second-injury Fund, the sum of two hundred thousand dollars (\$200,000) to be transferred by the State Treasurer and made available for use by the Department of Labor and Industries as needed; and there is hereby appropriated from the Second-injury Fund the sum of two hundred thousand dollars (\$200,000), or so much thereof as may be necessary for the payment of approved claims there against: *Provided, however,* That any unexpended balance at the end of any biennium shall revert to the accident fund.

Appropriation.

Passed the House February 28, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 184.

[H. B. 281.]

COUNTY AND DISTRICT FAIRS.

AN ACT relating to county and district fairs; authorizing counties to participate in district fairs; and amending chapter 32, Laws of 1917, as amended by chapter 83, Laws of 1923, and chapter 101, Laws of 1943, (secs. 2750 to 2753½, inclusive, Rem. Rev. Stat.; secs. 473-13 to 473-21, inclusive, PPC).

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

SECTION 1. Section 1, chapter 32, Laws of 1917 (sec. 2750, Rem. Rev. Stat.; sec. 473-13, PPC) is hereby amended to read as follows:

Section 1. The holding of "county fairs" and agricultural exhibitions of stock, cereals and agricultural produce of all kinds, including dairy produce, as well as arts and manufactures, by any county in the state, and the participation by any county in a district fair or agricultural exhibition, is hereby declared to be in the interest of public good and a strictly county purpose.

County fairs
declared in
public
interest.

SEC. 2. Section 2, chapter 32, Laws of 1917 (sec. 2751, Rem. Rev. Stat.; sec. 473-15, PPC) is hereby amended to read as follows:

Section 2. The Board of County Commissioners of any county in the state may acquire by gift, devise, purchase, condemnation and purchase, or otherwise, lands, property rights, leases or easements and all kinds of personal property and own and hold the same and construct and maintain temporary or permanent improvements suitable and necessary for the purpose of holding and maintaining county or district fairs for the exhibition of county or district resources and products.

Acquisition
of property.

Construction
of improve-
ments.

SEC. 3. The section added to chapter 32, Laws of 1917, by section 2, chapter 83, Laws of 1923, as amended by section 1, chapter 101, Laws of 1943,

and designated in said section 2, chapter 83, Laws of 1923 as "section 2753 $\frac{1}{2}$ " (sec. 2753 $\frac{1}{2}$, Rem. Rev. Stat., 1943 Supp.; sec. 473-21, PPC) is hereby re-numbered as section 5, and is amended to read as follows:

Expenditures
authorized.

Section 5. The Board of County Commissioners of any county is hereby authorized to expend a sum not exceeding \$10,000.00 in any one year, to be used only for the purpose of acquiring necessary grounds for said county or district fair, the construction of buildings thereon, the improvement of the same, and premiums.

SEC. 4. Chapter 32, Laws of 1917, as amended by chapter 83, Laws of 1923, and chapter 101, Laws of 1943, is hereby amended by the addition thereto of an additional section to be known as section 6, reading as follows:

Counties
may hold
fairs.

Section 6. Each county is hereby authorized to hold one county fair in each year, or, as an alternative, to participate with any other county or counties in the holding of a district fair. Where counties participate in the holding of a district fair, the Boards of County Commissioners of each of said participating counties may enter into mutual agreements setting forth the manner and extent of the participation by each county in the management and support of said district fair, subject to the limitations imposed on each respective county by the provisions of this act.

Agreements
for joint
participation.

Passed the House February 27, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 185.

[H. B. 310.]

RELATING TO OYSTERS.

AN ACT relating to oysters, and repealing section 107, chapter 31, Laws of 1915 (sec. 5761, Rem. Rev. Stat.; sec. 556-13, PPC) and section 108, chapter 31, Laws of 1915 (sec. 5762, Rem. Rev. Stat.; sec. 556-15, PPC).

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

SECTION 1. Section 107, chapter 31, Laws of 1915 (sec. 5761, Rem. Rev. Stat.; sec. 556-13, PPC) and section 108, chapter 31, Laws of 1915 (sec. 5762, Rem. Rev. Stat.; sec. 556-15, PPC) are hereby repealed. Repeal.

Passed the House February 24, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 186.

[H. B. 236.]

CAPITOL BUILDING CONSTRUCTION FUND—
BONDS AUTHORIZED.

AN ACT relating to state government, authorizing the issuance of bonds against the Capitol Building Construction fund for the completion of the DesChutes Basin, detailing the purposes for which the proceeds may be used, defining the powers of the State Capitol Committee in connection therewith, making an appropriation, and declaring an emergency.

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

SECTION 1. The State Capitol Committee may issue coupon or registered bonds of the State of Washington in an amount not exceeding one million dollars (\$1,000,000). The bonds shall bear interest at a rate not to exceed five per cent (5%) per annum, both principal and interest to be payable only from the Capitol Building Construction Fund from revenues hereafter received from leases Bonds may be issued.

Interest.

How payable.

and contracts of sale heretofore or hereafter made of lands, timber, and other products from the surface or beneath the surface of the lands granted to the state by the United States pursuant to the act of Congress approved February 22, 1889, for capitol building purposes.

Sales of
bonds.

SEC. 2. Such bonds may be sold in such manner and in such amount, in such denominations, and at such times as the Capitol Committee shall determine, at the best price obtainable, but not for a sum so low as to make the net interest return to the purchaser exceed five per cent (5%) per annum as computed by standard tables upon such sums; or the State Treasurer may invest surplus cash in the accident fund in such bonds at par, at such rate of interest, not exceeding five per cent (5%) as may be agreed upon between the Treasurer and the State Capitol Committee, and the State Finance Committee may invest any surplus cash in the General Fund, not otherwise appropriated, in such bonds at par at such rate of interest, not exceeding five per cent (5%), as may be agreed upon between the State Finance Committee and the State Capitol Committee.

Investment
of state funds
in such
bonds.

Conditions
of payment.

SEC. 3. Bonds issued under this act shall be payable in such manner, at such place or places, and at such time or times, not longer than twenty (20) years from their date; with the option of paying any or all of said bonds at any interest paying date, as shall be fixed by the Capitol Committee, and the interest on the bonds shall be payable semi-annually.

Execution
of bonds.

SEC. 4. The bonds shall be signed by the Governor and State Auditor under the seal of the state, and any coupons attached thereto shall be signed by the same officers, whose signatures thereupon may be printed fac simile. Any of such bonds may be registered in the name of the holder upon presentation to the State Treasurer, or at the fiscal

agency of the state in New York, as to principal alone, or as to both principal and interest, under such regulations as the State Capitol Committee may prescribe.

SEC. 5. The proceeds from the sale of the bonds hereby authorized shall be paid into the Capitol Building Construction Fund.

Payment of
proceeds
on bonds.

SEC. 6. Bonds authorized by this act shall be accepted by the state, counties, cities, towns, school districts, and other political subdivisions as security for the deposit of any of their funds in any banking institution. Any officer of this state, or any county, city, town, school district, or other political subdivision may invest surplus funds, which he is authorized to invest in securities, and where such authorization is not limited or restricted as to the class of securities in which he may invest, in bonds issued under this act.

Bonds to be
accepted by
govern-
mental
officers and
agencies.

Investment.

SEC. 7. Proceeds of the bonds issued hereunder shall be expended by the State Capitol Committee in the completion of the DesChutes Basin project adjacent to the State Capitol grounds. Such project shall embrace, (1) the acquisition by purchase or condemnation of necessary lands or easements; (2) the construction of a dam or weir along the line of Fifth Avenue in the City of Olympia and a parkway and railroad over the same; (3) the construction of a parkway on the west bank of the DesChutes basin from the Pacific Highway at the DesChutes River to a connection with the Olympic Highway; (4) the construction of a parkway from the vicinity of Ninth Avenue and Columbia Street in the City of Olympia around the south side of the north DesChutes basin, using the existing railroad causeway, to a road along Percival Creek and connecting with the Olympia Highway; (5) the preservation of the precipitous banks surrounding the basin by the acquisition of easements or other rights whereby

Use of
proceeds.

DesChutes
Basin
project.

the cutting of trees and the building of structures on the banks can be controlled; (6) the construction by dredging of varying level areas at the foot of the bluffs for access to water and to provide for boating and other recreational areas, and (7) such other undertakings as, in the judgment of the Committee, are necessary to the completion of the project.

Cooperation
with Depart-
ment of
Highways
and other
authorities.

In connection with the establishment of parkways, causeways, streets and highways, or the relocation thereof, and the rerouting of railroads to effectuate the general plan of the basin project, the committee shall at all times cooperate with the Department of Highways, the proper authorities of the City of Olympia, and the railroad companies which may be involved in the rerouting of railway lines.

Appropriation.

SEC. 8. There is hereby appropriated to the State Capitol Committee from the Capitol Building Construction Fund for the biennium ending March 31, 1949, for the purpose of carrying out the provisions of this act, the sum of one million dollars (\$1,000,000), or so much thereof as may be necessary.

Effective immediately

SEC. 9. This act is necessary for the support of the state government and its existing public institutions and shall take effect immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 187.

[H. B. 325.]

COMMUNITY LIVESTOCK SALES.

AN ACT relating to the Department of Agriculture; defining and regulating community livestock sales; providing for issuance of permits; providing for revocation of permits; providing for health and brand inspection of livestock; providing for the establishment of a community sales fund; providing for the appointment of inspectors; providing for the payment of brand and health inspection fees.

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

SECTION 1. The term "community livestock sale" shall mean and include all stockyards, sales pavilions, transit yards or other assembling places where one or more persons engage in the sale, barter or trading of livestock for other than immediate slaughter, whether by private treaty or public auction or on a commission basis: *Provided*, That stockyards operating under the Federal Packers and Stockyards Act shall be exempt from the provisions of this act: *And provided further*, That community livestock sale shall not mean or include a farmer selling his own livestock on his own premises through means of an auction sale.

Definition.

Exemptions.

SEC. 2. No person, firm or corporation shall operate a community livestock sale unless he has first secured a permit from the Director of Agriculture to operate the sale. Such permits shall be issued annually without charge and shall be subject to revocation with notice by the Director of Agriculture for failure to comply with laws and regulations relating to the sale of livestock and the sanitation and supervision of community livestock sales.

Permit.

SEC. 3. All community livestock sales shall be under the supervision of the Director of Agriculture. The Director of Agriculture shall appoint one or more inspectors to examine all livestock assem-

Supervision by Director of Agriculture.

Regulations. bled at a community livestock sale. The Director of Agriculture shall promulgate and enforce reasonable regulations for the operation of community sales.

Fees. SEC. 4. The operator of each community livestock sale shall collect from the consignor and pay to the Director of Agriculture a fee for brand and/or clinical health inspection for each animal consigned to the community livestock sale on the following basis:

Cattle ten cents (\$.10) per head
 Horses ten cents (\$.10) per head
 Mules ten cents (\$.10) per head
 Sheep three cents (\$.03) per head
 Swine five cents (\$.05) per head
 Poultry two cents (\$.02) per head
 Rabbits two cents (\$.02) per head

Maximum fee to be collected.

Provided, That if the total fees collected from the consignor on brand and/or clinical health inspection on all livestock inspected, on any one day, does not amount to ten dollars (\$10) or more, then the minimum fee of ten dollars (\$10) per day shall be paid by the community sales operator: *And providing further*, That fees necessary for the testing, vaccinating, or brand inspection to the purchaser shall be in addition to the fee charged to the consignor for brand and/or health inspection, shall be collected by the sales operator, shall be paid to the Director of Agriculture, and shall not apply on the ten dollars (\$10) minimum fee.

Fees to be retained for credit to department.

All fees paid to the Director of Agriculture, as provided in this act, shall be retained by the Director and credited to the Department of Agriculture fund to be expended in carrying out the provisions of this act.

Saving clause.

SEC. 5. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, nor any section, sentence, phrase,

or word thereof, not adjudged invalid or unconstitutional.

Passed the House March 3, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 188.

[H. B. 488]

STATE INSTITUTIONS—FIRE PROTECTION.

AN ACT relating to state institutions; authorizing contracts with nearby cities or towns for fire protection; and declaring an emergency.

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

SECTION 1. The officer, department or agency having control of the financial affairs of state institutions may enter into an agreement with a city or town adjacent to any state institution for fire protection for such institution.

Agreements
with adjacent
city or town.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions, and shall take effect immediately.

Effective
immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 189.

[H. B. 314.]

SECURITIES—ISSUANCE AND SALE.

AN ACT relating to the issuance and sale of securities, amending section 2, chapter 69, Laws of 1923, as last amended by section 1, chapter 124, Laws of 1939 (sec. 5853-2, Rem. Rev. Stat.; sec. 334-1, PPC), and section 3, chapter 69, Laws of 1923, as last amended by section 1, chapter 231, Laws of 1943 (sec. 5853-3, Rem. Rev. Stat.; sec. 340-1, PPC), and section 22, chapter 69, Laws of 1923, as last amended by section 4, chapter 231, Laws of 1943 (sec. 5853-22, Rem. Rev. Stat.; sec. 335-1, PPC), and repealing section 3-a, chapter 69, Laws of 1923, as last amended by section 2, chapter 231, Laws of 1943 (sec. 5853-3-a, Rem. Rev. Stat.; sec. 340-3-a, PPC).

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

SECTION 1. Section 2, chapter 69, Laws of 1923, as last amended by section 1, chapter 124, Laws of 1939 (sec. 5853-2, Rem. Rev. Stat.; sec. 334-1, PPC) is amended to read as follows:

Definition
of terms.

Section 2. *Definition of Terms.* The following words have in this act the meaning attached to them in this section, unless otherwise apparent from the context:

"Company."

(1) The word "company" includes all domestic and foreign private corporations, associations, syndicates, joint stock companies and co-partnerships, and also trustees (but not including executors, administrators, receivers, or other trustees acting under the authority of a court); also individuals selling, offering for sale, negotiating for the sale of or taking subscriptions for any security of their own issue;

Excepting therefrom:

Exceptions.

(a) All national banking associations and other corporations organized and existing under and by virtue of the acts of Congress of the United States;

(b) All insurance companies authorized to transact business within this state and all corpora-

tions transacting a banking or trust companies business within this state;

(c) All building and loan, and savings and loan corporations, associations and societies authorized as such to do business in this state;

(d) All public utilities subject to the jurisdiction, control and regulation of the Director of Public Service;

(e) All companies organized without capital stock and not for pecuniary gain and exclusively engaged in educational, benevolent, charitable or reformatory purposes, and companies based on membership basis for social, athletic and educational purposes;

(f) All corporations engaged in the metalliferous mining industry which are duly registered with the Director of Licenses as provided by law: *Provided*, That the provisions of this act shall in all respects apply to resales of metalliferous mining securities. A resale is hereby defined to be a sale in which the issuing company is not a party.

(2) The word "security" includes:

"Security."

(a) All shares or interests into which the capital, capital stock, or property of companies, or rights of stockholders or members thereof, are divided, including all treasury shares and shares of their own capital stock purchased or otherwise acquired by companies upon delinquent assessment sales or in any other lawful manner, and all certificates and other instruments issued by them or their authority, evidencing or representing such shares, interests or rights;

(b) Subscriptions for the shares of domestic or foreign corporations taken prior to the incorporation thereof;

(c) All promissory notes, mortgages, bonds, debentures, and other evidence of indebtedness issued by any company, excepting promissory notes

and mortgages negotiated by the drawer or maker in the ordinary course of business by private negotiation;

(d) Any instrument issued, offered or sold to the public by any company, evidencing or representing any right to participate or share in the profits or earnings or the distribution of assets of any business carried on for profit;

(e) All bonds, debentures and other evidences of indebtedness issued by any foreign government or any political subdivision thereof;

(f) Oil or gas leases or any assignment, partial assignment, agreement to assignment, or other instruments in connection therewith.

"Sale." (3) The word "sale" includes every contract by which, for valuable consideration, a company transfers any security or interest therein; and any exchange, pledge or hypothecation, or any transfer in trust or otherwise, for the performance of an obligation.

"Sell." The word "sell" includes every act by which such sale is made.

"Agent." (4) The word "agent" includes every person or company employed or appointed by a broker or company who sells, negotiates for the sale of, solicits, or takes subscriptions for any security.

"Broker." (5) The word "broker" includes every person or company, other than an agent, engaging in the business of selling, offering for sale, negotiating for the sale of, soliciting subscriptions for, or otherwise dealing in securities issued by others; or underwriting any issue of securities, or of purchasing such securities with the purpose of reselling or offering them for sale to the public for a commission or at a profit, excepting therefrom the following:

(a) One who disposes of securities to a broker;

(b) Any pledge holder selling in good faith and not for the purpose of avoiding the provisions

of this act, and in the ordinary course of business, a security pledged with him for the payment of a bona fide debt;

(c) Any owner of any security not the issuer or an underwriter thereof who sells or exchanges the same for his own account: *Provided*, That such sale or exchange is not made by such owner in the course of repeated and successive transactions of like or similar character.

(6) The term "underwriter" means any individual, partnership, or organization, either incorporated or unincorporated, which has purchased from a company with a view to, or sells for a company in connection with, the distribution of any security, or participates or has a direct or indirect participation in any such undertaking, or participates or has a participation in the direct or indirect underwriting of any such undertaking.

"Underwriter."

SEC. 2. Section 3 of chapter 69, Laws of 1923, as last amended by section 1, chapter 231, Laws of 1943 (sec. 5853-3, Rem. Rev. Stat.; 340-1, PPC) is amended to read as follows:

Section 3. No company, or underwriter thereof, shall sell, or offer for sale, negotiate for the sale of, or take subscriptions for any security of its own issue, until it shall have first applied for and secured from the Director of Licenses a permit authorizing it so to do: *Provided*, That this shall not apply to transactions not involving a public offering: *And provided further*, That this shall not apply to a sale for a delinquent stock assessment made in accordance with the provisions of the statutes of the State of Washington; nor shall it apply to original subscriptions to capital stock made by those who have signed the articles of incorporation of such corporation as bona fide incorporators thereof: *And provided further*, That said articles of incorporation are not signed by more than fifteen (15) persons and

Sales prohibited without permit.

Exceptions.

that no part of such original issue of capital stock is taken for the purpose of public distribution.

SEC. 3. Section 22, chapter 69, Laws of 1923, as last amended by section 4, chapter 231, Laws of 1943 (sec. 5853-22, Rem. Rev. Stat.; sec. 335-1, PPC) is amended to read as follows:

Fees—
schedule.

Section 22. *Fees—Schedule.* The Director of Licenses shall charge the following fees:

(1) For filing an application for permit to issue securities twenty-five dollars (\$25.00) for any issue of securities in the amount of fifty thousand dollars (\$50,000.00) or less, fifty dollars (\$50.00) for any issue of securities in an amount over fifty thousand dollars (\$50,000.00) but not more than one hundred thousand dollars (\$100,000.00), and one hundred dollars (\$100.00) for any issue of securities in an amount over one hundred thousand dollars (\$100,000.00): *Provided*, That the determination of the amount of any issue of securities under the provisions of this section shall be based on the initial aggregate offering price of said issue.

Where the applicant has a registration statement in effect with the Securities Act of 1933, and the prospectus which is filed with the Commission as part of said registration statement is accepted by the Department of Licenses in lieu of the information, or any part thereof, required under section 4, the fee to be charged shall be twenty-five dollars (\$25.00).

(2) For filing an application for a broker's certificate twenty-five dollars (\$25.00), and ten dollars (\$10.00) for each and every year after the first year.

(3) For filing an application for an agent's certificate five dollars (\$5.00), and two dollars (\$2.00) for each and every year thereafter.

(4) For filing an application for collection of pre-organization subscriptions ten dollars (\$10.00).

Fees for furnishing copies of papers and records shall be as now provided by law.

SEC. 4. Section 3a, chapter 69, Laws of 1923, as last amended by section 2, chapter 231, Laws of 1943 (sec. 5853-3-a, Rem. Rev. Stat.; sec. 340-3-a, PPC) is hereby repealed.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 190.

[H. B. 273.]

COLONY OF THE STATE SOLDIERS' HOME.

AN ACT relating to the State Soldiers' Home, the Washington Veterans' Home, and the Colony of the State Soldiers' Home; providing for admission thereto and for supplies and rations to be drawn by the members thereof; amending section 2, chapter 106, Laws of 1915 as last amended by chapter 74, Laws Ex. Ses. 1925, and section 3, chapter 106, Laws of 1915 as last amended by section 1, chapter 161, Laws of 1939 (secs. 10730 and 10731, Rem. Rev. Stat.; secs. 932-3 and -5, PPC); and declaring an emergency.

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

SECTION 1. Section 2, chapter 106, Laws of 1915 as amended by chapter 74, Laws Ex. Ses. 1925 (sec. 10730, Rem. Rev. Stat.; sec. 932-3, PPC) is amended to read as follows:

Section 2. There is hereby established what shall be known as the "Colony of the State Soldiers' Home." All of the following persons who reside within the limits of Orting precinct and have been actual *bona fide* citizens of this state for a period of three years at the time of their application and who have personal property of less than one thousand dollars (\$1,000) and/or a monthly income insufficient to meet their needs as determined by the standards of the County Welfare Department, may be ad-

Establishment.

Admission to membership.

mitted to membership in said colony under such rules and regulations as may be adopted by the Department of Finance, Budget and Business.

Veterans.

(1) All honorably discharged soldiers, sailors and marines, who have served the United States government in any of its wars, and members of the state militia disabled while in the line of duty, who were married and living with their wives for five years prior to application to membership in said colony or who, since said date, have married widows of soldiers who were members of a soldiers' home or colony in this state or entitled to admission thereto at the time of death: *Provided*, That such soldiers, sailors, and marines and members of the state militia shall, while they are members of said colony, be living with their said wives.

Widows of
veterans.

(2) The widows of all soldiers who were members of a soldiers' home or colony in this state or entitled to admission thereto at the time of death, and the widows of all soldiers who would have been entitled to admission to a soldiers' home or colony in this state at the time of death but for the fact that they were not indigent and unable to support themselves and families, which widows have since the death of their said husbands become indigent and unable to earn a support for themselves: *Provided*, That such widows are not less than fifty years of age and have not been married since the decease of their said husbands to any person not a member of a soldiers' home or colony in this state or entitled to admission thereto. Any resident of said colony may be admitted to the hospital at the State Soldiers' Home for temporary care when requiring hospital treatment.

SEC. 2. Section 3, chapter 106, Laws of 1915, as last amended by section 1, chapter 161, Laws of 1939 (sec. 10731, Rem. Rev. Stat.; sec. 932-5, PPC) is amended to read as follows:

Section 3. The members of the colony established in the preceding section shall, to all intents and purposes, be members of the State Soldiers' Home and subject to all the rules and regulations thereof, except the requirements of fatigue duty, and each member shall, in accordance with rules and regulations adopted by the Director of Department of Finance, Budget and Business, be supplied with medical attendance and supplies from the home dispensary and rations not exceeding fifteen dollars (\$15) per month in value, and clothing not exceeding twenty-five dollars (\$25) per year in value.

Members of
State Sol-
diers' Home.

Medical
care, rations
and clothing.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Effective
immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 191.

[H. B. 280.]

WESTERN HEMLOCK—STATE TREE.

AN ACT designating the Western Hemlock as the state tree for the State of Washington, and declaring that this act shall take effect May 17, 1947.

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

SECTION 1. That certain evergreen tree known and described as the western hemlock (*tsuga heterophylla*) is hereby designated as the official tree of the State of Washington.

Official
state tree.

SEC. 2. This act shall take effect May 17, 1947.

Passed the House March 1, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 192.

[H. B. 319.]

SUPREME COURT—APPEALS IN CRIMINAL CASES.

AN ACT relating to appeals to the Supreme Court in certain cases and the payment of fees in connection therewith.

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

Chief Justice may order filing without fees.

SECTION 1. When the defendant in an appeal to the Supreme Court in a criminal case shall present to the Chief Justice of the Supreme Court satisfactory proof by affidavit or otherwise that he is unable to pay the filing fees in such Court, the Chief Justice, if in his opinion justice will thereby be promoted, may order the Clerk of the Supreme Court to file the defendant's papers on the appeal without payment of a filing fee: *Provided*, That this act shall not apply to applications for writs of habeas corpus or other original writs in the Supreme Court.

Writs excepted.

Passed the House February 24, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 18, 1947.

CHAPTER 193.

[S. B. 22.]

STATE ASSOCIATION OF WASHINGTON IRRIGATION DISTRICTS.

AN ACT relating to irrigation districts; directing irrigation district directors jointly to prepare annual reports on irrigation district operations and authorizing the designation of the State Association of Washington Irrigation Districts, as a co-ordinating agency in the execution of this act; permitting irrigation districts to reimburse the association for services so rendered; and authorizing the directors to attend inter-irrigation district meetings.

The legislature hereby declares that public necessity for the uniformity and coordination of irrigation district operative and development programs is essential to the agricultural welfare of the State of Washington, *Now Therefore*

Purposes declared.

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

SECTION 1. The Directors of the several irrigation districts in the state shall take such action as they deem necessary to effect coordination of their common programs for the economical and efficient operation of their districts and the reclamation of lands therein, and prepare reports annually for such operations.

Coordination of common programs.

Reports.

SEC. 2. The Directors of such irrigation districts may designate a State Association of Washington Irrigation Districts as a co-ordinating agency in the execution of the duties imposed by this act, and reimburse the association from district expense funds in the annual district budgets for the costs of the services rendered, and the several districts may levy assessments against the lands therein for this purpose. Such reimbursement shall be paid only on vouchers approved by the Board of Directors of the contributing district in the manner provided for the approval of district vouchers generally, and submitted to the proper County Auditor for issuance of

State association may be created.

Expenses.

Vouchers.

warrants thereon. The vouchers shall set forth the nature of the claim involved and shall be signed by the claimant in the manner required by law. The total of such voucher claims for any district in any calendar year shall not exceed two per cent (2%) of the total amount or its equivalent of the expense fund levy of the district for that year.

Maximum expense per district.

Boards of the districts may take other action.

SEC. 3. The Board of Directors of the several districts may effect the state organization herein contemplated and take such further and other action in behalf of their respective districts as they deem necessary to carry out the intent of this act, including support of and attendance at such meetings as may be required to promote and perfect the organization and to effect its purposes.

Vetoed.

SEC. 4. To avoid duplication of effort the association may, in the discretion of its officers, affiliate and cooperate with other reclamation organizations and agencies in the state engaged in the promotion of the reclamation of lands in the state.

Passed the Senate January 29, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 12, 1947, with the exception of Section 4, which is vetoed.

CHAPTER 194.

[S. B. 46.]

SALARIES OF JUDGES.

AN ACT relating to the salaries of the Judges of the Supreme Court and of the Superior Courts, amending Section 1, chapter 57, Laws of 1907, as amended by section 1, chapter 77, Laws of 1919, and by section 1, chapter 188, Laws of 1921, and by section 1, chapter 50, Laws of 1943 (sec. 11053, Rem. Rev. Stat.; sec. 105-33, PPC).

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

SECTION 1. Section 1, chapter 57, Laws of 1907, as amended by section 1, chapter 77, Laws of 1919, and by section 1, chapter 188, Laws of 1921, and by section 1, chapter 50, Laws of 1943 (sec. 11053, Rem. Rev. Stat.; sec. 105-33, PPC) is amended to read as follows:

Section 1. Each Judge of the Supreme Court shall receive an annual salary of ten thousand dollars (\$10,000). Each Judge of the Superior Court shall receive an annual salary of eight thousand dollars (\$8,000).

SEC. 2. Nothing contained in this act shall affect the salary of any Judge now in office during the term for which he was elected.

Passed the Senate February 24, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 195.

[S. B. 92.]

CORPORATIONS—CAPITAL STOCK.

AN ACT relating to domestic corporations for profit; authorizing such corporations to purchase, hold, and dispose of shares of its own capital stock; and amending section 12, chapter 185, Laws of 1933 (sec. 3803-12, Rem. Rev. Stat.; sec. 441-21, PPC).

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

SECTION 1. Section 12, chapter 185, Laws of 1933 (sec. 3803-12, Rem. Rev. Stat.; sec. 441-21, PPC) is hereby amended to read as follows:

Corporation may deal in stocks, securities, etc., of other corporations.

Section 12. (1) A corporation, to accomplish its purpose as stated in the articles of incorporation, may guarantee, acquire, hold, mortgage, pledge or dispose of the shares, bonds, securities and other evidences of indebtedness of any domestic or foreign corporation;

May purchase, hold, sell, etc., its own stock.

(2) Every corporation organized hereunder shall have the power to purchase, hold, sell and transfer shares of its own capital stock: *Provided*, That no such corporation shall use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital stock of the corporation.

Impairment of capital.

Passed the Senate February 24, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 196.

[S. B. 152.]

REPEAL—WARTIME VOTING.

AN ACT relating to elections and voting in time of war, and repealing chapter 4, Laws Ex. Ses. 1944, as amended by chapter 96, Laws of 1945 (secs. 10758-20, *et seq.*, Rem. Rev. Stat.; secs. 534-51, *et seq.*, PPC).

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

SECTION 1. Chapter 4, Laws Ex. Ses. 1944, as amended by chapter 96, Laws of 1945 (secs. 10758-20, *et seq.*, Rem. Rev. Stat.; secs. 534-51, *et seq.*, PPC), is hereby repealed. Repeal.

Passed the Senate February 18, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 197.

[S. B. 223.]

REHABILITATION OF PRISONERS.

AN ACT relating to inmates of the State Penitentiary and Reformatory, parolees and persons released therefrom, and their rehabilitation; making an appropriation therefor; and declaring an emergency.

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

SECTION 1. Every person who has been confined in the State Penitentiary or State Reformatory pursuant to a court order, upon his parole or release therefrom may be supplied with a suitable suit of clothes, and money not in excess of thirty-five dollars (\$35), on the basis of need, of which the Superintendent shall be the judge. Prisoner on release to be supplied with clothing and money.

A suitable suit of clothes and thirty-five dollars (\$35) is hereby established as the minimum requirement, and the Superintendent shall withdraw from Superintendent to draw from prisoner's aid fund.

his prisoners' aid fund, such amount as may be necessary which when added to the funds in the possession or under the control of the parolee or releasee will equal said minimum requirement.

Appropriation.

SEC. 2. There is hereby appropriated from the General Fund the sum of five thousand dollars (\$5,000) to the Superintendent of the State Penitentiary and five thousand dollars (\$5,000) to the Superintendent of the State Reformatory, said sum in each case to be carried as the "prisoners' aid fund" and used for carrying out the purposes of this act.

Effective immediately.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, for the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 7, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 198.

[S. B. 276.]

APPROPRIATIONS—MINE TO MARKET ROAD
COMMISSION.

AN ACT relating to public highways and appropriating for the Mine to Market Road Commission.

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

Appropriation to fund.

SECTION 1. There is hereby appropriated from the Motor Vehicle Fund the sum of three hundred thousand dollars (\$300,000) to the Mine to Market Road Fund for the location, establishment and construction of mine to market roads and trails, which sum shall be contributed in the following manner: Seventy-five per cent (75%) from that portion of the net tax amount remaining in the Motor Vehicle

Fund after credit has been made to the incorporated cities and towns and to the counties, and twenty-five per cent (25%) from that portion of the net tax amount in the Motor Vehicle Fund credited to counties, the said twenty-five per cent (25%) of the county's share of the net tax amount in the Motor Vehicle Fund to be set aside for their Mine to Market Road Fund as soon as such an amount has been accumulated and before any monthly disbursements are made to the counties from the county's share of the Motor Vehicle Fund.

SEC. 2. To carry out the purposes of chapter 222, Laws of 1945, there is hereby appropriated from the Mine to Market Road Fund to the Mine to Market Road Commission the sum of three hundred thousand dollars (\$300,000) or so much thereof as may be necessary.

Appropriation to commission.

Passed the Senate February 28, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 199.

[S. B. 277.]

ELECTIONS—ADVERTISING BY CANDIDATES.

AN ACT relating to elections and regulation of advertising by and for candidates for nomination to public office; and repealing section 29, chapter 209, Laws of 1907, as amended by section 8, chapter 82, Laws of 1909 (sec. 5205, Rem. Rev. Stat.; sec. 529-61, PPC).

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

Repeal.

SECTION 1. Section 29, chapter 209, Laws of 1907, as amended by section 8, chapter 82, Laws of 1909 (sec. 5205, Rem. Rev. Stat.; sec. 529-61, PPC) is repealed.

Passed the Senate March 2, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 200.

[S. B. 371.]

VEHICLES—PUBLIC HIGHWAYS.

AN ACT relating to vehicles and the operation thereof upon the public highways; and amending sections 5, 29, 44, 47, 49, 50, 55, 64, 71, 72, 73, 86, 98 and 105 of chapter 189 of the Laws of 1937, as amended; and amending section 17, chapter 188, Laws of 1937, as amended by chapter 224, Laws of 1941 (sec. 6312-17, Rem. Rev. Stat.; sec. 290-5, PPC).

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

SECTION 1. Section 5 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-5; PPC 276-35) is hereby amended to read as follows:

Section 5. The provisions of this act shall be applicable to the operation of any and all vehicles upon the public highways of this state except that they shall not apply in the following cases:

(a) To any authorized emergency vehicle properly equipped as required by law and actually responding to an emergency call or in immediate pursuit of an actual or suspected violator of the law, within the purpose for which such emergency vehicle has been authorized: *Provided*, That the provisions of this section shall not relieve the operator of an authorized emergency vehicle of the duty to operate with due regard for the safety of all persons using the public highway nor shall it protect the operator of any such emergency vehicle from the consequence of a reckless disregard for the safety of others: *Provided, further*, The provisions of this section shall in no event extend any special privilege or immunity in operation of an authorized emergency vehicle for any purpose other than that for which the same has been authorized;

(b) To any persons, teams, vehicles or other equipment while actually engaged in authorized work upon the surface of a public highway in so far as suspension of the provisions of this act are rea-

Exemptions.

Emergency vehicles.

Persons or vehicles engaged in road work.

Special provision in contracts.

sonably necessary for the carrying on of such work: *Providing*, The Director of Highways or local authorities shall set forth in the special provisions for any contract proposal the extent of such suspension and over what sections such suspension will apply:

Precautions.

And providing, Reasonable precautions are taken to apprise and protect the users of such public highways, but such provisions shall apply to such persons, teams, vehicles and other equipment when traveling to and from such work;

Other persons or vehicles exempted.

(c) To any persons, vehicles or otherwise, in so far as the same may be specifically exempted from any provision or provisions of this act.

SEC. 2. Section 29 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-29; PPC 291-31) is hereby amended to read as follows:

Red lamp visible from in front of vehicle.

Section 29. No person shall drive or move any vehicle upon any public highway with any lamp or device thereon displaying a red light visible from a point two hundred (200) feet directly in front thereof. This section shall not apply to authorized emergency vehicles or vehicles of the Department of Highways of the State of Washington which present a danger by the nature of their necessary operation.

Intermittent lights.

Automatically flashing lights or intermittent lights are prohibited on motor vehicles, except as a rear signal lamp for indicating intention to stop or turn to the right or left and when, as and if approved by the State Commission on Equipment. The Commission on Equipment is empowered to adopt and require an intermittent or flashing red light as a stop light upon the rear of vehicles.

SEC. 3. Section 44 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-44; PPC 286-21) is hereby amended to read as follows:

Section 44. No vehicles shall be driven or moved on any public highway unless such vehicle is so

constructed or loaded as to prevent any of its load from dropping, sifting, leaking or otherwise escaping therefrom, except that sand may be dropped for the purpose of securing traction, or water or other substance may be sprinkled on a roadway in the cleaning or maintaining of such roadway by public authority having jurisdiction. Any person operating a vehicle from which any glass or objects have fallen or escaped, which would constitute an obstruction or injure a vehicle or otherwise endanger travel upon such public highway shall immediately cause the public highway to be cleaned of all such glass or objects. It shall be unlawful for any person to throw or drop any glass object, debris or any waste from any moving vehicle or upon the right of way of any public highway.

Shifting
or leaking
loads.

Every vehicle shall be equipped with a device adequate to effectively reduce the wheel spray or splash of water from the roadway to the rear thereof.

SEC. 4. Section 47 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-47; PPC 292-1) is hereby amended to read as follows:

Section 47. The total outside width of any vehicle or load thereon shall not exceed eight (8) feet: *Provided*, In any instance where it is necessary to extend a rear vision mirror beyond the extreme left or right of the body the same may be done despite the fact that this results in a width in excess of eight (8) feet, but no rear vision mirror shall extend more than five (5) inches beyond the extreme limits of the body: *Provided further*, In those instances where it is necessary to install fenders on the rear wheels of vehicles to reduce wheel spray the same may be done despite the fact that this results in a width in excess of eight (8) feet providing such fenders are made of rubber and do not extend more than two (2) inches beyond either side of the body: *Provided further*, A tolerance of two (2)

Width of
vehicles and
loads.

inches in width will be allowed on the tires of all vehicles where such overwidth is due entirely to the expansion of the tires: *Provided further*, Safety appliances such as clearance lights, rub rails, binder chains and appurtenances such as door handles, door hinges and turning signal brackets, may extend beyond the extreme left or right of the body despite the fact that this results in a width in excess of eight (8) feet but no appliances or appurtenances can extend more than two (2) inches beyond the extreme limits of the body.

SEC. 5. Section 49 of chapter 189 of the Laws of 1937, as amended (Rem. Rev. Stat. Supp. 6360-49; PPC 292-5) is hereby amended to read as follows:

Overall
length
limitation.

Section 49. It shall be unlawful for any person to operate upon the public highways of this state any vehicle having an overall length, with or without load, in excess of thirty-five (35) feet. It shall be unlawful for any person to operate upon the public highways of this state any combination of vehicles which, with or without load, has an overall length in excess of sixty (60) feet, or any combination of vehicles containing any vehicle which has an overall length in excess of thirty-five (35) feet. Said length limitations shall not apply to vehicles transporting poles, pipe, machinery or other objects of a structural nature which cannot be dismembered and operated by a public utility when required for emergency repair of public service facilities or properties but in respect to night transportation every such vehicle and load thereon shall be equipped with a sufficient number of clearance lamps on both sides and marker lamps upon the extreme ends of any projecting load to clearly mark the dimensions of such load.

It shall be unlawful for any person to operate upon the public highways of this state any combination of vehicles consisting of more than two (2)

vehicles. For the purposes of this section a truck tractor-semi-trailer combination will be considered as two (2) vehicles but the addition of another axle to the tractor of a truck tractor-semi-trailer combination in such a way that it supports a proportional share of the load of the semi-trailer shall not be deemed a separate vehicle but for all purposes shall be considered a part of the truck tractor. For the purposes of this section a converter gear used in converting a semi-trailer to a full trailer shall not be deemed a separate vehicle but for all purposes shall be considered a part of the trailer.

The load upon any vehicle operated alone, or the load upon the front vehicle of a combination of vehicles, shall not extend more than three (3) feet beyond the front wheels of such vehicle, or the front bumper, if equipped with front bumper.

No vehicle shall be operated upon the public highways of this state with any part of the permanent structure or load extending in excess of fifteen (15) feet beyond the center of the last axle of such vehicle.

SEC. 6. Section 50 of chapter 189 of the Laws of 1937, as amended by section 2, chapter 116, Laws of 1941 (Rem. Rev. Stat. Supp. 6360-50; PPC 292-7) is hereby amended to read as follows:

Section 50. (a) It shall be unlawful to operate any vehicle upon the public highways of this state with a gross weight including load upon any one (1) axle thereof in excess of eighteen thousand (18,000) pounds.

Weight
and load
limit.

It shall be unlawful to operate any one (1) axle semi-trailer upon the public highways of this state with a gross weight including load upon such one (1) axle in excess of eighteen thousand (18,000) pounds.

It shall be unlawful to operate any truck or truck-tractor upon the public highways of this state sup-

ported upon two (2) axles with a gross weight including load in excess of twenty-six thousand (26,000) pounds.

It shall be unlawful to operate any trailer or semi-trailer upon the public highways of this state supported upon two (2) axles with a gross weight including load in excess of thirty-two thousand (32,000) pounds.

It shall be unlawful to operate any vehicle upon the public highways of this state supported upon three (3) axles or more with a gross weight including load in excess of thirty-six thousand (36,000) pounds.

(b) The maximum axle and gross weights specified in subsection (a) above shall be subject to the braking requirements set up for the service brakes upon any motor vehicle or combination of vehicles set forth in section 34, chapter 189, Session Laws of 1937.

(c) Subject to the maximum gross weights specified in subsection (a) above, it shall be unlawful to operate any vehicle upon the public highways of this state with a gross weight, including load, upon any tire concentrated upon the surface of the highway in excess of six hundred (600) pounds per inch width of such tire. For the purpose of this subsection, the width of tire in case of solid rubber or hollow center cushion tires, so long as the use thereof may be permitted by the law, shall be measured between the flanges of the rim. For the purpose of this subsection, the width of tires in case of pneumatic tires shall be the actual width of contact area on the roadway surface when the tires are fully inflated.

(d) Subject to the maximum axle and gross weights specified in subsection (a) above, it shall be unlawful to operate any motor vehicle or combination of vehicles with a gross weight, including load, on any group of axles, in excess of that set forth in the following table:

Wheelbase of any group of axles (feet)	Maximum Gross Load	Wheelbase of any group of axles (feet)	Maximum Gross Load
3'6"	32,000	31	53,890
4	32,000	32	54,780
5	32,000	33	55,660
6	32,000	34	56,530
7	32,000	35	57,400
8	32,610	36	58,260
9	35,580	37	59,120
10	34,550	38	59,970
11	35,510	39	60,810
12	36,470	40	61,650
13	37,420	41	62,480
14	38,360	42	63,310
15	39,300	43	64,130
16	40,230	44	64,940
17	41,160	45	65,750
18	42,080	46	66,550
19	42,990	47	67,350
20	43,900	48	68,140
21	44,800	49	68,920
22	45,700	50	69,700
23	46,590	51	70,470
24	47,520	52	71,240
25	48,450	53	72,000
26	49,370	54	72,000
27	50,290	55	72,000
28	51,200	56	72,000
29	52,100	57	72,000
30	53,000		

When inches are involved: Under 6 inches take lower; over 6 inches take higher.

Three (3) axle truck tractor and two (2) axle semi-trailer combinations engaged in the operation of hauling logs shall be allowed a tolerance of five (5) per cent over and beyond the gross loading established in the above table except that the combination of vehicles must be licensed to carry the gross load being transported and the gross weight of individual units and axles may not exceed the maximum gross weights established in subsection (a) above. Highways or sections of highways that will not withstand the increased loading occasioned by this specified tolerance shall be posted by the use of adequate

signs. Such signs shall be posted by the public officials in whom the responsibility of maintaining the highway is vested.

Violations
and
penalties.

Any person violating any of the provisions of this section shall be guilty of a misdemeanor and upon first conviction thereof shall be fined not less than twenty-five dollars (\$25) or more than fifty dollars (\$50); upon second conviction thereof shall be fined not less than fifty dollars (\$50) or more than one hundred dollars (\$100), and in addition thereto the Court may suspend the certificate of license registration of the vehicle, or combination of vehicles last involved, for a period not to exceed (30) days; upon a third or subsequent conviction shall be fined not less than one hundred dollars (\$100), and the Court shall, in addition thereto, suspend the certificate of license registration of the vehicle, or combination of vehicles last involved, for not less than thirty (30) days; upon conviction of violating any posted limitation of a highway or section of highway the fine shall be not less than one hundred dollars (\$100), and the Court shall, in addition thereto, suspend the operator's driver's license for not less than thirty (30) days: *Provided*, Whenever the operator's driver's license and/or the certificate of license registration are suspended under the provisions of this section the judge shall secure such certificates and immediately forward the same to the Director of Licenses with information concerning the suspension thereof.

Effective
date.

This section shall take effect on December 1, 1947.

SEC. 7. Section 55 of chapter 189 of the Laws of 1937, as amended by section 1, chapter 177, Laws of 1945 (Rem. 1945 Supp. 6360-55; PPC 292-17) is hereby amended to read as follows:

Permits for
excesses.

Section 55. The Director of Highways with respect to primary and secondary state highways and local authorities with respect to public highways under their jurisdiction may, in their discretion, upon

application in writing and good cause being shown therefor, issue a special permit in writing authorizing the applicant to operate or move a vehicle or combination of vehicles of a size, weight of vehicle or load exceeding the maximum specified in this act, or otherwise not in conformity with the provisions of this act upon any public highway under the jurisdiction of the authority granting such permit and for the maintenance of which such authority is responsible.

No overweight permit shall be issued to any vehicle or combination of vehicles unless such vehicle or combination of vehicles is licensed for the maximum gross weight allowed by law.

No permit shall be issued for movement on any public highway where the gross weight, including load, exceeds twenty-two thousand (22,000) pounds on a single axle or forty-one thousand (41,000) pounds on any group of axles having a wheelbase between the first and last axle thereof of less than ten (10) feet: *Provided*, A tolerance of two thousand (2,000) pounds may be allowed on any group of axles having a wheelbase between the first and last axle thereof of less than ten (10) feet when the permit is being issued for the maximum overload permitted under this section: *Provided further*, That the tolerance shall not be allowed unless specifically granted on the face of the permit.

Tolerance
allowed.

No permit shall be issued for movement on any two (2) lane state highway where the overall width of load exceeds fourteen (14) feet, on any three (3) lane state highway where the overall width of load exceeds twenty-two (22) feet, or on any four (4) lane state highway where the overall width of load exceeds thirty-two (32) feet: *Provided*, These width limitations may be exceeded on state highways where the latest available traffic figures show that the highway or section of highway carries less than one hundred (100) vehicles per day: *Provided*

further, Permits may be issued for weights and widths of vehicles in excess of the preceding limitations on highways or sections of highways which have been designed and constructed for weights and widths in excess of such limitations: *Provided further*, That these limitations may be rescinded during a war emergency when certification is made by military officials as to the necessity for such action.

Application for permit.

The applicant for any permit shall specifically describe the vehicle or vehicles and load to be operated or moved and the particular public highways for which permit to operate is requested and whether such permit is requested for a single trip or for continuous operation.

Conditions of permit.

The Director of Highways or local authority is authorized to issue or withhold such permit at his or its discretion; or, if such permit is issued, to limit the number of trips, or to establish seasonal or other time limitations within which the vehicle described may be operated on the public highways indicated, or otherwise to limit or prescribe conditions of operation of such vehicle or vehicles when necessary to assure against undue damage to the road foundation, surfaces or structures or safety of traffic and may require such undertaking or other security as may be deemed necessary to compensate for injury to any roadway or road structure.

Fee schedule for permits.

The following fees, in addition to the regular license and tonnage fees, shall be paid for all movements made upon public highways. All funds collected shall be forwarded to the State Treasurer and shall be deposited in the motor vehicle fund:

All overlegal loads, except overweight, single trip..	\$ 5.00
Continuous operation of overlegal loads, except overweight, for period not to exceed one (1) month	\$ 50.00
Continuous operation of combination of vehicles composed of more than two (2) vehicles—One (1) month	\$ 20.00
One (1) year.....	\$200.00

OVERWEIGHT FEE SCHEDULE

Weight over that allowed by statute	50 miles or less	Miles traveled	
		Over 50 miles but less than 200 miles	200 miles or more
7,000 pounds or less.....	\$ 5.00	\$ 10.00	\$ 15.00
Over 7,000 pounds but less than 14,000 pounds.....	\$10.00	\$ 20.00	\$ 30.00
Over 14,000 pounds but less than 20,000 pounds.....	\$15.00	\$ 30.00	\$ 45.00
Over 20,000 pounds.....	\$50.00	\$100.00	\$150.00

For the purpose of this fee schedule, mileage shall be determined from the Planning Survey Records of the Department of Highways and the gross weight of the vehicle or vehicles, including load, shall be as declared by the applicant. Overweight on which fees shall be paid will be gross loadings in excess of loadings authorized by law or axle loadings in excess of loadings authorized by law, whichever is the greater. Loads which are overweight and oversize shall be charged the fee for the overweight permit without additional fees being assessed for the oversize features.

Fees established in this section shall be paid to the political body issuing the permit if the entire movement is to be confined to roads, streets or highways for which that political body is responsible. When a movement involves a combination of state highways, county roads and/or city streets the fee shall be paid to the Director of Highways but such fee shall not be collected nor the state permit issued until valid permits are presented showing that the political bodies involved approve of the move in question. A permit will not be required from city or town authorities for a move involving a combination of city or town streets and state highways when the move through a city or town is being confined to the route of the state highway. When a move involves a combination of county roads and city streets the fee shall be paid to the county

authorities, but the fee shall not be collected nor the county permit issued until valid permits are presented showing that city or town authorities approve of the move in question.

Exemption.

The fees levied in this section shall not apply to any vehicles owned and operated by the State of Washington; any county within the State of Washington or any municipality within the State of Washington; or by the Federal Government.

Fraud in procuring permit.

Any person who misrepresents the size or weight of any load in obtaining a permit or does not follow the requirements and conditions of the permit shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than fifty dollars (\$50) or more than one hundred dollars (\$100).

Violation. Penalty.

Any person who operates any overlegal vehicle without first obtaining a permit shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than one hundred dollars (\$100).

Permit to be carried in vehicle.

Every permit issued hereunder shall be carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any peace officer or authorized agent of any authority granting such permit.

SEC. 8. Section 64 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-64; PPC 292-1) is hereby amended to read as follows:

Lawful speed, care and prudent driving.

Section 64. (1) Every person operating or driving a vehicle of any character upon the public highways of this state shall operate the same in a careful and prudent manner and at a rate of speed no greater than is reasonable and proper under the conditions existing at the point of operation, taking into account the amount and character of the traffic, weight of vehicle, grade and width of highway, condition of surface and freedom of obstruction to view ahead and consistent with any and all conditions existing at the point of operation so as not

to unduly or unreasonably endanger the life, limb, property or other rights of any person entitled to the use of such public highways;

(2) Subject to the provisions of subsection (1) of this section and except in those instances where a lower maximum lawful speed is provided by this act or otherwise, it shall be unlawful for the operator of any vehicle to operate the same at a speed in excess of the following:

Maximum speed.

(a) Twenty-five (25) miles per hour within the limits of incorporated cities and towns;

In cities and towns.

(b) Twenty (20) miles per hour in traversing any intersection of public highways within incorporated cities and towns where the operator's view is obstructed to the extent that at any time during the last 100 feet of his approach to an intersection he does not have a clear and uninterrupted view of such intersection, and of all public highways entering such intersection for a distance of 100 feet along the center line of each thereof: *Provided*, It shall be the duty of local authorities to sign post such intersections: *Provided further*, Except as otherwise provided in this section, this provision shall not apply to operators upon arterial highways.

Obstructed intersections in cities and towns.

Signs.

(c) Twenty-five (25) miles per hour in traveling upon an arterial highway in any incorporated city or town and traversing an intersection with another public highway not an arterial highway, and the operator of another vehicle about to enter the intersection of such arterial highway thereat, shall have brought his vehicle to a complete stop as required by law before entering such arterial highway;

Arterial highway in cities and towns.

(d) Twenty-five (25) miles per hour while traveling upon any public highway of any incorporated city or town and proceeding through any business district unless a lesser speed has been established and properly posted by local authorities:

Business district in cities and towns.

Minimum speed.

Provided, That where a lesser speed has been established such speed shall not be less than fifteen (15) miles per hour;

Intersection of public highways outside cities and towns.

(e) Thirty-five (35) miles per hour in traversing any intersection of public highways outside of incorporated cities and towns where the operators view is obstructed to the extent that at any time during the last 100 feet of his approach to an intersection he does not have a clear and uninterrupted view of such intersection, and of all public highways entering such intersection for a distance of 100 feet along the center line of each thereof: *Provided*, It shall be the duty of local authorities to sign post such intersections: *Provided further*, This provision shall not apply to operators upon arterial highways outside of incorporated cities and towns;

Arterial highway intersections outside cities and towns.

(f) Thirty-five (35) miles per hour in traveling upon an arterial highway outside of incorporated cities and towns and traversing an intersection with another public highway not an arterial highway and the operator of another vehicle about to enter such arterial highway thereat shall have brought his vehicle to a complete stop, as required by law, before entering such arterial highway;

Business and residential districts outside cities and towns.

(g) The Director of Highways, in case of state highways, and the County Commissioners, in case of county roads, shall establish maximum speeds through any business or residential districts outside any incorporated city or town: *Provided*, No maximum speed established shall be less than twenty-five (25) miles per hour: *Provided further*, All such speed zones shall be properly sign posted at the extremities thereof;

Highway passing schoolhouse inside cities and towns.

(h) Twenty (20) miles per hour when operating any vehicle upon a public highway of this state inside incorporated cities and towns when passing any schoolhouse on school days, or school or public playground between the hours of 8:00

A. M. and 5:00 P. M., or when crossing any marked school crossing during such hours or while within any marked school zone, such zone to extend three hundred (300) feet in either direction from any marked school crossing;

School crossings.

(i) Twenty (20) miles per hour when operating any vehicle upon a public highway of this state outside incorporated cities and towns when passing any schoolhouse on school days, or school or public playground between the hours of 8:00 A. M. and 5:00 P. M., or when crossing any marked school crossing during such hours or while within any marked school zone, such zone to extend three hundred (300) feet in either direction from any marked school crossing;

Schools outside cities and towns.

Crossings.

(j) Fifty (50) miles per hour under all other circumstances.

Maximum speed in all other instances.

Compliance with such speeds under the circumstances hereinabove set forth shall not relieve the operator of any vehicle from the further exercise of due care and caution as further circumstances shall require.

Due care and caution.

The unlawful operation of a vehicle in excess of the maximum lawful speeds provided in this section at the point of operation and under the circumstances described shall be *prima facie* evidence of the operation of a motor vehicle in a reckless manner by the operator thereof.

Prima facie evidence.

All charges for the violation of any of the provisions of this section, every notice to appear, and every complaint charging the violation of this section shall specify approximately the speed at which the defendant is alleged to have operated such vehicle, the maximum lawful speed at the point of operation and the reasonable and proper rate of speed applicable under the conditions existing at the point of operation.

Charges to specify approximate speed.

SEC. 9. Section 71 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-71; PPC 296-15) is hereby amended to read as follows:

Maximum
truck speed.

Section 71. It shall be unlawful to operate motor trucks having a gross weight, including load, exceeding ten thousand (10,000) pounds equipped with pneumatic rubber tires over or along any public highway of this state at a greater rate of speed than forty (40) miles per hour.

This section shall not be construed to increase the maximum speed allowed in any instance where a lower speed has been prescribed by law or competent authority.

SEC. 10. Section 72 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-72; PPC 296-17) is hereby amended to read as follows:

Combination
of vehicles.

Section 72. It shall be unlawful for any person to operate any combination of vehicles upon the public highways of this state at a rate of speed in excess of forty (40) miles per hour.

This section shall not be construed to increase the maximum speed allowed in any instance where a lower speed has been prescribed by law or competent authority.

SEC. 11. Section 73 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-73, PPC 296-19) is hereby amended to read as follows:

Vehicle with
solid rubber
or cushion
tires.

Section 73. It shall be unlawful to operate any vehicle equipped or partly equipped with solid rubber tires or hollow center cushion tires, or to operate any combination of vehicles any part of which is equipped or partly equipped with solid rubber tires or hollow center cushion tires, so long as solid rubber tires or hollow center cushion tires may be used under the provisions of this act, upon any public highway of this state at a greater rate of speed than ten (10) miles per hour.

SEC. 12. Section 86 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-86; PPC 295-23) is hereby amended to read as follows:

Section 86. Upon turning to the left at any intersection an operator shall be permitted to make a turn to the left without regard to the center of such intersection: *Provided*, All wheels of the vehicle shall pass to the right of the intersection entrance markers located on the public highways from or to which such vehicle is entering or leaving such intersection and both such intersection entrance markers are within the arc circumscribed by such left turn. In the event no intersection center marker or intersection entrance markers are installed at an intersection, left turn may be made as though intersection entrance markers are installed, as above set forth, and such turn made with reference to the points at such intersection where such intersection entrance markers would properly be located.

Left
turns.

SEC. 13. Section 98 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-98; PPC 295-47) is hereby amended to read as follows:

Section 98. Whenever, at any point, traffic is controlled by traffic control signals exhibiting the words "Go," "Caution," or "Stop" or exhibiting different colored lights, the following words or colors only shall be used and shall indicate as follows:

Traffic
lights.

Green or the word "Go," under which circumstances vehicles facing such signal may proceed through the section of traffic control or turn right or left unless a sign at such point indicates such turns to be prohibited. Upon such a signal exhibiting green or the word "Go," vehicles shall yield the right of way to other vehicles and to pedestrians lawfully in the intersection controlled area immediately prior to the time such signal is exhibited and shall permit them to proceed from the controlled area. It shall be unlawful for any pedestrian to

"Green" or
"Go."

enter or cross the roadway in that portion of the controlled area through which vehicles are directed to proceed by such exhibited green light or such word "Go";

"Red" or "Stop."

Red or the word "Stop," under which circumstances vehicles facing the signal shall stop before entering the nearest vehicle or pedestrian allocated portion of the controlled area or such other point as may be indicated by a clearly visible line or other marker and shall remain standing as long as such traffic control signal shall exhibit red or the word "Stop";

Pedestrians.

Pedestrians may cross the roadway within any marked or unmarked crosswalk within that portion of the controlled area at the entrance to which vehicles are directed to stop and remain standing by the exhibited red light or word "Stop";

"Red" or "Stop" with directional arrow.

Red or with word "Stop" and green directional arrow under which circumstances traffic facing the signal shall stop before entering the nearest pedestrian or vehicle allocated portion of the controlled area or such other point as may be indicated by clearly visible line or other marker and may proceed for the purpose only of making the movement indicated by the directional arrow and then only with the exercise of due caution and if the same can be done without interfering with other traffic or endangering pedestrians lawfully within the controlled area;

Red intermittent flashing light.

Red intermittent flashing light under which circumstances vehicles facing such light shall come to a complete stop before entering such controlled area;

"Yellow" or "Caution."

Yellow alone or with the word "Caution" or yellow intermittent flashing light with or without the word "Caution" under which control vehicles approaching shall be driven through such controlled area with extra caution. No traffic control signal or device shall be erected or maintained upon any

city street designated as forming a part of the route of a primary state highway or secondary state highway unless first approved by the Director of Highways.

All new traffic control signals and all replacements of existing traffic control signals directing traffic to alternately stop and go shall have three (3) signal faces facing each street, road or highway leading into the intersection with the red "Stop" signal located at the top of such signal, the amber "Caution" signal located in the center of such signal and the green "Go" signal located at the bottom of such signal.

Faces for lights.

SEC. 14. Section 105 of chapter 189 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6360-105; PPC 295-61) is hereby amended to read as follows:

Section 105. All primary and secondary state highways are hereby declared to be arterial highways as respects all other public highways or private ways except that the Director of Highways shall have the authority to designate any county road or city street as an arterial having preference over the traffic on the state highway if traffic conditions will be improved by such action.

Primary and secondary state highways.

Arterials.

Those city streets designated by the Director of Highways as forming a part of the routes of primary or secondary state highways through incorporated cities and towns are hereby declared to be arterial highways as respects all other city streets or private ways: *Provided*, The governing authorities of incorporated cities and towns may designate any city street as an arterial having preference over the traffic on the state highway if such change is first approved in writing by the Director of Highways: *Provided further*, Local authorities making such a change in arterial designation shall do so by proper ordinance or resolution and shall erect or cause

City streets forming route of state highways.

Arterials.

Local authorities.

Stop signs.

to be erected and maintained standard stop signs to accomplish this change in arterial designation.

Operator to stop.

The operator of any vehicle entering upon any arterial highway from any other public highway or private way shall come to a complete stop before entering such arterial highway when stop signs are erected as provided by law.

SEC. 15. Section 17, chapter 188, Laws of 1937, as amended by chapter 224, Laws of 1941 (sec. 6312-17, Rem. Rev. Stat.; sec. 290-5 PPC) is amended to read as follows:

License fees for gross weight of trucks, trailers, etc.

Section 17. In addition to other fees for the licensing of vehicles there shall be paid and collected annually for each motor truck, trailer and semi-trailer based upon the maximum gross weight thereof as set by the licensee in his application, or otherwise, the following fees:

Schedule of fees.

4,000 lbs. or more and less than 6,000 lbs....	\$2.00
6,000 lbs. or more and less than 8,000 lbs....	\$6.00
8,000 lbs. or more and less than 10,000 lbs....	\$10.00
10,000 lbs. or more and less than 12,000 lbs....	\$14.00
12,000 lbs. or more and less than 14,000 lbs....	\$18.00
14,000 lbs. or more and less than 16,000 lbs....	\$22.00
16,000 lbs. or more and less than 18,000 lbs....	\$32.00
18,000 lbs. or more and less than 20,000 lbs....	\$45.00
20,000 lbs. or more and less than 22,000 lbs....	\$83.00
22,000 lbs. or more and less than 24,000 lbs....	\$103.00
24,000 lbs. or more and less than 26,000 lbs....	\$128.00
26,000 lbs. or more and less than 28,000 lbs....	\$158.00
28,000 lbs. or more and less than 30,000 lbs....	\$190.00
30,000 lbs. or more and less than 32,000 lbs....	\$226.00
32,000 lbs. or more and less than 34,000 lbs....	\$278.00
34,000 lbs. or more and less than 36,000 lbs....	\$310.00

Diesel and other powered vehicles.

Provided, That as to any such motor truck propelled by steam, electricity, natural gas, Diesel oil, butane, or propane the foregoing schedule of fees shall be increased in every instance by twenty-five per cent (25%) thereof and paid in addition to any excise tax upon such substance other than motor vehicle fuel: *Provided further*, The maximum gross weight in case of any motor truck, trailer or semi-trailer shall be the scale weight of such motor truck, trailer

Scale weights.

or semi-trailer unladen, to which shall be added the maximum load to be carried thereon, as set by the licensee in his application or otherwise: *Provided further*, That in lieu of the additional fee provided in this section there shall be collected a fee of five dollars (\$5) on any motor truck, trailer or semi-trailer used only for the purpose of transporting any well drilling machine, air compressor, rock crusher, conveyor, hoist, wrecker, donkey engine, cook house, tool house, bunk house or similar machine or structure attached to or made a part of such motor truck, trailer or semi-trailer: *Provided further*, On motor trucks owned and operated by farmers in the transportation of their own farm, orchard, or dairy products from point of production to market, or in the infrequent or seasonal transportation by one farmer for another in his immediate neighborhood of products of the farm, orchard or dairy, or of supplies or commodities to be used on the farm, orchard or dairy, except motor trucks owned and operated by cooperative associations or cooperative marketing associations, shall be paid and collected annually the following fees in lieu of the fees first mentioned herein:

Fee for transporting certain machinery.

Farming vehicles.

4,000 lbs. or more and less than 6,000 lbs....	\$1.00
6,000 lbs. or more and less than 8,000 lbs....	\$3.00
8,000 lbs. or more and less than 10,000 lbs....	\$5.00
10,000 lbs. or more and less than 12,000 lbs....	\$7.00
12,000 lbs. or more and less than 14,000 lbs....	\$9.00
14,000 lbs. or more and less than 16,000 lbs....	\$11.00
16,000 lbs. or more and less than 18,000 lbs....	\$16.00
18,000 lbs. or more and less than 20,000 lbs....	\$22.50
20,000 lbs. or more and less than 22,000 lbs....	\$83.00
22,000 lbs. or more and less than 24,000 lbs....	\$103.00
24,000 lbs. or more and less than 26,000 lbs....	\$128.00
26,000 lbs. or more and less than 28,000 lbs....	\$158.00
28,000 lbs. or more and less than 30,000 lbs....	\$190.00
30,000 lbs. or more and less than 32,000 lbs....	\$226.00
32,000 lbs. or more and less than 34,000 lbs....	\$278.00
34,000 lbs. or more and less than 36,000 lbs....	\$310.00

Schedule of fees.

When any vehicle subject to license is to be moved upon the public highways of this state from

Special
permits.

one point to another, the Director of Licenses is authorized to issue a special permit therefor upon an application to him presented in such form as shall be approved by the Director of Licenses and upon

Fee.

payment therefor of a fee of five dollars (\$5): *Provided*, That such permit shall be for the transit of the vehicle only and that the vehicle shall not at

Transit only.

the time of such transit be used for the transportation of any persons or property whatsoever for compensation or otherwise, and the payment of such fee shall be for one transit only between the points of origin and destination set forth in such application: *Provided further*, (a) That when such

Permit for
one load.

vehicle is to be moved from one point in this state to another and when the owner of such vehicle desires to carry a load of passengers and/or com-

Fee.

modities, he may obtain a one transit permit upon the payment to the Director of Licenses of a fee of ten dollars (\$10), and (b) For each vehicle used

Vehicles for
transporting
shows, cir-
cuses, etc.

exclusively in the transportation of circus, carnival and show equipment and in the transportation of supplies used in conjunction therewith, there shall, in addition to other fees provided for the licensing

Fee.

of vehicles, be charged an annual capacity fee in the amount of ten dollars (\$10).

Effective
date.

This section shall be effective December 1, 1947 and shall apply to all motor trucks, trailers and semi-trailers licensed for the year 1948 and subsequent years.

Passed the Senate March 3, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 201.

[S. B. 86.]

HIGHWAYS—APPROACHES.

AN ACT relating to construction and maintenance of approaches and other facilities and appurtenances upon state highway rights of way; empowering the Director of Highways to make rules and regulations therefor; and prescribing penalties for violation thereof.

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

SECTION 1. No person, firm or corporation shall hereafter be permitted to build or construct on state highway rights of way any approach road or any other facility, thing or appurtenance not heretofore permitted by law, without first obtaining written permission from the Director of Highways of this state.

Permit of
Director
required.

SEC. 2. The Director of Highways is hereby authorized and empowered at his discretion to adopt reasonable rules and regulations and issue permits, not inconsistent with previous laws in effect, for the construction of any approach road, facility, thing or appurtenance, upon state highway rights of way. Such rules and regulations and such permits may include, but need not be limited to include, provisions for construction of culverts under approaches, requirements as to depth of fills over culverts, and requirements for such drainage facilities in so far as the said director may deem any of such provisions of requirements to be necessary, and any such permit issued may contain such terms and conditions as may be prescribed. All such construction shall be under the supervision of the Director of Highways and at the expense of the applicant. After completion of the construction of the particular approach road, facility, thing or appurtenance, the same shall be maintained at the expense of the applicant and in accordance with the directions of the Director of Highways.

Rules and
regulations.

Terms and
conditions.

Expense.

Maintenance.

Failure to
comply with
permit.

Notice to
permittee.

SEC. 3. Upon failure of the applicant to construct or maintain the particular approach road, facility, thing or appurtenance, in accordance with the conditions of the permit and in accordance with the rules and regulations of the said Director therefor, the Director of Highways may, after the expiration of thirty (30) days following transmittal of a written notice to the applicant, remove all installations upon the right of way at the expense of the applicant, which expense may be recovered from the applicant by the Director of Highways for the state in any court of competent jurisdiction.

Passed the Senate March 9, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 202.

[S. B. 98.]

LIMITED ACCESS HIGHWAY FACILITIES.

AN ACT providing for the planning, designation, use, regulation, alteration, construction, improvement, maintenance and vacation of limited access highway facilities; the acquisition of lands therefor; the restriction of intersections and control of approaches; the establishment of local service roads; the prohibition of certain acts pertaining to limited access highway facilities and provisions for penalties therefor; and declaring an emergency.

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

Definition.

"Limited
access
facility."

SECTION 1. For the purposes of this act, a "limited access facility" is defined as a highway or street especially designed or designated for through traffic, and over, from or to which owners or occupants of abutting land, or other persons, have no right or easement, or only a limited right or easement of access, light, air or view by reason of the fact that their property abuts upon such limited access

facility, or for any other reason to accomplish the purpose of a limited access facility. Such highways or streets may be parkways, from which trucks, busses, and other commercial vehicles shall be excluded; or they may be freeways open to use by all customary forms of street and highway traffic. "New locations" is defined as a new highway or new street and for the purposes of this act shall not apply to existing highways and streets.

"Parkways."

"Freeways."

"New locations."

SEC. 2. The highway authorities of the state, counties and incorporated cities and towns, acting alone or in cooperation with each other, or with any Federal, state or local agency, or any other state having authority to participate in the construction and maintenance of highways, are hereby authorized to plan, designate, establish, regulate, vacate, alter, improve, construct, maintain and provide limited access facilities on new locations for public use wherever such authority or authorities are of the opinion that traffic conditions, present or future, will justify such special facilities: *Provided*, That within incorporated cities and towns and upon county roads within counties, such authority shall be subject to the consent of such local authorities as may be provided by law. Said highway authorities of the state, counties, and incorporated cities and towns, in addition to the specific powers granted in this act, shall also have, and may exercise, relative to limited access facilities, any and all additional authority, now or hereafter vested in them relative to highways or streets within their respective jurisdictions; said units may regulate, restrict or prohibit the use of such limited access facilities by the various classes of vehicles or traffic in a manner consistent with section 1 of this act: *Provided further*, That whenever said highway authorities designate and establish a limited access highway and such highway connects with an existing highway, then

Authority to establish, construct, etc.

Local authorities may consent.

May regulate use.

Existing highway excluded.

such existing highway under no consideration shall be determined a "new location."

Design.

SEC. 3. The highway authorities of the state, counties and incorporated cities and towns are authorized to so design any limited access facility and to so regulate, restrict or prohibit access as to best serve the traffic for which such facility is intended; and the determination of design by such authority shall be conclusive and final. In this connection such highway authorities are authorized to divide and separate any limited access facility into separate roadways by the construction of raised curbings, central dividing sections, or other physical separations, or by designating such separate roadways by signs, markers, stripes and the proper lane for such traffic by appropriate signs, markers, stripes and other devices. No person shall have any right of ingress or egress to, from or across limited access facilities to or from abutting lands, except at such designated points at which access may be permitted by said highway authorities upon such terms and conditions as may be specified from time to time.

Construction.

Signs.

Ingress and egress.

Access limited.

Rights of way.

SEC. 4. For the purpose of this act the highway authorities of the state, counties and incorporated cities and towns, respectively, or in cooperation one with the other, may acquire private or public property and property rights for limited access facilities and service roads, including rights of access, air, view and light, by gift, devise, purchase, or condemnation, in the same manner as such authorities are now or hereafter may be authorized by law to acquire property or property rights in connection with highways and streets within their respective jurisdictions. All property rights acquired under the provisions of this act shall be in fee simple. In the acquisition of property or property rights for any limited access facility or portion thereof, or for any service road in connection therewith, the state, county, incorporated city

Rights acquired.

and town authority may, in its discretion, acquire an entire lot, block or tract of land, if by so doing the interest of the public will be best served, even though said entire lot, block or tract is not immediately needed for the limited access facility.

Acquisition of entire tract.

SEC. 5. Court proceedings necessary to acquire property or property rights for purposes of this act shall take precedence over all other causes not involving the public interest in all Courts to the end that the provision for limited access facilities may be expedited.

Court proceedings take precedence.

SEC. 6. The highway authority of the state, county, incorporated city and town may designate and establish limited access highways only on new locations. Any such designation or establishment shall, by the respective authorities making such designation or establishment, be entered upon the records or minutes of such authorities in the customary manner for the keeping of such records or minutes. The state, counties and incorporated cities and towns shall have authority to provide for the elimination of sections at grade of limited access facilities with existing state or county roads, and with city or town streets, by grade separation or service road, or by closing off such roads and streets at the right of way boundary line of such limited access facility; and after the establishment of any such facility, no highway or street which is not part of said facility, shall intersect the same at grade. No city or town street, county road or state highway, or any other public or private way, shall be opened into or connect with any such limited access facility without the consent and previous approval of the highway authority for the state, county, incorporated city or town having jurisdiction over such limited access facility. Such consent and approval shall be given only if the public interest shall be served thereby.

Limited to new locations.

To be entered on minutes or records.

Grade separations and service roads.

Intersections.

Consent necessary for intersection with limited access facility.

Right of access must be acquired.

SEC. 7. No public highway shall be constructed as a limited access facility except upon the waiver, purchase or condemnation of the abutting owner's right of access thereto as herein provided.

Agreements between authorities.

SEC. 8. The highway authorities of the state, counties, incorporated cities and towns are authorized to enter into agreements with each other, or with the Federal Government, respecting the financing, planning, establishment, improvement, construction, maintenance, use, regulation or vacation of limited access facilities in their respective jurisdictions to facilitate the purposes of this act.

Local service roads.

SEC. 9. In connection with the development of any limited access facility the state, county or incorporated city or town highway authorities are authorized to plan, designate, establish, use, regulate, alter, improve, construct, maintain and vacate local service roads and streets, or to designate as local service roads and streets any existing road or street, and to exercise jurisdiction over service roads in the same manner as is authorized for limited access facilities under the terms of this act. If, in their opinion such local service roads and streets are necessary or desirable, such local service roads or streets shall be separated from the limited access facility by such means or devices designated as necessary or desirable by the proper authority.

To be signed and marked.

SEC. 10. After the opening of any new and additional limited access highway facility, or after the designation and establishment of any existing street or highway, as included the particular highways and streets or those portions thereof designated and established, shall be physically marked and indicated as follows: By the erection and maintenance of such signs as in the opinion of the respective authorities may be deemed proper, indicating to drivers of vehicles that they are entering a limited access area and that they are leaving a limited access area.

SEC. 11. After the opening of any new and additional limited access highway facility, or after the designation and establishment of any existing street or highway, as included it shall be unlawful for any person (1) to drive a vehicle over, upon, or across any curb, central dividing section or other separation or dividing line on limited access facilities; (2) to make a left turn or a semicircular or U-turn except through an opening provided for that purpose in the dividing curb section, separation or line; (3) to drive any vehicle except in the proper lane provided for that purpose and in the proper direction and to the right of the central dividing curb, separation section, or line; (4) to drive any vehicle into the limited access facility from a local service road except through an opening provided for that purpose in the dividing curb, or dividing section or dividing line which separates such service road from the limited access facility proper. Any person who violates any of the provisions of this section shall be guilty of a misdemeanor and upon arrest and conviction therefor, shall be punished by a fine of not less than five dollars (\$5) nor more than one hundred dollars (\$100), or by imprisonment in the city or county jail for not less than five (5) days nor more than ninety (90) days, or by both such fine and imprisonment.

Unlawful
acts.

Violations.

Punishment.

SEC. 12. If any section, provision, or clause of this act shall be declared invalid or inapplicable to any person or circumstance, such invalidity or inapplicability shall not be construed to affect the portions not so held or persons or circumstances not so affected. All laws or portions of laws inconsistent with the policy and provisions of this act are hereby repealed to the extent of such inconsistency in its application to limited access facilities provided for in this act.

Saving
clause.

SEC. 13. This act is necessary for the immediate preservation of the public peace, health and safety and for the support of the state government and its

Effective
immediately.

existing public institutions and shall take effect immediately.

Passed the Senate March 9, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 203.

[S. B. 149.]

REAL ESTATE BROKERS AND SALESMEN.

AN ACT relating to real estate brokers and real estate salesmen; and amending section 11, chapter 252, Laws of 1941 as last amended by section 3, chapter 111, Laws of 1945; sections 12 and 16, chapter 252, Laws of 1941 as amended by sections 4 and 6, chapter 111, Laws of 1945; sections 18 and 19, chapter 252, Laws of 1941 as last amended by sections 7 and 8, chapter 111, Laws of 1945; section 22, chapter 252, Laws of 1941; section 26, chapter 252, Laws of 1941 as amended by section 7, chapter 118, Laws of 1943; section 27, chapter 252, Laws of 1941 (secs. 8340-34, -35, -39, -41, -42, -45, -49, and -50, Rem. Rev. Stat.; secs. 836-21, -23, -31, -35, -37, -43, -51, and -53, PPC).

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

SECTION 1. Section 11, chapter 252, Laws of 1941 as last amended by section 3, chapter 111, Laws of 1945 (sec. 8340-34, Rem. Rev. Stat.; sec. 836-21, PPC) is amended to read as follows:

Application.

Section 11. Any person desiring to carry on the business or act in the capacity of a real estate broker or real estate salesman shall make application to the Director for license therefor upon a form to be prescribed and furnished by the Director giving his full name and business address. With this application to the Director, the applicant shall:

Broker.

Salesman.

Fee.

(a) Pay a license fee of five dollars (\$5) to the State Treasurer: *Provided, however,* That if an application for renewal license is not received by the Director on or before January 1st of each year, the license fee for a renewal license shall be ten dollars

Renewal.

(§10), if such application is received by the Director by December 31st of the current license year: *Provided further*, That acceptance by the Director of any application for renewal after January 1st shall not be construed as a waiver of any right created by or duties, obligations, requirements or penalties imposed under this act. The State Treasurer shall upon receipt of any money from the Director transmit his duplicate receipt therefor to the Director;

Acceptance
by Director
not a waiver.

(b) Deliver to the Director a bond to the State of Washington in a form approved by the Director in the sum of one thousand dollars (\$1,000) executed by a surety company duly authorized to do business in this state, or by two good and sufficient sureties, not connected in business with the applicant, and to be approved by the Director guaranteeing the faithful accounting of all funds entrusted to such real estate broker or real estate salesman;

Bond.

(c) A recommendation, signed by at least ten (10) freeholders of the county in which the applicant intends to carry on his principal business as a real estate broker or real estate salesman, certifying that they are each acquainted with the applicant and that they each believe the applicant to be honest, truthful, and of good moral character: *Provided further*, That the Director may make such additional inquiry as he may deem advisable;

Recommendation.

(d) If the applicant is a corporation, a list of its officers and directors and their addresses, and if the applicant is a copartnership, or unincorporated association, then a list of the members of said copartnership or association and their addresses; and

Officers,
directors or
members of
firm.

(e) If the applicant is a non-resident of this state, he shall file an irrevocable consent that suits and actions may be commenced against him in any county of this state in which the plaintiff having a cause of action or suit against him may reside, and that service of any process or pleadings in said action, or suit may be made by delivering same to the Director.

Non-resident.

Consent for
suit.

Service
of process.

Certified
copy of
resolution
authorizing
consent.

Director
may require
other proof.

Expiration
date of
licenses.

Extension of
temporary
license.

Such service, when so made, shall be held in all courts as valid and binding upon the applicant who files such irrevocable consent. Said irrevocable consent shall be in a form prescribed by the Director, shall be acknowledged before a notary public and, if the applicant be a corporation, said consent shall be accompanied by a duly certified copy of the resolutions of the Board of Directors of such corporation authorizing the execution of the same. Any process or pleading herein mentioned and so served upon the Director shall be served 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 of the applicant named in his application and service shall be deemed to have been made upon said applicant on the third (3rd) day following the deposit in the mail of said copy of said process or pleadings.

The Director may require such other proof as he may deem advisable of the honesty, truthfulness and good reputation of any applicant for a license, or of the officers of a corporation or the members of a co-partnership or unincorporated association making such application before issuing a license: *Provided*, That if a real estate broker or real estate salesman has once been licensed under this act, upon his application for a renewal of his license for the ensuing year, the Director may, in his discretion, waive the filing of new recommendations or references. Every license issued under the provisions of this act shall expire on the thirty-first day of December of the year of its issue: *Provided, however*, That a temporary salesman's license issued during the month of December may be extended beyond December 31 and until such time as the results of the next examination shall be available, which in no event shall be longer than six (6) months from the date upon which the temporary license was originally issued, without the payment of an additional fee.

SEC. 2. Section 12, chapter 252, Laws of 1941 as amended by section 4, chapter 111, Laws of 1945 (sec. 8340-35, Rem. Rev. Stat.; sec. 836-23, PPC) is amended to read as follows:

Section 12. In addition to proof of honesty, truthfulness and good moral character of any applicant for a license, the Director shall provide each original applicant for license with a manual containing a sample list of questions and answers pertaining to the real estate law and the operation of the business and shall ascertain by written examination conducted as provided in this act that such applicant and in case of a corporation, copartnership or unincorporated association that each officer, agent or member thereof whom it proposes to act as a licensee, has appropriate knowledge of the English language, including reading, writing, spelling, elementary arithmetic, an elementary understanding of the rudimentary principles of real estate conveyancing, the general purposes and general legal effect of deeds, mortgages, land contracts of sale, exchanges, rental and option agreements and leases, of the elementary principles of land economics and appraisals, and an elementary understanding of the obligations between principal and agent, of the principles of real estate practice and the canons of business ethics pertaining thereto, as well as of the provisions of this act: *Provided*, That the Director, may in his discretion waive the examination of any applicant for a license who held unrevoked or unsuspended on December 31st of the preceding year a license as a broker or salesman: *Provided further*, That the Director may in his discretion waive the requirement of examination in the case of an application from a person who holds a valid and subsisting license from a state having requirements similar to those of this state, and under the laws of which, similar recognition and courtesies are extended to licensees of this state. The Director shall, from time to time, fix such

Manual on
real estate
law and
business.

Written
examination.

Educational
require-
ments.

Director
may waive
examination.

Temporary
license.

times and places for holding examination of applicants for licenses as may be necessary and convenient, and shall prescribe the method of conducting the same. 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 section, which shall be valid only until such time as the results of the next examination for licenses shall be available, which in no event shall be longer than six (6) months: *Provided, however,* That 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 of the next examination become available and shall not be renewable beyond that time.

SEC. 3. Section 16, chapter 252, Laws of 1941 as amended by section 6, chapter 111, Laws of 1945 (sec. 8340-39, Rem. Rev. Stat.; sec. 836-31, PPC) is amended to read as follows:

Fee for
examination.

Salesman.
Broker.

Section 16. Each applicant for examination to become a real estate salesman shall pay a fee of fifteen dollars (\$15) and each applicant for examination to become a real estate broker shall pay a fee of twenty-five dollars (\$25), which fee shall accompany the applications and such fee, less a five dollar service charge shall be refunded upon presentation, within one month after the examination for which the application was made, of evidence that the applicant has not acted and/or does not intend to act as a real estate broker: *Provided, however,* That no additional examination fees shall be required until an applicant for a broker's license, has either taken an examination and failed, or failed to appear for two (2) successive examinations.

SEC. 4. Section 18, chapter 252, Laws of 1941 as last amended by section 7, chapter 111, Laws of 1945 (sec. 8340-41, Rem. Rev. Stat.; sec. 836-35, PPC) is amended to read as follows:

Section 18. Each person licensed as a real estate broker under the provisions of this act shall be required to have and maintain a definite place of business in this state, which shall serve as his office for the transaction of business. The license of said real estate broker shall be prominently displayed in his said office. The said office shall be located in a building accessible to the public: *Provided*, That any office so established should comply with the zoning requirements of city or county zoning ordinances, if any. Any real estate broker may apply to the Director for authority to establish one or more branch offices, whereupon the Director, upon the payment of five dollars (\$5) for each branch office, shall issue to said broker a duplicate license for each of such branch offices, showing location of his main office and the branch, which duplicate license shall be prominently displayed in the office for which it is issued: *Provided*, That the branch office or offices shall be conducted under the same name as the main office of said broker and that each such branch office shall be required to have at least one licensed broker authorized by the designated broker to perform the duties and functions of a broker as described under the act. Notice in writing shall be given the Director of any change by the real estate broker of his business location, or of any branch office, whereupon the Director, upon surrender of the original license for the business, or duplicate license for the branch office, the location of which is changed, shall issue for a fee of one dollar (\$1), a new license or duplicate license, as the case may be, covering such new location.

Place of business or office.

Display of license.

Branch offices.

Fee.

Display of duplicate license.

Notice of change of location.

New license.

Fee.

Every person licensed as a real estate broker shall keep adequate records of all real estate transactions handled by or through said broker, which records shall include, but not necessarily be limited to, copy of earnest money receipt and itemization of broker's receipts and disbursements in connection

Keeping of records.

with such transaction or transactions, which records shall at all times be open to inspection by the Director or his duly authorized representatives. Any violation by a real estate broker of any of the provisions of this section shall be grounds for revocation of all of the licenses issued to such broker.

Violation is ground for revocation.

SEC. 5. Section 19, chapter 252, Laws of 1941 as last amended by section 8, chapter 111, Laws of 1945 (sec. 8340-42, Rem. Rev. Stat.; sec. 836-37, PPC) is amended to read as follows:

Investigation by Director.

Section 19. 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 real estate broker or real estate salesman regardless of whether such transaction be for his own account or in his capacity as a broker and shall have the power to temporarily suspend or permanently revoke any license issued within the provisions of this act at time when the holder thereof is guilty of:

Suspension or revocation.

Grounds.

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

Obtaining license through fraud, etc.

(b) Violating any of the provisions of this act or any lawful rules or regulations made by the Director pursuant thereto;

Violating laws or rules and regulations.

Crimes.

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

False statements, description, promises, etc.

(d) 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 to his damage or injury, where such statements, descriptions or promises purport to be made, or to be performed by, either the licensee or his principal, if the licensee then knew, or by the exercise of reason-

able care and inquiry, could have known, of the falsity of said statements, descriptions or promises;

(e) 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 shall act to his injury or damage;

Committing fraudulent or unlawful acts.

(f) 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;

Unlicensed salesmen.

(g) Converting 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 any other person, when delivered to him in trust or on condition, before the happening of the condition or in violation of the trust; and a failure to return such money, contract, deed, note, mortgage, or abstract or other evidence of title within thirty days after the owner thereof shall be entitled thereto, and shall make demand therefor, shall be prima facie evidence of such conversion;

Breaching trust relationship.

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

Failure to produce records for Director.

(i) Continuing to sell any real estate, or operating according to a plan of selling, by reason of which the interests of the public are endangered, but only after the Director has, by order in writing, enumerated objections thereto;

Violations of order of Director.

(j) Committing any act of the same or different character from that hereinbefore enumerated which constitutes fraudulent or dishonest dealing;

Other fraud or dishonesty.

(k) Advertising in any manner without affixing the name of said broker to said advertisement;

Advertising without naming broker.

Accepting other than cash without owner's consent.

(l) Accepting other than cash or its equivalent as earnest money unless such fact is communicated to the owner prior to his acceptance of the offer to purchase;

Acting as agent for two parties without disclosing such fact.

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

Undisclosed commission.

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

Appraisals contingent on value.

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

Appraising without disclosing personal interest.

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

Misrepresentation as to membership in associations.

(q) Misrepresentation of their membership in any state or national real estate association.

SEC. 6. Section 22, chapter 252, Laws of 1941 (sec. 8340-45, Rem. Rev. Stat.; sec. 836-43, PPC) is amended to read as follows:

Director may lodge complaint.

Section 22. The Director may prefer a complaint for violation of any section of this act before any Court of competent jurisdiction. It shall be the duty of the Prosecuting Attorney of each county in this state to prosecute all violations of the aforesaid provisions of this act in their respective counties in which such violations occur and in the event that the Prosecuting Attorney fails to act the Director may request the Attorney General to take action in lieu of the Prosecuting Attorney.

Prosecuting Attorney.

Attorney General.

SEC. 7. Section 26, chapter 252, Laws of 1941, as amended by section 7, chapter 118, Laws of 1943 (sec. 8340-49, Rem. Rev. Stat.; sec. 836-51, PPC) is amended to read as follows:

Section 26. The license of any real estate salesman shall be retained at all times by his designated broker and when any real estate salesman shall cease to represent his broker his license shall cease to be in force. Notice of such termination shall be given by the broker to the Director and such notice shall be accompanied by and include the surrender of the salesman's license. Failure of any broker to promptly notify the Director of such salesman's termination after demand by the affected salesman shall work a forfeiture of the broker's license. Upon application of the salesman and the payment of one dollar (\$1), the Director shall issue a new license for the unexpired term, if such salesman is otherwise entitled thereto: *Provided, however,* That when any real estate salesman's services shall be terminated by his broker for a violation of any of the provisions of section 19 hereof, a written statement of the facts in reference thereto shall be filed forthwith with the Director by the broker.

License of salesman to be retained by broker.

Notice of termination.

Failure to notify.

New license for salesman.

Fee.

Notification of salesman's violations.

SEC. 8. Section 27, chapter 252, Laws of 1941 (sec. 8340-50, Rem. Rev. Stat.; sec. 836-53, PPC) is amended to read as follows:

Section 27. The Director shall annually publish a list of names and addresses of all licensed brokers and salesmen under the provisions of this act, together with a copy of this act not later than March 15th, and a supplementary list of new brokers and salesmen not later than September 15th, and such other information relative to the enforcement of the provisions of this act as he may deem of interest to the public and he shall mail one (1) to each licensed broker. The Director may, if it seems advisable, recommend standard forms for use by real estate brokers and include them in the manual or directory.

Publication of list of licensed salesmen and brokers.

Standard forms.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 204.

[S. B. 206.]

STATE OWNED ARMORIES.

AN ACT relating to the use of state owned armories and providing for rentals thereof and disposition of revenue therefrom; and amending section 93, chapter 130, Laws of 1943.

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

SECTION 1. Section 93, chapter 130, Laws of 1943 (sec. 8603-93, Rem. Rev. Stat.) is amended to read as follows:

Military purposes.

Veterans.

Transient lodging of service men.

Use of rifle range.

Casual civic purposes.

Rental charges.

Preferential rights for school children.

Section 93. State owned armories shall be used for strictly military purposes: *Provided*, That one room shall be set aside for the exclusive use of bona fide veteran organizations subject to the direction of the officer in charge thereof, together with necessary furniture, heat, light and janitor service, and the members of such veteran organizations and their auxiliaries shall have access to said room and the use thereof at all times: *Provided, also*, The Adjutant General may, during an emergency, permit transient lodging of service men in armories: *Provided further*, That any civilian rifle club affiliated with the National Rifle Association of America shall be permitted to use the rifle range in such armories at least one night each week under regulations prescribed by the Adjutant General: *Provided, also*, That state owned armories shall be available, at the discretion of the Adjutant General, for use for casual civic purposes, amateur and professional sports and theatricals upon payment of fixed rental charges and compliance with regulations of the State Military Department: *Provided, however*, That children attending primary and high schools shall have a preferential right to use said armories. The Adjutant General shall cause to be prepared a schedule of rental charges for each state owned armory based on predetermined operating costs

which may not be waived except for activities of units of the organized militia, and no state owned armory shall be rented for a term longer than that which intervenes between regularly authorized formations of units of the organized militia using such armory. The revenue derived from armory rentals shall constitute a special fund from which the State Military Department shall pay, or cause to be paid, expenses incident to such use or maintenance and operation of armories. Revenues.

Passed the Senate March 9, 1947.

Passed the House March 6, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 205.

[S. B. 228.]

STATE LANDS—ASSESSMENTS.

AN ACT relating to local improvement district assessments against state lands and the manner of payment thereof; making an appropriation; and declaring an emergency.

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

SECTION 1. When the Commissioner of Public Lands or the Director of Finance, Budget and Business is satisfied that a local improvement district has complied with all the conditions precedent to the levy of assessments for district purposes, pursuant to chapter 164, Laws of 1919 as amended, against state lands under his jurisdiction, he shall certify such assessments to the State Auditor for immediate payment, and the Auditor shall pay them, together with any interest thereon, from any funds appropriated therefor. In all other cases the Commissioner or Director shall certify such assessments to the Auditor, who shall certify them to the Legislature for payment, as provided in said chapter 164, as amended. Payment on certification.

Appropriation.

SEC. 2. There is hereby appropriated to the State Auditor from the General Fund, the sum of fifty thousand dollars (\$50,000) or so much thereof as is necessary to carry out the provisions of this act.

Effective immediately.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate February 28, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 206.

[S. B. 241.]

PUBLIC HIGHWAYS.

AN ACT relating to public highways and amending sections 56, 60 and 80 of chapter 53 of the Laws of 1937.

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

SECTION 1. Section 56 of chapter 53 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6400-56; PPC 631-17) is hereby amended to read as follows:

Signs.

Section 56. Directional signs showing distance and direction to points of importance may be placed

Directional.

at all crossings and intersections of primary and secondary state highways. The Director of Highways may place such directional signs as he deems necessary upon any city streets designated by him as forming a part of the route of any primary or

Caution or warning.

secondary state highway through any incorporated city or town. Caution and warning signs or signals shall be placed wherever practicable on all primary and secondary state highways in a manner provided

Stop.

by law. Stop signs shall be placed as follows: Upon all county roads at the point of intersection with any arterial primary or secondary state highway,

which signs shall be erected and maintained by the county having jurisdiction; upon all primary and secondary state highways at the point of intersection with any county road which has been designated by the Director of Highways as an arterial having preference over the traffic on the state highway, which signs shall be erected and maintained by the Director of Highways; upon at least one state highway at the intersection of two state highways.

SEC. 2. Section 60 of chapter 53 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6400-60; PPC 631-25) is hereby amended to read as follows:

Section 60. It shall be unlawful for any person, firm, corporation, association or organization to display, erect, or locate any signs, signals, sign boards, guide posts or other traffic devices upon the right of way of primary or secondary state highways of this state. Any sign, signal, sign board, guide post or other traffic device so erected or maintained shall be unlawful and constitute a public nuisance and may be removed by the Director of Highways or his duly authorized agent and such removal shall not be a breach of the peace.

Unlawful
signs,
signals, etc.

Public
nuisance.

SEC. 3. Section 80 of chapter 53 of the Laws of 1937 (Rem. Rev. Stat. Supp. 6400-80; PPC 628-31) is hereby amended to read as follows:

Section 80. (a) Whenever there shall exist upon the right of way of any primary state highway or off the right of way thereof in sufficiently close proximity thereto, any structure, device or natural or artificial thing which threatens or endangers such primary state highway or portion thereof, or which tends to endanger persons traveling thereon, or obstructs or tends to obstruct or constitutes a hazard to vehicles or persons traveling thereon, such structure, device or natural or artificial thing is hereby declared to be a public nuisance and the Director of Highways is empowered to take such action as may

Hazard
close to
highway.

Public
nuisance.

Abatement.

be necessary to effect the abatement of the same. Any such structure, device or natural or artificial thing considered by the Director of Highways to be immediately or eminently dangerous to travel upon a primary state highway may be forthwith removed and such removal shall in no event constitute a breach of the peace or trespass.

Removal.

Logs on highway right of way.

(b) Logs dumped on any state highway roadway or in any state highway drainage ditch due to equipment failure or for any other reason shall be removed immediately. Logs remaining within the state highway right of way for a period of thirty (30) days shall be confiscated and removed or disposed of as directed by the Director of Highways.

Passed the Senate February 25, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 207.

[S. B. 258.]

CONVEYANCE OF CERTAIN LANDS.

AN ACT authorizing the conveyance of certain lands in Kitsap County to the City of Bremerton and County of Kitsap and repealing chapter 86, Laws of 1931.

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

Authoriza-
tion.

SECTION 1. The Commissioner of Public Lands of the State of Washington is hereby authorized and directed to certify in the manner now provided by law to the Governor for deed to the City of Bremerton and the County of Kitsap of all of the following described lands in Kitsap County, to-wit:

Description.

Tracts 1 and 2 of vacated state oyster reserve, Plat No. 87, located in front of Sections 32 and 33, Township 24 North, Range 1 East W. M., subject to right of way of the United States Naval Stowage and trans-shipment facilities, Bremerton Branch,

also subject to right of way of State Highway No. 21, Kitsap County, State of Washington, subject, however, to the rights of the holders of existing leases covering portions of the above described land.

SEC. 2. The Governor is hereby authorized and directed to execute, and the Secretary of State to attest, a deed, conveying said lands to the City of Bremerton and the County of Kitsap. Deed.

SEC. 3. Chapter 86, Laws of 1931, is hereby repealed. Repeal.

Passed the Senate March 2, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 208.

[S. B. 283.]

EXCISE TAX—SALE OF FUEL OIL.

AN ACT relating to excise tax upon the business of selling fuel oil and repealing sections 78, 79, 80, 81, and 81a, chapter 180, Laws of 1935 as amended by chapter 116, Laws of 1937 (secs. 8370-78, -79, -80, -81, and -81a, Rem. Rev. Stat.; secs. 971-1 to 971-9, incl., PPC).

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

SECTION 1. Sections 78, 79, 80, 81, and 81a, chapter 180, Laws of 1935, as amended by chapter 116, Laws of 1937 (secs. 8370-78, -79, -80, -81, and -81a, Rem. Rev. Stat.; secs. 971-1 to 971-9, incl., PPC) are hereby repealed. Repeal.

Passed the Senate March 4, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 209.

[S. B. 328.]

ARBITRATION OF CONTROVERSIES.

AN ACT relating to arbitration of controversies; providing a procedure for the same; authorizing settlement of controversies between employers and employees in the manner provided in collective bargaining agreements; and amending section 1, chapter 138, Laws of 1943 (sec. 430-1, Rem. Rev. Stat.; sec. 8-31, PPC).

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

SECTION 1. Section 1, chapter 138, Laws of 1943 (sec. 430-1, Rem. Rev. Stat.; sec. 8-31, PPC) is amended to read as follows:

Agreement in writing.

Section 1. Two or more parties may agree in writing to submit to arbitration, in conformity with the provisions of this act, any controversy which may be the subject of an action existing between them at the time of the agreement to submit, or they may include in a written agreement a provision to settle by arbitration any controversy thereafter arising between them out of or in relation to such agreement. Such agreement shall be valid, enforceable and irrevocable save upon such grounds as exist in law or equity for the revocation of any agreement.

Exceptions.

The provisions of this act shall not apply to any arbitration agreement between employers and employees or between employers and associations of employees, and as to any such agreement the parties thereto may provide for any method and procedure for the settlement of existing or future disputes and controversies, and such procedure shall be valid, enforceable and irrevocable save upon such grounds as exist in law or equity for the revocation of any agreement.

Passed the Senate March 2, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 210.

[S. B. 384.]

LAKES—WATER LEVEL.

AN ACT relating to water and water rights and the establishment of the water level of lakes and amending section 4, chapter 107, Laws of 1939 (sec. 7388-3, Rem. Rev. Stat.; sec. 993-115, PPC).

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

SECTION 1. Section 4, chapter 107, Laws of 1939 (sec. 7388-3, Rem. Rev. Stat.; sec. 993-115, PPC) is amended to read as follows:

Section 4. The petition to the Superior Court shall be entitled "In the Matter of fixing the level of Lake in County, Washington," and shall be filed with the Clerk of the Court, and a copy thereof, together with a copy of the order fixing the time for hearing said petition, shall be served upon each owner of property abutting on said lake not less than ten (10) days prior to the date of such hearing. Like copies shall also be served upon the Director of the Department of Fisheries, the Director of the Department of Game and the Supervisor of Hydraulics, all of the State of Washington. The copy of said petition and the copy of the order fixing time for the hearing thereof shall be served in manner as provided by law, for the service of summons in civil actions, or in such other manner as may be prescribed by order of said court.

Form.

Filing.

Service of petition and order fixing time for hearing.

Passed the Senate March 4, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 211.

[S. B. 53.]

INSTITUTIONS—EMPLOYMENT OF TEACHERS.

AN ACT relating to education, authorizing certain institutions to employ instructors, and making such instructors eligible to membership in the State Teachers' Retirement Fund.

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

Employment by penal and reformatory institutions.

SECTION 1. The several penal and reformatory institutions of the state may employ certificated teachers to carry on their educational work and all such teachers so employed shall be eligible to membership in the State Teachers' Retirement Fund.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 212.

[S. B. 210.] .

SEWER DISTRICTS.

AN ACT relating to Sewer Districts; authorizing cities, towns or sewer districts to contract with other cities, towns or sewer districts for the disposal of sewage; and amending sections 8 and 11, chapter 210, Laws of 1941 (secs. 9425-17, -20, Rem. Rev. Stat.; secs. 913-15, -21, PPC), as amended by sections 7 and 10, chapter 140, Laws of 1945, pages 380 and 383 (secs. 9425-17, -20, Rem. Rev. Stat.; secs. 913-15, -21, PPC); section 11, chapter 193, Laws of 1941 (sec. 9354-14, Rem. Rev. Stat.; sec. 421-21, PPC).

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

SECTION 1. Section 8, chapter 210, Laws of 1941, as amended by section 7, chapter 140, Laws of 1945 (sec. 9425-17, Rem. Rev. Stat.; sec. 913-15, PPC) is amended to read as follows:

Section 8. Nomination for Sewer Commissioners shall be by petition of fifty (50) qualified electors or

ten per cent (10%) of the qualified electors, whichever number is the smaller, of such proposed or reorganized sewer district, who shall be qualified electors. Such petition shall be filed in the County Auditor's office of the county in which such district is located at least thirty (30) days prior to such election, provided that in the event of a vacancy caused by death, resignation or otherwise, such vacancy shall be filled by appointment by a majority vote of the remaining Board of Sewer Commissioners until the next regular election for Sewer Commissioners. Said County Election Board shall designate in the notice of election whether such election be a general or special election, the time of opening and closing of polls, and the place of voting, but in no event shall there be less than one (1) voting place in each precinct in the sewer district. The polls shall be open at every election held by said sewer district at least from one o'clock P. M. to eight o'clock P. M., but the polls may be kept open for a longer period of time if so ordered. The time of opening and closing the polls must be stated in the notice of election and the polls shall be opened and closed in accordance with such notice. Any person residing in said sewer district who is at the time of holding of any election a qualified voter, shall be entitled to vote at any election held in such sewer district.

Petition for nomination of Commissioners.

Filling.

Vacancy.

Appointment.

Notice of election.

Polls.

Voters.

All expense of elections for the formation or reorganization of such sewer districts shall be paid by the county in which said election is held and such expenditure is hereby declared to be for a county purpose, and the money paid out for such purpose shall be repaid to such county by the sewer district if formed, or reorganized.

Expense of elections.

SEC. 2. Section 11, chapter 210, Laws of 1941, as amended by section 2, chapter 74, Laws of 1943, as amended by section 10, chapter 140, Laws of 1945

(sec. 9425-20, Rem. Rev. Stat.; sec. 913-21, PPC), is amended to read as follows:

Section 11. It shall be the duty of the Sewer Commissioners of every sewer district before creating any improvements hereunder or submitting to vote any plan for incurring any indebtedness to consider and determine upon and adopt the comprehensive scheme or plan for a system of sewers for such district for the purposes authorized in this act. For such purposes the Sewer Commissioners shall investigate the several portions and sections of such sewer district in regard to a system of sewers; shall examine and investigate, determine and select a scheme or plan for a system of sewers for such district suitable and adequate for present and future needs thereof; shall consider and determine a general system or plan for creating such system of sewers and the rates and assessments necessary therefor; to provide for the collection and disposal of sewage and industrial and other liquid wastes produced within the district; to provide for the construction of all appurtenances thereto, including laterals, trunk sewers, intercepting sewers, syphons, pumping stations, treatment plants and other methods of disposal of sewage; to maintain, operate and repair same and do all other things necessary in connection therewith; to provide the method of distributing the cost and expense of the creation or reorganization and operation thereof against such sewer district and against utility local improvement districts within such sewer district for any purpose authorized in this act; and including any such utility local improvement district lying wholly or partially within the limits of any other political sub-division included in such sewer district; and to determine the whole or such part of the cost and expenses to be paid from sewer revenue bonds as in this act provided. The Commissioners may employ such engineering and legal services as in

Comprehensive scheme or plan.

Duties of Commissioners.

Engineering and legal services.

their discretion is necessary in carrying out the objects and purposes of this act.

Such general comprehensive scheme and plan, when finally determined upon by such Board of Sewer Commissioners, shall be by them adopted by resolution, and submitted to the County Engineer or other engineer designated by the County Commissioners of the county in which the sewer district is located and to the Director of Health, and said comprehensive scheme or plan must be approved in writing by such Engineer and the Director of Health before being submitted at a general or special election as hereinafter provided.

Submission and approval of plan.

In the event the sewer district includes portions or all of one or more incorporated cities or towns, such comprehensive scheme or plan shall be submitted also to, and approved by resolution of, the legislative authority of such cities and towns before being submitted at a general or special election as hereinafter provided: *Provided*, That this and the next five (5) sections (secs. 12, 14, 15 and 16, chapter 210, Laws of 1941, and sec. 13, as amended by sec. 3, chapter 74, Laws of 1943), do not apply to reorganized districts as intended by this amendment except as specifically referred to in this section.

Approval by legislative authority of cities and towns.

Reorganized districts.

SEC. 3. Section 11, chapter 193, Laws of 1941 (sec. 9354-14, Rem. Rev. Stat.; sec. 421-21, PPC), is amended to read as follows:

Section 11. Any city, town or organized and established sewer district owning or operating its own sewer system, whenever topographic conditions shall make it feasible and whenever such existing sewer system shall be adequate therefor in view of the sewerage and drainage requirements of the property in such city, town or sewer district, served or to be served by such system, may contract with any other city, town or organized and established sewer district for the discharge into its sewer system of

Contracts with other cities, towns or districts.

Discharge
of sewage.

sewage from all or any part or parts of such other city, town or sewer district upon such terms and conditions and for such periods of time as may be deemed reasonable.

Construction,
operation or
maintenance
for joint
use.

Any city, town or organized and established sewer district may contract with any other city, town or organized and established sewer district for the construction and or operation of any sewer or sewage disposal facilities for the joint use and benefit of the contracting parties upon such terms and conditions and for such period of time as the governing bodies of the contracting parties may determine. Any such contract may provide that the responsibility for the management of the construction and or maintenance and operation of any sewer disposal facilities or part thereof covered by such contract shall be vested solely in one of the contracting parties, with the other party or parties thereto paying to the managing party such portion of the expenses thereof as shall be agreed upon.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 213.

[S. B. 163.]

CREDIT UNIONS.

AN ACT relating to Credit Unions; and amending sections 9, 20, 22, 23 and 26, chapter 173, Laws of 1933, as amended (secs. 3923-9, -20, -22, -23, and -26, Rem. Rev. Stat.; secs. 455-17, -39, -43, -45, and -51, PPC).

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

SECTION 1. Section 9, chapter 173, Laws of 1933, as last amended by section 8, chapter 131, Laws of 1943 (sec. 3923-9, Rem. Rev. Stat.; sec. 455-17, PPC) is amended to read as follows:

Section 9. The capital of a Credit Union shall be unlimited in amount. Shares of capital stock may be subscribed and paid for in such manner as the by-laws shall prescribe. A shareholder may purchase shares in a Credit Union and may also make deposits in such Credit Union to an amount in the aggregate not exceeding one hundred dollars (\$100) or ten per cent (10%) of the total shares and deposits of the Credit Union, whichever is the greater. A Credit Union may require from a member ninety days' notice of his intention to withdraw any or all of his shares and sixty days' notice of intention to withdraw any or all of his deposits, except that said notice of withdrawal of shares or deposits may be extended beyond the time limits herein indicated with the written consent of the Supervisor.

Capital.

Shares.

Shareholders.

Notice of intention to withdraw.

SEC. 2. Section 20, chapter 173, Laws of 1933, as last amended by section 4, chapter 65, Laws of 1939 (sec. 3923-20, Rem. Rev. Stat.; sec. 455-39, PPC) is amended to read as follows:

Section 20. The capital, deposits and surplus of a Credit Union shall be invested in loans to members, with the approval of the Credit Committee, as provided in the following section, and also when required herein, of the Board of Directors, and any capital, deposits or surplus funds in excess of the amount for which loans may be approved by the Credit Committee and the Board of Directors, may be deposited in banks or trust companies or in state or national banks located in this state, or invested in any bonds or securities or other investments which are at the time legal investments for savings and loan associations in this state, except first mortgage real estate loans, or in the shares of other Credit Union or savings and loan associations organized under the laws of this state or the Federal government. No Credit Union shall carry on a banking business or carry any demand, commercial or check-

Investments.

Deposits.

Banking business prohibited.

Cash or
bank
balances.

ing accounts, nor issue any time or demand certificates of deposits. At least five per cent of the total assets of a Credit Union shall be carried as cash on hand or as balances due from banks and trust companies, or invested in the bonds or notes of the United States, or of any state, or subdivision thereof, which are legal investments for savings and loan associations as above provided. Whenever the afore-said ratio falls below five per cent, no further loans shall be made until the ratio as herein provided has been re-established. Investments other than personal loans shall be made only with the approval of the Board of Directors.

SEC. 3. Section 22, chapter 173, Laws of 1933 (sec. 3923-22, Rem. Rev. Stat.; sec. 455-43, PPC) is amended to read as follows:

Applications
for loans.

Section 22. All applications for loans shall be made in writing and shall state the purpose for which the loan is desired and the security, if any, offered.

SEC. 4. Section 23, chapter 173, Laws of 1933, as last amended by section 18, chapter 131, Laws of 1943 (sec. 3923-23, Rem. Rev. Stat.; sec. 455-45, PPC) is amended to read as follows:

Loans which
may be
made.

Section 23. A Credit Union may make loans of the following classes to its members:

(1) Personal loans secured by the note of the borrower; and

(2) Loans secured by mortgages of real estate situated within the state.

(3) Loans may be made to other Credit Unions upon a favorable two-thirds ($\frac{2}{3}$) majority vote of the Board of Directors.

Personal loans shall be given the preference and in the event there are not sufficient funds available to satisfy all loan applicants approved by the Credit Committee, preference shall be given to the smaller loan. Each personal loan shall be payable within

one year from date thereof and shall be paid or renewed on or before such date: *Provided*, That loans with satisfactory collateral security pledged to secure the same may be made payable within three years and shall be paid or renewed on or before that date. Each endorser of a note given as security for a personal loan shall be a resident of the state at the time the loan is made, unless such indorser is a member of the Credit Union, and if such indorser shall leave the state a new resident indorser must be immediately provided or the loan shall be at once collectible.

Loans to any one member shall not exceed five thousand dollars (\$5,000) without the permission of the Supervisor and shall be limited as follows: Amounts limited.

(1a) To an amount not exceeding three hundred dollars (\$300), if secured by the unindorsed or unsecured note of the borrower;

(2a) To an amount not exceeding five hundred dollars (\$500), if secured by the note of the borrower with one or more responsible indorsers thereon, or with collateral pledged to secure the same;

To an amount not exceeding one thousand dollars (\$1,000), if secured by the note of the borrower with two or more responsible indorsers thereon or with collateral pledged to secure the same;

Loans in excess of one thousand dollars (\$1,000) must be secured by collateral satisfactory to the credit committee;

Collateral pledged to secure a loan must have a market value at least twenty-five per cent (25%) more than the portion of the loan requiring security;

(3a) To an amount not exceeding three hundred dollars (\$300) in excess of the value of the shares and deposits of the borrower in the Credit Union, if secured by the note of the borrower and by the assignment of said shares and deposits;

No borrower shall have an aggregate liability to the Credit Union in excess of one hundred dollars

or ten per cent (10%) of the assets of the Credit Union, whichever is greater, subject however, to other restrictions in this section.

For the purposes of this section a valid assignment of wages may be accepted as satisfactory collateral for a loan but not in excess of two months' salary of the borrower.

Loan restrictions on real estate mortgage security.

The total amount which a Credit Union may lend on the security of mortgages on real estate shall not exceed fifteen per cent (15%) of the assets of the Credit Union. All loans secured by mortgages on real estate shall be subject to the following restrictions:

(1b) The total amount of all mortgages and liens on any real estate to be mortgaged to a Credit Union shall not exceed sixty per cent (60%) of the value of the property as determined by the Credit Committee. All taxes and assessments must be paid currently, and all such loans must be amortized by weekly, semi-monthly or monthly payments, which payments shall be at the rate of not less than ten per cent (10%) per annum of the original principal.

SEC. 5. Section 26, chapter 173, Laws of 1933, as last amended by section 20, chapter 131, Laws of 1943 (sec. 3923-26, Rem. Rev. Stat.; sec. 455-51, PPC) is amended to read as follows:

Reports to Supervisor.

Section 26. Within thirty days after the first business day of January and July in each year, the Auditing Committee of each Credit Union shall make to the Supervisor a report in such form as he may prescribe, and shall make oath that the report is true and correct. Any Credit Union neglecting to make said report within the time herein prescribed and such other requested reports within thirty (30) days after notification shall forfeit to the state one dollar (\$1) for each day during which neglect continues. The penalty for any single delinquency shall not exceed twenty-five dollars (\$25).

Failure to report.

Penalty.

The Supervisor shall make or cause to be made an examination and full investigation into the affairs of each Credit Union at least once each calendar year. The actual cost of examination and supervision shall be paid by the Credit Union examined: *Provided*, That the Supervisor may accept in lieu of an examination the report of any competent accountant, satisfactory to the Supervisor, who has made and submitted a report of the condition of the affairs of such Credit Union, and if approved, shall have the same force and effect as though the examination were made by the Supervisor or one of his appointees.

Examination
by Super-
visor.

Expense.

Lieu report
of ac-
countant.

If it is found that the capital of a Credit Union be impaired or that business is being conducted contrary to law the Supervisor may require said Credit Union to suspend operations until such condition is corrected.

Impairment
of capital.

Any communications from the Supervisor to the Board of Directors must be read before said Board at its next meeting and the reading noted in the minutes of the meeting.

Communica-
tions of
Supervisor.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 214.

[S. B. 262.]

PUBLIC UTILITIES—CITIES AND TOWNS.

AN ACT relating to cities and towns; authorizing cities and towns to construct, condemn and purchase, purchase, acquire, add to, maintain, conduct and operate certain public utilities; and amending section 1, chapter 150, Laws of 1909 as last amended by section 1, chapter 163, Laws of 1933 (sec. 9488, Rem. Rev. Stat.; sec. 416-1, PPC).

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

SECTION 1. Section 1, chapter 150, Laws of 1909, as last amended by section 1, chapter 163, Laws of 1933 (sec. 9488, Rem. Rev. Stat.; sec. 416-1, PPC) is hereby amended to read as follows:

Authority granted.

Section 1. Any incorporated city or town within the state be, and hereby is, authorized to construct, condemn and purchase, purchase, acquire, add to, maintain, conduct and operate waterworks within or without its limits, for the purpose of furnishing such city or town and the inhabitants thereof, and any other persons, with an ample supply of water for all uses and purposes, public and private, including water power and other power derived therefrom, with full power to regulate and control the use, distribution and price thereof; to construct, condemn and purchase, purchase, acquire, add to, maintain and operate systems of sewerage, and systems and plants for garbage and refuse collection and disposal, with full jurisdiction and authority to manage, regulate, operate and control the same, and to fix the price of service thereof, within and without the limits of the corporation; to construct, condemn and purchase, purchase, acquire, add to, maintain and operate works, plants and facilities for the preparation and manufacture of all such stone or asphalt products or compositions or other materials which may be used in street construction or maintenance, together with the right to use the

Water supply.

Water power.

Sewer and garbage systems.

Materials for streets.

same, and also to fix the price of and to sell the same for use in the construction of municipal improvements of such city or town; to construct, acquire and operate public markets and one or more cold storage plants for the sale and preservation of butter, eggs, meats, fish, fruits, vegetables, and other perishable provisions; and to construct, condemn and purchase, purchase, acquire, add to, maintain and operate works, plants and facilities for the purpose of furnishing such city or town and the inhabitants thereof, and any other persons, with gas, electricity and other means of power and facilities for lighting, heating, fuel and power purposes, public and private, with full authority to regulate and control the use, distribution and price thereof, together with the right to handle and sell, or lease, any meters, lamps, motors, transformers and equipment or accessories of any and every kind, necessary and convenient for the use, distribution and sale thereof; to authorize the construction of such plant or plants by others for the same purpose, and to purchase such gas, electricity or power from either within or without the city or town for its own use and for the purpose of selling to its inhabitants and to other persons doing business within such city or town, and to regulate and control the use and price thereof; to construct, condemn and purchase, purchase, acquire, add to, maintain, operate or lease cable, electric and other railways, automobiles, motor cars, motor busses, auto trucks, and any and all other forms or methods of transportation of freight or passengers within the corporate limits of such city or town for the transportation of freight and passengers above, upon or underneath the ground, and to fix, alter, regulate and control the fares and rates to be charged therefor; and without the payment of any license fee or tax, or the filing of a bond with, or the securing of a permit from, the state, or any department thereof to engage in, carry on, and

Public markets and cold storage plants.

Gas, electricity, etc., for lights, heat, fuel and power.

Transportation systems.

operate the business of transporting and carrying passengers or freight for hire by any method or combination of methods that the legislative authority of any such city or town may by ordinance provide, with full authority to regulate and control the use and operation of vehicles or other agencies of transportation used for such business; and for the purposes aforesaid, it shall be lawful for any city or town in this state to take, condemn and purchase, purchase, acquire and retain water from any public or navigable lake or water course percolating or subterranean, or any underflowing water within the state, and, by means of aqueducts or pipe lines, to conduct the same to said city or town; and such city or town is hereby authorized and empowered to erect and build dams or other works across or at the outlet of any lake or water course in this state for the purpose of storing and retaining water therein up to and above high water mark; and for all the purposes of erecting such aqueduct, pipe lines, dams, or water works or other necessary structures in storing and retaining water, as above provided, or for any of the purposes provided for by this act, such city or town shall have the right to occupy and use the beds and shores up to the high water mark of any such water course or lakes, and to acquire the right by purchase, or by condemnation and purchase, or otherwise, to any water, water rights, easements or privileges named in this act, or necessary for any of said purposes, and any such city or town shall have the right to acquire by purchase or by condemnation and purchase any lands, properties or privileges necessary to be had to protect the water supply of such city or town from pollution: *Provided*, That should private property be necessary for any such purposes or for storing water above high water mark, such city or town may condemn and purchase, or purchase and acquire such private property: *And provided further*, That

Waters.

Dams.

Water works.

no such dam or other structure shall impede, obstruct or in any way interfere with public navigation of such lake or water course: *And provided further,* That no portion of this act shall empower any city or town in this state to maintain or operate any automobiles or motor cars in the unscheduled transportation of passengers nor to operate any auto trucks in the transportation of freight for compensation. Exclusions.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 215.

[S. B. 263.]

UNEMPLOYMENT COMPENSATION.

AN ACT relating to unemployment compensation, amending chapter 35 of the Laws of 1945, and repealing sections 65, 66, 108, 109 and 116 of chapter 35 of the Laws of 1945.

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

SECTION 1. Section 7 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 7. *Commissioner.* "Commissioner" means the administrative head of the State Employment Security Department referred to in this act. Definitions. "Commissioner."

SEC. 2. Section 10 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 10. *Employing Unit.* "Employing unit" means any individual or any type of organization, including any partnership, association, trust, estate, joint-stock company, insurance company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or subsequent to January 1, 1937, had in "Employing unit."

its employ or in its "employment" one or more individuals performing services within this state.

SEC. 3. Section 16 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 16. *Agricultural Labor.* The term "employment" shall not include service performed

Agricultural
labor
excluded.

(a) on a farm, in the employ of any person, in connection with the cultivating of the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and furbearing animals and wildlife, or in the employ of the owner or tenant or other operator of a farm in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment; or

(b) in handling, planting, packing, packaging, grading, storing, or delivering to storage, or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables in their raw and natural state, as an incident to the preparation of such fruits and vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to services performed in connection with commercial canning or commercial freezing or any other commercial processing which changes the character of the product from its raw and natural state or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

SEC. 4. Section 17 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 17. *Domestic Service.* The term "employment" shall not include domestic service in a

Domestic
service
excluded.

private home, local college club, or local chapter of a college fraternity or sorority: *Provided, however,* That the terms local college club and local chapter of a college fraternity or sorority shall not be deemed to include alumni clubs or chapters.

SEC. 5. Section 18 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 18. *Maritime Service.* The term "employment" shall include an individual's entire service as an officer or member of a crew of an American vessel wherever performed and whether in intrastate or interstate or foreign commerce, if the employer maintains within this state at the beginning of the pay period an operating office from which the operations of the vessel are ordinarily and regularly supervised, managed, directed and controlled. The term "employment" shall not include services performed as an officer or member of the crew of a vessel not an American vessel and services on or in connection with an American vessel under a contract of service which is not entered into within the United States and during the performance of which the vessel does not touch at a port of the United States.

Maritime
service.

"American vessel," means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any state.

"American
vessel."

SEC. 6. Section 33 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 33. *Wages.* Prior to January 1, 1947, "wages" means the first three thousand dollars of remuneration paid by one employer to an individ-

"Wages."

ual in its employment for services performed during one calendar year; and subsequent to December 31, 1946, "wages" means the first three thousand dollars of remuneration paid by one employer during any calendar year to an individual in its employment under this act or the unemployment compensation act of any other state.

"Remuneration."

"Remuneration" means all compensation paid for personal services, including commissions and bonuses and the cash value of all compensation paid in any medium other than cash. The reasonable cash value of compensation paid in any medium other than cash and the reasonable value of gratuities shall be estimated and determined in accordance with rules prescribed by the Commissioner.

"Wage credits."

"Wage credits" applicable to eligibility for benefits means the same as "wages."

SEC. 7. The title of Chapter III of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

CHAPTER III. ESTABLISHMENT OF DEPARTMENT

SEC. 8. Section 38 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Department established.

Section 38. *Department Established.* There is hereby established the Employment Security Department for the State of Washington, to be administered by a Commissioner. The Commissioner shall be appointed by the Governor with the consent of the senate, and shall hold office at the pleasure of, and receive such compensation for his services as may be fixed by, the Governor.

SEC. 9. Section 39 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Divisions established.

Section 39. *Divisions Established.* There are hereby established in the Employment Security Department two coordinate divisions to be known as

the Unemployment Compensation Division, and the Washington State Employment Service Division, each of which shall be administered by a full-time salaried supervisor who shall be an assistant to the Commissioner and shall be appointed by him. Each division shall be responsible to the Commissioner for the dispatch of its distinctive functions. Each division shall be a separate administrative unit with respect to personnel, budget, and duties, except in so far as the Commissioner may find that such separation is impracticable. The Commissioner is authorized to appoint and fix the compensation of such officers, accountants, experts and other personnel as may be necessary to carry out the provisions of this act: *Provided*, That such appointment shall be made on a non-partisan merit basis in accordance with the provisions of this act relating to the selection of personnel.

It is hereby further provided that the Governor in his discretion may delegate any or all of the organization, administration and functions of the said Washington State Employment Service Division to any Federal agency.

SEC. 10. Section 42 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 42. *Personnel Board and Commissioner's Regulations.* For the purpose of insuring the impartial selection of personnel on the basis of merit, the Governor shall appoint a personnel board of three members who are known to be interested in the selection of efficient government personnel, and who are not officers or employees of any department or office of the state, or elected public officials. All appointments shall be for a term of six years, except that the terms of the members first taking office shall be two, four and six years, respectively. All personnel of the Employment Security Department, and such other departments or offices of the

Personnel Board and Commissioner's regulations.

Appointment by Governor.

Terms.

Regulations.

Merit system.

state as the Governor may designate, or as provided by law, shall be selected from the registers established by the personnel board. The Commissioner is authorized to adopt such regulations as may be necessary to meet personnel standards promulgated by the Social Security Board pursuant to the Social Security Act, as amended, and the Act of Congress entitled "An Act to provide for the establishment of a national employment system and for cooperation with the state in promotion of such system, and for other purposes," as approved June 6, 1933, as amended, and to provide for the maintenance of the merit system required under this section in conjunction with any merit system applicable to any other state agency, or agencies, which meets the personnel standards promulgated by the Social Security Board and the personnel board in making up registers for the Employment Security Department shall be governed by such regulations.

Destruction of office records.

SEC. 11. Section 53 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 53. *Destruction of Office Records.* The Commissioner may destroy any form, claim, ledger, check, letter, or other record of the Employment Security Department at the expiration of three years after such record was originated by or filed with the Employment Security Department, except that warrants and claims, claim determination, employer liability forms and contribution reports may be destroyed at the expiration of six years after such form is originated by or filed with the Employment Security Department, and except that this section shall not apply to records pertaining to grants, accounts or expenditures for administration, records of the Unemployment Compensation Fund and the Unemployment Compensation Administration Fund.

SEC. 12. Section 59 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 59. *State Advisory Council.* The Commissioner shall appoint a state advisory council composed of not more than nine (9) members, of which three (3) shall be representatives of employers, three (3) shall be representatives of employees, and three (3) shall be representatives of the general public who are not entitled to benefits under the Unemployment Compensation Act. Such council shall aid the Commissioner in formulating policies and discussing problems related to the administration of this act and of assuring impartiality and freedom from political influence in the solution of such problems. Such advisory council shall serve without compensation. Members shall be reimbursed for any travel expense incurred in accordance with the travel regulations applicable to employees of the Employment Security Department. The Commissioner may also appoint industry or other special councils to perform appropriate services.

State
Advisory
Council.

Appointment
by Commis-
sioner.

Compensa-
tion.

Expenses.

SEC. 13. Section 64 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 64. *Unemployment Compensation Administration Fund.* There is hereby established a revolving fund to be known as the Unemployment Compensation Administration Fund. All moneys which are deposited or paid into this fund are hereby made available to the Commissioner. All moneys in this fund shall be expended solely for the purpose of defraying the cost of the administration of this act, and for no other purpose whatsoever. All moneys received from the Social Security Board for said purpose pursuant to section 302 of the Social Security Act, as amended, shall be expended solely for the purposes and in the amounts found necessary by the Social Security Board for the proper and efficient administration of this act. All moneys received from the United States Employment Service, United States Department of Labor, for said pur-

Unemploy-
ment Comp-
ensation
Administra-
tion Fund.

pose pursuant to the Act of Congress approved June 6, 1933, as amended or supplemented by any other Act of Congress, shall be expended solely for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of the public employment office system of this state. The Unemployment Compensation Administration Fund shall consist of all moneys received from the United States of America or any department or agency thereof, or from any other source, for such purpose. All moneys in this fund shall be deposited, administered, and disbursed by the Treasurer of the Unemployment Compensation Fund under rules and regulations of the Commissioner and none of the provisions of section 5501 of Remington's Revised Statutes, as amended, shall be applicable to this revolving fund. The Treasurer last named shall be the Treasurer of the Unemployment Compensation Administration Fund and shall give a bond conditioned upon the faithful performance of his duties in connection with that fund. All sums recovered on the official bond for losses sustained by the Unemployment Compensation Administration Fund shall be deposited in said fund.

Treasurer
of Fund.

Bond.

SEC. 14. Sections 65 and 66 of chapter 35 of the Laws of 1945 are hereby repealed.

SEC. 15. Section 73 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Disqualifica-
tion for
voluntary
quit.

Section 73. *Disqualification for Voluntary Quit.* An individual who has left work voluntarily without good cause shall be disqualified for benefits for a period, determined by the Commissioner, of not less than five (5) weeks nor more than ten (10) weeks, in each of which he has filed a claim for waiting period credit or benefits and was otherwise eligible: *Provided*, That acceptance of subsequent work shall void the disqualification.

SEC. 16. Section 74 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 74. *Disqualification for Unemployment Due to Misconduct.* An individual who has been discharged or suspended for misconduct connected with his work shall be disqualified for benefits for a period, determined by the Commissioner, of not less than five (5) weeks nor more than ten (10) weeks, in each of which he has filed a claim for waiting period credit or benefits and was otherwise eligible: *Provided*, That acceptance of subsequent work shall void the disqualification.

Disqualification for unemployment due to misconduct.

SEC. 17. Section 75 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 75. *Disqualification for Misrepresentation.* An individual shall be disqualified for benefits for the calendar week in which he has willfully made a false statement or representation or willfully failed to report a material fact to obtain any benefits under the provisions of this act and for not more than the fifty-two next following weeks as determined by the Commissioner according to the circumstances in each case.

Disqualification for misrepresentation.

SEC. 18. Section 87 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 87. *Recovery of Benefit Payments.* Any individual who has received any sum as benefits from the Unemployment Compensation Fund, when not entitled thereto under the provisions of this act, shall be liable to the fund for the sum improperly paid to him.

Recovery of benefit payments.

As soon as the Commissioner has knowledge of payment of benefits to an individual under the circumstances mentioned in this section, he shall promptly prepare and deliver or mail to the individual at his last known address a notice of determination of liability declaring that the individual has been determined liable to refund the amount of

Notice of liability.

benefits paid under the circumstances mentioned in this section. Such amount, if not previously collected, shall be deducted from any future benefits payable to the individual.

Appeals.

Appeal from the determination of liability herein provided may be had in the same manner and to the same extent as provided by this act for appeals relating to determinations in respect to claims for benefits. If no such appeal is taken to the appeal tribunal by the individual within ten days of the delivery of the notice of determination of liability, or within ten days of the mailing of the notice of determination, whichever is the earlier, said determination of liability shall be deemed conclusive and final. Such determination of liability shall be deemed conclusive and final and the Court shall, upon application of the Commissioner, enter a judgment in the amount provided by the notice of determination, which judgment shall have and be given the same effect as if entered pursuant to civil action.

Judgment.

SEC. 19. Section 93 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Lien for contributions generally.

Section 93. *Lien for Contributions Generally.* The claim of the Unemployment Compensation Division for any contributions, including interest thereon, not paid when due, shall be a lien prior to all other liens or claims and on a parity with prior tax liens against all property of the employer. In order to avail itself of the lien hereby created, the Unemployment Compensation Division shall file with the County Auditor of the county in which such property is located a statement in writing describing in general terms the specific property upon which the lien is claimed and stating the amount of the lien claimed by the division. The lien shall only attach to the property and be effective from the date of filing of such statement. This lien shall be separate and apart from, and in addition to, any

Filing of statement with County Auditor.

other lien or claim created by, or provided for in, this act. When any such notice of lien has been so filed, the Commissioner may release the same by filing a certificate of release when it shall appear that the amount of delinquent contributions together with all interest thereon have been paid, or when such assurance of payment shall be made as the Commissioner may deem to be adequate. Any lien filed as provided in this section may also be filed in the office of the Secretary of State. Filing in the office of the Secretary of State shall be of no effect, however, until the lien or copy thereof shall have been filed with the County Auditor in the county where the property is located. When a lien is filed in compliance herewith and with the Secretary of State, such filing shall have the same effect as if the lien had been duly filed for record in the office of the Auditor in each county of this state.

Release of
lien.

Filing with
Secretary
of State.

SEC. 20. Section 99 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 99. *Notice and Order to Withhold and Deliver.* The Commissioner is hereby authorized to issue to any person, firm, corporation, political subdivision or department of the state, a notice and order to withhold and deliver property of any kind whatsoever when he has reason to believe that there is in the possession of such person, firm, corporation, political subdivision or department, property which is due, owing, or belonging to any person, firm, or corporation upon whom a notice and order of assessment has been served by the Employment Security Department of the state for unemployment compensation contributions or interest.

Notice and
order to
withhold
and deliver.

The notice and order to withhold and deliver shall be served by the Sheriff of the county wherein the service is made, or by his deputy, or by any duly authorized representative of the Commissioner. Any person, firm, corporation, political subdivision or

Service
of notice.

Answer.

department upon whom service has been made is hereby required to answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice.

Delivery of property or furnishing of bond.

In the event there is in the possession of any such person, firm, corporation, political subdivision or department, any property which may be subject to the claim of the Employment Security Department of the state, such property shall be delivered forthwith to the Commissioner or his duly authorized representative upon demand to be held in trust by the Commissioner for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or non-liability, or in the alternative, there shall be furnished a good and sufficient bond satisfactory to the Commissioner conditioned upon final determination of liability.

Judgment.

Should any person, firm or corporation fail to make answer to an order to withhold and deliver within the time prescribed herein, it shall be lawful for the Court, after the time to answer such order has expired, to render judgment by default against such person, firm or corporation for the full amount claimed by the Commissioner in the notice to withhold and deliver, together with costs.

SEC. 21. Section 107 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Limitation of actions and uncollectible accounts.

Section 107. *Limitation of Actions and Uncollectible Accounts.* The Commissioner shall commence action for the collection of contributions, interest and benefit overpayments imposed by this act by assessment or suit within three years after a return is filed. No proceedings for the collection of such amounts shall be begun after the expiration of such period.

Three years.

In case of a false or fraudulent return with intent to evade contributions or interest, or in the event of a failure to file a return, the contributions and interest may be assessed or a proceeding in Court for the collection thereof may be begun at any time.

Fraudulent returns.

The Commissioner is hereby authorized to charge off as uncollectible and no longer an asset of the Unemployment Compensation Fund any delinquent contributions, interest, credits, or benefit overpayments at any time after three years from the date of delinquency, if the Commissioner and the Attorney General are satisfied that there is no available and lawful means by which such contributions, interest, credits, or benefit overpayments may thereafter be collected.

Commissioner may charge off after three years.

SEC. 22. Section 108 and 109 of chapter 35 of the Laws of 1945 are hereby repealed.

Repeal.

SEC. 23. The title of Chapter IX of chapter 35 of the Laws of 1945 shall hereafter precede section 111 of chapter 35 of the Laws of 1945.

Sequence stated.

SEC. 24. Section 110 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 111. *Determination of Seasonal Employer.* As used in this section the term "seasonal employer" means an employer or operating unit of an employer which, because of the seasonal nature of its operations, reduces its employment to such an extent that its monthly payroll for each of three consecutive months in each of two consecutive calendar or operating years immediately preceding the year for which the determination is made, is less than one-half the average monthly payroll for the three consecutive months of highest payroll in the same calendar or operating years. No employer or operating unit shall be deemed to be seasonal unless and until so determined by the Commissioner. A successor in interest of a seasonal employer or operating unit shall be deemed seasonal upon the same basis

Determination of seasonal employer.

Determination by Commissioner.

as the predecessor unless determined otherwise by the Commissioner.

SEC. 25. Section 111 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Seasonal period and duration of determination.

Public hearing.

Notice.

Publication.

Notice of finding.

Publication.

Appeal.

Section 112. *Seasonal Period and Duration of Determination.* Prior to any determination declaring an employer or operating unit seasonal the Commissioner shall hold a public hearing in accordance with such regulation as the Commissioner may prescribe. Written notice of such hearing shall be delivered or mailed to the employer involved and such representatives of individuals in the employment of such employer as may be known to the Commissioner. In addition thereto the Commissioner shall publish one notice in a newspaper of general circulation in the county wherein the employer maintains the operation in question. Said notice herein required shall be given and published at least ten days prior to the date fixed for such hearing.

If pursuant to a hearing, as provided herein, an employer is found to be seasonal, a written determination declaring the employer to be seasonal and specifying the period or periods of seasonal operation shall be forwarded to the employer involved. Notice of the determined season shall be forwarded to any representative of individuals in the employment of such employer and of whom the Commissioner has knowledge and shall be published once in a newspaper of general circulation in the county wherein the employer maintains the operation in question.

Within ten days after the date of publication of such determined season the employer or other interested party may appeal from such determination in the same manner and to the same extent as provided for by this act on an appeal from an order and notice of assessment. If no appeal is taken to an appeal tribunal within the time prescribed by this

section, the determination shall be deemed to be conclusive and final.

Any determination once made shall remain in effect during a period of two years from the date the determination becomes effective, but the Commissioner on his own motion may make a redetermination after investigation and a hearing prior to the expiration of such period.

Determination effective for two years.

SEC. 26. Section 112 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 113. *Seasonal Employment Defined.* "Seasonal employment" means all employment for a seasonal employer or operating unit within the season determined by the Commissioner as its operating season. All wages paid by a seasonal employer within such operating season shall be deemed seasonal wages.

Seasonal employment defined.

SEC. 27. Section 113 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 114. *Operating Unit.* For the purposes of this act relating to seasonal employment an "operating unit" is any unit of an employer's business which frequently is conducted as a separate and independent operation.

Operating unit.

SEC. 28. Section 114 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 115. *Seasonal Worker.* "Seasonal worker" means an individual who has base year credits of which at least eighty per centum have been earned in seasonal employment from one seasonal employer.

Seasonal worker.

SEC. 29. Section 115 of chapter 35 of the Laws of 1945 is hereby amended to read as follows:

Section 116. *Benefit Payments to Seasonal Workers.* When the Commissioner has designated the operations of an employer or an operating unit as seasonal, then benefits shall be payable to seasonal workers employed thereby only on account of un-

Benefit payments to seasonal workers.

employment occurring during the regular period of such seasonal employment.

Repeal.

SEC. 30. Section 116 of chapter 35 of the Laws of 1945 is hereby repealed.

SEC. 31. Section 123 of chapter 35 of the Laws of 1945 is hereby amended read as follows:

Petition for review by Commissioners.

Section 123. *Petition for Review by Commissioner.* Within ten days from the date of notification or mailing, whichever is the earlier, or any decision of an appeal tribunal, the Commissioner on his own order may, or upon petition of any interested party shall, take jurisdiction of the proceedings for the purpose of review thereof. Appeal from any decision of an appeal tribunal may be perfected so as to prevent finality of such decision if, within ten days from the date of mailing the appeal tribunal decision, or notification thereof, whichever is the earlier, a petition in writing for review by the Commissioner is received by the Commissioner or by such representative of the Commissioner as the Commissioner by regulation shall prescribe. The Commissioner may also prevent finality of any decision of an appeal tribunal and take jurisdiction of the proceedings for his review thereof by entering [entering] an order so providing on his own motion and mailing a copy thereof to the interested parties within the same period allowed herein for receipt of a petition for review. The time limit provided herein for seeking review by the Commissioner and for the Commissioner's assumption of jurisdiction on his own motion for review shall be deemed to be jurisdictional.

Petition to be received within ten days.

Time limit jurisdictional.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 216.

[S. B. 306.]

COMMISSIONERS OF WATER DISTRICTS.

AN ACT relating to the election of commissioners of water districts; providing for the ordering of work by water commissioners; amending section 6, chapter 114, Laws of 1929, as last amended by section 1, chapter 50, Laws of 1945 (sec. 11584, Rem. Rev. Stat.; sec. 994-11, PPC), and amending section 21, chapter 114, Laws of 1929 (sec. 11598, Rem. Rev. Stat.; sec. 994-43, PPC).

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

SECTION 1. Section 6, chapter 114, Laws of 1929, as last amended by section 1, chapter 50, Laws of 1945 (sec. 11584, Rem. Rev. Stat.; sec. 994-11, PPC) is amended to read as follows:

Section 6. Nominees for Water Commissioners shall be by petition of at least twenty-five of the qualified electors of such water district, who shall be qualified electors on the date of filing the petition, to be filed in the County Auditor's office of the county in which such district is located at least thirty days prior to such election: *Provided*, That in the event of a vacancy caused by death, resignation or otherwise, such vacancy shall be filled by appointment by a majority vote of the remaining Board of Water Commissioners until the next regular election for water commissioners. Said Board of Water Commissioners shall designate in their notice of election whether such election be a general or special election, the time of opening and closing of polls, and the place of voting, but in no event shall there be less than one voting place in each of the precincts of any city or town in such district and at least one voting place in any precinct in the water district outside of any town or city.

The polls shall be open at every election held by said water district at least from one o'clock P. M. to eight o'clock P. M., but said Board of Water Com-

Petition for nominees.

Filing.

Vacancies

Notice of election.

Polls.

missioners may keep the polls open for a longer period of time if they shall so order, but the time of opening and closing the polls must be stated in the notice of election and the polls shall be opened and closed in accordance with such notice. Any person residing in said water district who is at the time of holding of any election, a qualified voter under the laws of the State of Washington, shall be entitled to vote at any election held in such water district.

Voters.

Registration
of voters.

The officers of any city or town, or in any precinct in a water district where registration is required, having charge of the registration shall deliver the same to the Water Commissioners for the use of the election officers at any election held in a water district formed under and in accordance with the provisions of this act. And the registration of voters for election to be held in such water district shall be conducted by the city or town clerks and officers of registration of the city, town and territory embraced within said water district; and the notice prescribed to be given by section 5123 of Remington's Revised Statutes or any amendment thereto shall constitute sufficient notice to citizens residing within said water district for registration for any general or special election therein, without the necessity for such notice specially stating that it is for registration for an election to be held in a water district. And any elector who shall have registered in accordance with the laws of this state, entitling him to vote at a general or special election in the city, town or territory comprised within such water district, within time to constitute same a good registration for any general or special election of said water district, shall be entitled to vote thereat without further or other registration. The city or town clerk or registration officer required to perform the duties enumerated under this act shall receive no additional compensation therefor.

Notice for
registration.

The general laws of the State of Washington governing the registration of voters for a general or a special city or town municipal election, when not inconsistent with the foregoing provision, shall govern the registration of voters for elections held under this chapter, and the registration books of the city, town and territory comprising said water district shall be the books used by said water district, and no separate registration books shall be kept or maintained by it. The manner of holding any general or special election for said water district shall be in accordance with the laws of this state and the charter provisions of the cities or towns within said water district if any there be, and in so far as the same are not inconsistent with the provisions of this act. All expenses of elections for the formation of such water districts shall be paid by the county in which said election is held and such expenditure is hereby declared to be for a county purpose, and the money paid out for such purpose shall be repaid to such county by the water district if formed.

General laws for registration of voters to govern when not inconsistent.

Holding of election.

Expenses.

Except as in this section otherwise provided, the term of office of each Water District Commissioner shall be six (6) years, such term to be computed from the first day of December following his election, and one such Commissioner shall be elected at each biennial general election for the term of six (6) years and until his successor has been elected and has qualified. All candidates shall be voted upon by the entire water district.

Term of Commissioners.

In any water district hereafter formed, three (3) Water District Commissioners shall be elected at the same election at which the proposition is submitted to the voters as to whether such water district shall be formed. The Commissioner residing in commissioner district number one (1) shall hold office for the term of six (6) years; the Commissioner residing in commissioner district number two (2) shall hold office for the term of four (4) years;

and the Commissioner residing in commissioner district number three (3) shall hold office for the term of two (2) years. The terms of all Commissioners first to be elected as above provided shall include the time intervening between the date that the results of their election are declared in the canvass of returns thereof, and the date from which the length of their terms is computed as above specified.

Number of Commissioners to be elected at next general election and following elections.

No election of Commissioners in any water district, except to fill vacancies, shall be held until the biennial general election on the first Tuesday following the first Monday in November, 1946, at which time and thereafter such elections shall be held as herein provided. At said general election, there shall be elected two (2) Water District Commissioners in each water district, one (1) for a term of four (4) years commencing December 1, 1946, in such Commissioner district where the Water District Commissioner resides whose successor, but for this act, would be elected on the second Saturday in December, 1945, and one (1) for a term commencing on the second Monday in December, 1946, and expiring December 1, 1952, in such Commissioner district where the Water Commissioner resides whose successor, but for this act, would be elected on the second Saturday in December, 1946, and at the general election to be held on the first Tuesday following the first Monday in November, 1948, there shall be elected one (1) Water District Commissioner for a term of six (6) years commencing December 1, 1948, in such Commissioner district of each such water district where the Commissioner resides whose successor, but for this act, would be elected on the second Saturday in December, 1947.

All Commissioners shall hold office until their successors shall have been elected and have qualified.

SEC. 2. Section 21, chapter 114, Laws of 1929 (sec. 11598, Rem. Rev. Stat.; sec. 994-43, PPC) is amended to read as follows:

Section 21. The Board of Water Commissioners shall have authority to create and fill such positions and fix salaries and bonds thereof as it may by resolution provide. All materials purchased and work ordered, the estimated cost of which is in excess of one thousand dollars (\$1,000) shall be let by contract; but before awarding any such contract the Board of Water Commissioners shall cause to be published in some newspaper in general circulation throughout the county where the district is located at least once ten (10) days before the letting of such contract, inviting sealed proposals for such work, plans and specifications which must at the time of publication of such notice be on file in the office of the Board of Water Commissioners subject to public inspection. Such notice shall state generally the work to be done and shall call for proposals for doing the same to be sealed and filed with the Board of Water Commissioners on or before the day and hour named therein. Each bid shall be accompanied by a certified check payable to the order of the County Treasurer for a sum not less than five per cent (5%) of the amount of the bid and no bid shall be considered unless accompanied by such check. At the time and place named such bids shall be publicly opened and read and the Board of Water Commissioners shall proceed to canvass the bids and may let such contract to the lowest responsible bidder upon plans and specifications on file or to the best bidder submitting his own plans and specifications: *Provided, however,* That no contract shall be let in excess of the cost of said materials or work, or if in the opinion of the Board of Water Commissioners all bids are unsatisfactory they may reject all of them and re-advertise and in such case all checks shall be returned to the bidders; but if

Powers of
Commiss-
ioners.

Contracts.

Advertis-
ement.

Bids.

Award.

Bond.

District may
do work.

such contract be let, then and in such case all checks shall be returned to the bidders, except that of the successful bidder, which shall be retained until a contract shall be entered into for the purchase of such materials or doing such work, and a bond to perform such work furnished with sureties satisfactory to the Board of Water Commissioners in the full amount of the contract price between the bidder and the Commission in accordance with the bid. If said bidder fails to enter into said contract in accordance with said bid and furnish such bond within ten days from the date at which he is notified that he is the successful bidder, the said check and the amount thereof shall be forfeited to the water district: *Provided further*, That if in the judgment of the Water Commissioners such work can be performed at less cost under the district's own superintendence than by letting a contract, then the district may cause such work to be performed independent of contract and without calling for bids where the estimated cost of such work is in a sum less than five thousand dollars (\$5,000).

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 217.

[S. B. 100.]

APPROPRIATION—EDUCATION.

AN ACT relating to education; providing for the support of the common schools; establishing a minimum salary for teachers; and making an appropriation.

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

SECTION 1. There shall be apportioned among the several counties for the school districts thereof two hundred fifty dollars (\$250) annually for each edu-

cational unit maintained by each school district during the preceding school year. The number of educational units accredited to each school district shall be computed by the Superintendent of Public Instruction from the annual reports of the several county superintendents in accordance with the provisions of section 5, chapter 141, Laws of 1945: *Provided*, That the number of educational units accredited to a school district for apportionment purposes shall not exceed the number required to serve the pupils of such school district in accordance with pupil-teacher ratio standards established by the State Board of Education. Apportionment for the school year 1947-1948 shall be made in October, 1947, and apportionment for the school year 1948-1949 shall be made in October, 1948, in the same manner as the current state school funds are apportioned to the several counties for the school districts thereof.

Annual apportionment.

SEC. 2. Funds apportioned to school districts in accordance with the provisions of this act shall be used for salaries and other current expense purposes: *Provided*, That in order to be eligible to receive the funds appropriated in this act a school district shall allocate at least as great a percentage of its current budget, exclusive of transportation costs, for salaries of certificated employees as was allocated during the school year 1946-1947. Salaries of individual employees shall be determined by the school board in each school district based upon salary schedules adopted by such school district: *Provided*, That no teacher holding a regular certificate to teach in the schools of Washington shall be contracted at a salary less than twenty-four hundred dollars (\$2400) annually.

Use of funds apportioned.

Eligibility for funds.

Salaries.

Minimum for certified teachers.

SEC. 3. There is hereby appropriated from the State General Fund to the Superintendent of Public

Appropriation.

Instruction seven million dollars (\$7,000,000) for apportionment to counties as provided in this act.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 218.

[S. B. 174.]

FORESTRY—HARVESTING OF PRODUCTS.

AN Act relating to forestry; prescribing practices to be observed in the harvesting of forest products; amending chapter 193 of the Laws of 1945 (Remington's 1945 Supplement 5823-10 to 5823-18; PPC 1945, 574h-1 to 574h-19); and prescribing a penalty.

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

SECTION 1. Section 2 of chapter 193, Laws of 1945 (Rem. 1945 Supp. 5823-11, PPC 1945, 574h-3) is hereby amended to read as follows:

Section 2. When used in this act:

Definitions.
"Forester."

1. The term "Forester" shall mean the State Supervisor of Forestry.

"Owner."

2. The term "owner" shall mean the owner of any forest land.

"Adequate restocking."

3. The term "adequate restocking" shall mean a stand of not less than three hundred (300) established live seedlings per acre of which at least one hundred (100) shall be well distributed, or not less than three hundred (300) surviving trees per acre which were established by artificial means.

"Merchantable stand of timber."

4. The term "merchantable stand of timber" shall mean any stand of timber consisting of not less than three thousand (3,000) board feet per acre of currently merchantable live timber as measured by the Scribner Decimal C log rule or three hundred (300) cubic feet as measured by the Sorensen log rule.

5. The term "operator" shall mean any person, firm or corporation which engages in logging of timber for commercial purposes from any land within the State of Washington. "Operator."

SEC. 2. Section 3 of chapter 193, Laws of 1945 (Rem. 1945 Supp. 5823-12, PPC 1945, 574h-5) is hereby amended to read as follows:

Section 3. Any bona fide owner or operator of land in the State of Washington, supporting a merchantable stand of timber, to be cut during the current calendar year must first obtain a written permit from the Forester. Permit from Forester.

To obtain such a permit, the owner or operator must make written application to the Forester submitting a map showing the area to be logged, legal description, and acreage. If the application is made by the operator, the Forester may require as a condition precedent to the issuance of a permit either that the operator secure from the owner and file with the Forester an agreement that the owner will be jointly responsible with the operator for carrying out the requirements of this act, or that the operator furnish a bond or other security satisfactory to the Forester to insure satisfactory compliance with this act. Application.

Each application shall be signed by the owner or operator, and shall set forth the provisions of this act as to the responsibility of the owner or operator, and shall further state that the owner or operator is familiar with its provisions and agrees to abide thereby. All permits shall expire at the end of each calendar year but shall be renewable for another year upon written application of the owner: *Provided*, That there has been no violation of this act. How signed. Expiration of permit. Renewal.

SEC. 3. Section 4 of chapter 193, Laws of 1945 (Rem. 1945 Supp. 5823-13, PPC 1945, 574h-7) is hereby amended to read as follows:

Reserves and restocking to be provided.

Section 4. It shall be the duty of every permittee to provide that during the process of logging adequate precautions shall be taken to leave reserve trees of commercial species deemed adequate under normal conditions to maintain continuous forest growth, or provide adequate restocking to insure future forest production. In the conduct of logging operations and prior to and during slash disposal as required by chapter 58, Laws of 1939, proper precautions shall be taken and every reasonable effort made by the operator to protect residual stands and trees left uncut as a source of seed supply, from destruction by fire or unnecessary damage resulting from logging operations.

Protection of seed supply.

SEC. 4. Section 5 of chapter 193, Laws of 1945, (Rem. 1945 Supp. 5823-14, PPC 1945, 574h-9) is hereby amended to read as follows:

Deemed compliance for eastern Washington.

Section 5. The provisions of this act shall be deemed to have been complied with in the area east of the summit of the Cascade Mountains within the State of Washington if at time of issuance of a certificate of clearance by the Forester in accordance with chapter 140, Laws of 1941, there shall have been reserved and left uncut all immature Ponderosa pine trees sixteen (16) inches or less in diameter breast high outside the bark. Where compliance with the above provisions of this section would not leave at least four (4) Ponderosa pine seed trees per acre at least twelve (12) inches in diameter breast high outside the bark and well distributed over the area cut, there shall be left additional seed trees of commercial species predominant in the stand, including but not limited to Ponderosa pine, sixteen (16) inches in diameter or larger breast high outside the bark in a quantity sufficient to aggregate four (4) thrifty seed trees per acre well distributed over the area cut.

On areas of second growth and prior cut timber, where poles, piling, mine timbers or other special products are being harvested or where stand improvement cutting is practiced, not over one-half ($\frac{1}{2}$) the trees between twelve (12) inches and eighteen (18) inches diameter breast high outside the bark shall be cut in any ten-year period beginning on the date of initial cutting, and the remaining trees shall be evenly distributed over the area. In stands which are predominantly lodgepole pine, there shall be reserved and left uncut five per cent (5%) of each forty-acre subdivision well stocked with trees of seed bearing size.

SEC. 5. Section 6 of chapter 193 of the Laws of 1945 (Rem. 1945 Supp. 5823-15, PPC 1945, 574h-11) is hereby amended to read as follows:

Section 6. The provisions of this act shall be deemed to have been complied with in the area west of the summit of the Cascade Mountains, if at time of issuance of a certificate of clearance by the Forester in accordance with chapter 140, Laws of 1941, there shall have been reserved and left uncut not less than five per cent (5%) of each quarter section (160 acres) or lesser subdivision well stocked with commercial coniferous trees not less than sixteen (16) inches in diameter breast high outside the bark until such time as the area is adequately stocked by natural means. The foregoing may be accomplished by leaving marginal long corners of timber between logged areas, or strips of timber across valleys, or along ridges and natural fire breaks, or leaving staggered settings and uncut settings.

Deemed
compliance
for western
Washington.

SEC. 6. Section 8 of chapter 193, Laws of 1945 (Rem. 1945 Supp. 5823-17; PPC 1945, 574h-15) is hereby amended to read as follows:

Section 8. The Forester shall have the power to employ a sufficient number of technically trained

foresters as inspectors to enable him to maintain an inspection service deemed adequate to secure compliance with the provisions of this act. In the event that an owner or operator shall fail, refuse or neglect to comply with the provisions of this act, the Forester shall be empowered to order the particular operation in which the violation occurs discontinued until the owner or operator has given satisfactory assurance that he will resume operations in compliance with the provisions of this act and furnish cash deposit or bond in lieu thereof as set by the Forester but not to exceed eight dollars (\$8) per acre for that portion of the area which through his failure to carry out the provisions of this act does not have sufficient source of seed to adequately restock the area. Such order may be enforced by injunction proceedings. Such cash deposit or bond shall be furnished to insure that the owner or operator will artificially restock the area for which the money was collected, within five (5) years. In the event that at the end of said five (5) years the owner or operator has not artificially restocked the area, or this area has not become adequately restocked, the cash deposit shall be forfeited, or if the owner or operator has posted bond in lieu of making cash deposit he shall within thirty (30) days after notification in writing by the Forester furnish the amount of money for which he has posted bond. The Forester shall place this money in a special deposit fund of the State Treasury for artificially restocking the land on which the deposit was withheld. The Forester shall artificially restock the area within two (2) years after said deposit has been forfeited, using the money in the special deposit fund collected from the owner for that purpose. In the event that the full amount of money forfeited for any specified area is not required by the Forester to restock the area, the unexpended balance shall be returned to the depositor.

Inspection
by Forester.Order to
discontinue.Cash deposit
or bond.Injunction
proceedings.Restocking
area.Forfeiture
of cash
deposit.Restocking
by Forester.

Until compliance is so assured, the Forester shall also have power to prevent any new operation or operations in this state by the delinquent operator. Any person violating the provisions of this act by operating without a permit shall be guilty of a misdemeanor, and each day of operation shall constitute a separate offense. Violations.

Passed the Senate March 12, 1947.

Passed the House March 5, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 219.

[S. S. B. 214.]

APPROPRIATIONS—HIGHWAYS.

AN ACT relating to public highways; making appropriations therefor from the Motor Vehicle and Highway Equipment Funds; declaring an emergency and that this act shall take effect April 1, 1947.

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

SECTION 1. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director Highways for the biennium ending March 31, 1949, the sum of twenty-five thousand dollars (\$25,000), to be expended for non-reimbursable items on Federal Aid cooperative projects, including access road projects and Federal Aid projects on the routes of streets or highways not forming parts of the state highway system. Non-reimbursable
Federal-Aid projects.

SEC. 2. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, the sum of fifty-four thousand dollars (\$54,000) for the maintenance and improvement of State Historical Road State Historical Road No. 1.

No. 1, established outside the corporate limits of Tacoma and Puyallup under chapter 225 of the Laws of 1941.

Administra-
tion of
Federal
funds.

SEC. 3. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, for salaries, wages and operations of the office of the Director of Highways and/or district offices of the Department of Highways in connection with the expenditure of Federal funds allocated or to be allocated to the State of Washington for construction, reconstruction and/or improvement of city streets, county roads and state highways, the sum of three hundred thousand dollars (\$300,000), or as much thereof as may be necessary, but in no event to exceed one and one-half per cent (1½%) of such Federal funds allotted to the State of Washington.

Highway
Equipment
Revolving
Fund.

SEC. 4. There is hereby appropriated from the Highway Equipment Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of five million five hundred and two thousand five hundred seventy-three dollars (\$5,502,573), to continue the Highway Equipment Revolving Fund and for proper expenditures therefrom including purchase, replacement and repair of road signs.

Advance to
Highway
Equipment
Fund.

SEC. 5. (a) There is hereby appropriated and advanced from the Motor Vehicle Fund to the Highway Equipment Fund, the sum of three hundred thousand dollars (\$300,000) for the purpose of carrying out the provisions of section 10, chapter 144, Laws of 1935, and amendments thereto, to provide additional funds for the purchase and replacement of equipment.

(b) There is also hereby appropriated from the

Highway Equipment Fund the sum of three hundred thousand dollars (\$300,000) to reimburse the Motor Vehicle Fund, when there shall have been collected in the Highway Equipment Fund sufficient money to amortize the loan.

Reimburse-
ment Motor
Vehicle
Fund.

SEC. 6. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, the sum of twenty-five million dollars (\$25,000,000), as a revolving fund to be expended under specific project agreements executed or to be executed under the provisions of Federal Aid Road Acts and the state act assenting thereto, and for any other expenditure of any kind by the Department of Highways for which reimbursement is anticipated.

Federal Aid
projects.

SEC. 7. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, for salaries, wages and operations of the office of Director of Highways and/or district offices of the Department of Highways, including that of the Traffic Engineer and Planning Survey, the sum of two million three hundred ninety-three thousand four hundred and twelve dollars (\$2,393,412), or so much thereof as shall be necessary.

General Ad-
ministration.

SEC. 8. For effectuating the purpose of chapter 9 of the Laws of 1941 relative to the operation and maintenance of ferry service at the Tacoma Narrows on Primary State Highway No. 14, there is hereby appropriated from the Motor Vehicle Fund to the Department of Highways to be expended by the Director of Highways for the biennium ending March 31, 1949, for the operation and maintenance including salaries and wages of ferry service at the Tacoma Narrows the sum of nine hundred sixty-

Tacoma
Narrows
ferries.

five thousand one hundred and six dollars (\$965,106), or so much thereof as shall be necessary.

Tacoma
Narrows
ferries
(capital
outlay).

SEC. 9. For effectuating the purpose of chapter 9 of the Laws of 1941, relative to the operation and maintenance of ferry service at the Tacoma Narrows on Primary State Highway No. 14, there is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, for capital outlay, the sum of ninety thousand dollars (\$90,000), or so much thereof as shall be necessary.

Capital
outlay.

SEC. 10. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of one million seven hundred forty thousand nine hundred and twenty-five dollars (\$1,740,925) for capital outlay, which shall include the purchase and improvement of land and the erection of buildings, major repairs, maintenance and equipment, including necessary salaries, and wages incident thereto.

Maintenance
of and in-
ventories
for state
highways.

SEC. 11. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of thirteen million one hundred eighteen thousand two hundred and ninety-three dollars (\$13,118,293), or as much thereof as shall be necessary, for maintenance, extraordinary maintenance, emergencies, suspense and inventories on the state primary and secondary highway system, including road signs, operation of bridges and including maintenance and operation of toll bridges—extraordinary maintenance and emergencies being

hereby defined as damages to primary or secondary state highways and/or structures, which could not with the exercise of reasonable judgment have been foreseen, and damage due to acts of God.

SEC. 12. There is hereby appropriated from the Motor Vehicle Fund to incorporated cities and towns for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of seven million six hundred thousand dollars (\$7,600,000), or as much thereof as shall become available to cities and towns under the provisions of chapter 181 of the Laws of 1939, as amended, to be paid out and expended in the manner provided by law.

Cities and towns.

SEC. 13. There is hereby appropriated from the Motor Vehicle Fund to the various counties of the state, including counties composed entirely of islands, for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of twenty-one million dollars (\$21,000,000), or as much thereof as shall become available for counties under the provisions of chapter 181 of the Laws of 1939, as amended, to be paid out and expended in the manner provided by law.

Counties.

SEC. 14. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, the sum of one hundred thirty-four thousand three hundred twelve dollars (\$134,312), to be expended for the purpose of supervising the work and expenditures of state aid monies allotted to incorporated cities and towns and to counties as provided by chapter 181 of the Laws of 1939, and amendments thereof, *Provided*, That if the provisions of said law do not make available sufficient monies to meet the above appropriation there is hereby set aside for the purpose of this appropriation from monies credited to the cities

Supervision of expenditures of cities, counties and towns.

and towns and to the counties of the State of Washington the sum of forty-five thousand dollars (\$45,000), of which sum eleven thousand two hundred fifty dollars (\$11,250) shall be deducted from the cities portion and thirty-three thousand seven hundred fifty dollars (\$33,750) from the counties portion, said sums to be deducted before payment of credits is made to the cities and towns and to the counties.

For roads
in state
parks.

SEC. 15. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways the sum of one hundred fifty thousand dollars (\$150,000) for carrying out the purposes of section 1, chapter 253, Laws of 1943 (section 6402-35, Rem. Supp. 1943), which sum shall be deducted from the net tax amount of the Motor Vehicle fuel tax in the Motor Vehicle Fund before credits are made to the incorporated cities and towns and to the counties of the State of Washington under the provisions of section 3, chapter 181, Laws of 1939 (section 6600-1e, Remington's Revised Statutes, Volume 7A), or any subsequent amendment thereof.

Construction
of state
highways.

SEC. 16. There is hereby appropriated from the Motor Vehicle Fund to the Department of Highways, to be expended by the Director of Highways for the biennium ending March 31, 1949, and for obligations incurred in previous bienniums but not yet paid, the sum of twenty-six million dollars (\$26,000,000) for location, right of way, engineering, improvement, construction and reconstruction of primary and secondary state highways, including the construction of bridges to form a part of primary and secondary state highways, and including the payment of interest and bond redemption becoming due between April 1, 1947, and March 31, 1949, on state owned bridges within cities and towns, to be expended in accordance with the Department of Highways budget for the above purposes, as revised.

SEC. 17. This act is necessary for the immediate preservation of public peace, health and safety, and the support of the state government and its existing public institutions and shall take effect April 1, 1947. Effective immediately.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 220.

[S. B. 231.]

MOTOR VEHICLE EQUIPMENT.

AN ACT relating to motor vehicle equipment and the requirement of safety glass, and amending section 40, chapter 189, Laws of 1937 (sec. 6360-40, Rem. Rev. Stat.; sec. 286-13, PPC).

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

SECTION 1. Section 40, chapter 189, Laws of 1937 (sec. 6360-40, Rem. Rev. Stat.; sec. 286-13, PPC) is amended to read as follows:

Section 40. On and after January 1, 1938, it shall be unlawful to operate upon any public highway of this state any motor vehicle which is registered in the State of Washington and which shall have been manufactured or assembled on or after January 1, 1938, unless such vehicle be equipped with safety glass wherever glass is used in partitions, doors, windows and windshields. That on and after January 1, 1938, it shall be unlawful for any person, firm, corporation or association to sell any motor vehicle in the State of Washington which shall have been manufactured or assembled on or after January 1, 1938, unless such motor vehicle be equipped with safety glass wherever glass is used in partitions, doors, windows and windshields. Safety glass required.

Any replacement of glass wherever glass is used in partitions, doors, windows or windshields of any Replacement.

With
safety
glass.

vehicle after the effective date of this act, upon any motor vehicle required by this section to be equipped with safety glass, shall be by the use of safety glass and it shall be unlawful for anyone to make or procure such replacement with other than safety glass.

Definition
of safety
glass.

The term "safety glass" shall mean any product composed of glass, so manufactured, fabricated, treated or combined with other materials as substantially to prevent shattering and flying of glass fragments when struck or broken, or such other or similar transparent material as may be approved by the state commission on equipment.

Commission
to approve
types.

The commission on equipment shall approve and maintain a list of approved types of glass conforming to recognized specifications, types and requirements for safety glass as herein defined, and the certificate of registration of any vehicle operating in violation of the provisions of this section shall be suspended until such time as the requirements of this section shall be met with respect to such vehicle.

Passed the Senate February 22, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 221.

[H. B. 311.]

BANKS—CLOSED ON SATURDAY.

AN ACT permitting banks, savings and loan associations and credit unions to close on Saturdays.

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

SECTION 1. Any bank, which term for the purpose of this section, shall include but not be limited to any state bank, national bank or association, mutual savings bank, savings and loan association, trust company, federal reserve bank, federal home loan bank, and federal savings and loan association, federal credit union, and state credit union doing business in this state, may remain closed on Saturdays, and any Saturday on which a bank remains closed shall be, with respect to such bank, a holiday and not a business day. Any act, authorized, required or permitted to be performed at or by or with respect to any bank, as herein defined, on a Saturday, may be performed on the next succeeding business day, and no liability or loss of rights of any kind shall result from such closing.

May close on Saturdays.

Acts to be performed Saturdays may be done on next business day.

Passed the House March 1, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 222.

[H. B. 342.]

COMMERCIAL WATERWAY DISTRICTS.

AN ACT relating to commercial waterway districts and providing for the payment of outstanding bonds and warrants thereof, and amending section 7, chapter 38, Laws of 1923 (sec. 9776-7, Rem. Rev. Stat.; sec. 431-25, PPC).

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

SECTION 1. Section 7, chapter 38, Laws of 1923 (sec. 9776-7, Rem. Rev. Stat.; sec. 431-25, PPC) is amended to read as follows:

Assessment
proceeds.

Section 7. The proceeds of all such assessments as shall be paid in full on or before the expiration of thirty days from the date of the levy thereof as hereinbefore provided shall be used by the County Treasurer for the sole purpose of calling, paying and redeeming bonds then outstanding as now required by law. No refunding bonds shall be issued or sold until after the expiration of such period of thirty days and then for such amount only as shall be necessary to yield moneys sufficient to pay and redeem the remaining outstanding bonds. The proceeds of all remaining assessments shall be used and applied solely for the purpose of paying the principal and the interest of the refunding bonds for the payment of which such assessments were levied, and shall be kept by the County Treasurer in a special fund for such purpose only. In case the District prior to the levying of the assessment herein authorized, shall have levied any part of the maximum benefits upon the lands charged with the payment thereof, for the purpose of raising money with which to pay or redeem any of the outstanding bonds to be refunded, the proceeds of any portion of such assessment so levied and remaining unpaid at the time of the issuance of such refunding bonds shall, when collected by the County Treasurer, be placed and kept by him

Refunding
bonds.

in such special fund for the purpose of paying such refunding bonds and interest. Interest coupons of such refunding bonds shall be paid by the County Treasurer when due in the order of their presentation and surrender out of any of such funds then on hand: *Provided*, Whenever and at the time all such refunding coupon bonds issued pursuant to this chapter by any commercial waterway district organized under the laws of this state shall be paid or redeemed then all remaining assessments and the liens and proceeds thereof and all unexpended sums in said special fund shall be used and applied solely for the purpose of paying the principal and interest of all outstanding and unpaid warrants and interest thereon, whether issued at the time of the enactment of this act or subsequently, and which were issued by any such commercial waterway district for construction and improvement costs and other expenses connected with the completion of such waterway system and when collected shall be placed by the said County Treasurer in a fund to be designated as "Construction Warrant and Interest Fund," which warrants and interest thereon shall be called and paid as now provided by law and said fund used therefor. When all such warrants and interest thereon shall be paid or redeemed the said fund may be used for any other proper purpose of the district. Nothing herein contained shall limit the owners or holders of such warrants and interest thereon to the proceeds of and to payments from the said "Construction Warrant and Interest Fund," nor the said district, its Commissioners and the County Treasurer from using and applying any other funds of said district in the payment of said warrants and interest thereon, except as otherwise directed or prohibited by law.

Interest coupons.

Warrants.

Construction Warrant and Interest Fund.

Passed the House February 27, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 223.

[S. H. B. 02.]

ANNUITIES—INSTITUTIONS OF HIGHER EDUCATION.

AN ACT authorizing the Board of Regents of the University of Washington and the Board of Regents of the State College of Washington to assist the faculties and other employees of these institutions in purchasing old age annuities, to provide for the retirement of such persons by reason of age or health, and to make payments to such retired persons to supplement such annuities in certain cases, and amending section 1, chapter 223, Laws of 1937, as amended by section 1, chapter 262, Laws of 1943 (sec. 4543-11, Rem. Rev. Stat.; sec. 773-35, PPC).

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

SECTION 1. Section 1, chapter 223, Laws of 1937, as amended by section 1, chapter 262, Laws of 1943 (sec. 4543-11, Rem. Rev. Stat.; sec. 773-35, PPC) is amended to read as follows:

Boards of Regents authorized.

Section 1. The Board of Regents of the University of Washington and the Board of Regents of the State College of Washington are authorized and empowered:

To assist in purchase of annuities for employees.

(a) To assist the faculties and such other employees of their respective institutions as the Board of Regents may designate in the purchase of old age annuities under such rules and regulations as the Regents of said institutions may prescribe: *Provided*, That county agricultural agents, home demonstration agents, 4-H club agents, and assistant county agricultural agents paid jointly by the State College of Washington and the several counties shall be deemed to be full time employees of the State College of Washington for the purposes of this act;

To provide for retirement of employees.

(b) To provide, under such rules and regulations as any such board may prescribe for the institution under its supervision, for the retirement of any such faculty member or employee on account of age or condition of health, retirement on account of age to be not earlier than the sixty-fifth birthday;

(c) To pay to any such retired person, each year after his retirement, an amount which, when added to the amount of such annuity received by him in such year, will not exceed fifty per cent (50%) of the average annual salary paid to such person for his last ten (10) years of full time service at such institution.

To pay
retired
employees.

SEC. 2. Members of the faculties and such other employees as are now designated by the Regents shall be required after January 1, 1948, to contribute not less than five per cent (5%) of their salaries during each year of full time service after the first two (2) years of such service towards the purchase of such annuity.

Contribution
by em-
ployees.

SEC. 3. In no case shall the Regents pay in any one year towards the purchase of such annuity more than half of the annual premium of any faculty member or other employee, nor an amount exceeding ten per cent (10%) of such person's salary, whichever is less.

Maximum
payments
by Regents.

SEC. 4. The Regents shall not pay any amount to be added to the annuity of any retired person who has served for less than eleven (11) years in one of the state institutions designated in this act. In the case of persons who have served more than ten (10) years but less than twenty-five (25) years no amount shall be paid in excess of four per cent (4%) of the amount authorized in paragraph (c) of section 1 of this act, multiplied by the number of years of full time service rendered by such person.

Service
qualifications
and amounts
based
thereon.

SEC. 5. Teaching faculty members shall be retired from teaching not later than the end of the academic year next following their seventieth birthday.

Maximum
age, 70 years.

Passed the House March 3, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 224.

[H. B. 215]

EDUCATION—APPROPRIATION.

AN ACT relating to education, providing educational opportunities for children of persons engaged in war service for the United States who were killed or totally incapacitated by reason of such service, making an appropriation therefor and amending sections 1, 2 and 3, chapter 193, Laws of 1939 (secs. 10737-4, -5 and -6, Rem. Rev. Stat.; secs. 932-51 and -53, PPC).

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

SECTION 1. Section 1, chapter 193, Laws of 1939 (sec. 10737-4, Rem. Rev. Stat.; sec. 932-51, PPC) is amended to read as follows:

Educational expenses for children of parents lost or incapacitated in military service.

Section 1. Matriculation fees and other incidental and special fees other than tuition, and board and room, rent and books and supplies to the extent of the appropriation therefor shall be paid for the use and benefit of persons attending a state educational institution who are not under sixteen and not over twenty-two years of age, and have for twelve months had their domicile in the State of Washington, and whose parents or one of them was killed or totally incapacitated from engaging in any normal employment by reason of service in the armed forces of the United States. No tuition fee shall be charged to any such person by any state educational institution.

SEC. 2. Section 2, chapter 193, Laws of 1939 (sec. 10737-5, Rem. Rev. Stat.; sec. 932-53, PPC) is amended to read as follows:

Board of Education to approve payments and determine eligibility.

Section 2. The amounts due to any state educational institution under the provisions of this act shall be payable to the institution on vouchers approved by the State Board of Education. Said Board shall determine the eligibility and need of the persons who may make application for the benefits provided for in this act; satisfy itself of the atten-

dance of the persons at any such institution and of the accuracy of the charge or charges submitted to said Board by the authorities of any such institution, on account of the attendance thereat of any such persons: *Provided*, That no member of said Board or the Secretary shall receive any compensation for any such service.

SEC. 3. Section 3, chapter 193, Laws of 1939 (sec. 10737-6, Rem. Rev. Stat.) is amended to read as follows:

Section 3. Not more than two hundred fifty dollars (\$250) shall be paid under the provisions of this act for any one person for any one year. Any unexpended balance remaining at the end of any fiscal biennium shall revert to the General Fund of the State of Washington.

Maximum amount for one person.

SEC. 4. The sum of ten thousand dollars (\$10,000) is hereby appropriated from the General Fund to the State Board of Education for carrying out the purposes of this act.

Appropriation.

Passed the House February 27, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 225.

[H. B. 14.]

PUBLIC HOSPITAL DISTRICTS.

AN ACT relating to Public Hospital Districts, amending section 2, chapter 264, Laws of 1945 (sec. 6090-31, Rem. Rev. Stat.; sec. 636-72 (53) PPC), and declaring an emergency.

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

SECTION 1. Section 2, chapter 264, Laws of 1945 (sec. 6090-31, Rem. Rev. Stat.; sec. 636-72 (53) PPC), is hereby amended to read as follows:

Section 2. Municipal corporations, to be known

Public hospital districts.

as Public Hospital Districts, are hereby authorized and may be established within the several counties of the state as hereinafter provided.

Effective immediately.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions and shall take effect immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 226.

[H. B. 154.]

CORPORATIONS—DELINQUENT FEES.

AN ACT to promote the development of natural resources of the state; to fix the license fees of certain corporations; to provide for the reinstatement of certain delinquent corporations, and amending chapter 70, Laws of 1937, by adding thereto after section 4, a new section to be known as section 4A, and amending section 14, chapter 70, Laws of 1937 (sec. 3836-14, Rem. Rev. Stat.; sec. 460-27, PPC).

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

SECTION 1. Chapter 70, Laws of 1937, is amended by adding thereto after section 4, a new section to be known as section 4A reading as follows:

Statement to be filed.

Section 4A. Any corporation organized for the purpose of developing natural resources and which does not own or operate any producing mine or property, may file with the Secretary of State, on or before the first day of July of any year, its statement, verified by the oath of its president and secretary, covering its operations for the year ending June 1st prior thereto, upon forms to be furnished to it by the Secretary of State upon request, and pay therewith to the Secretary of State a license fee

License.

of ten dollars (\$10), and shall thereupon be entitled to a license for the ensuing year. Fee.

The statement shall contain such information as may be required from time to time by the Secretary of State, including the name of the company, its principal office, names and addresses of its principal officers, amount of its capital stock authorized, subscribed, and issued, its par value per share, the name and address of its resident agent or attorney in fact, if a foreign corporation, and a brief description of the character and extent of the work and expenditures of the company during the preceding year. Contents of statement.

SEC. 2. Section 14, chapter 70, Laws of 1937 (sec. 3836-14, Rem. Rev. Stat.; sec. 460-27, PPC) is amended to read as follows:

Section 14. In the event that any corporation shall allow license fees due the state under existing laws or by virtue of this chapter, to become delinquent for a period of three consecutive years and the Secretary of State shall be unable to collect said fees in full, it shall be his duty to enter upon his records a notation that such corporation is dissolved and said corporation shall thereupon be dissolved and the Secretary of State shall thereupon be free to grant the name of the corporation so dissolved to any other corporation thereafter organized: *Provided, however,* That any corporation which may have been heretofore stricken or dissolved or which may hereafter be dissolved by the Secretary of State for nonpayment of fees under existing laws or this chapter is hereby given the privilege of becoming reinstated and having its corporate license restored by applying to the Secretary of State for such reinstatement at any time within ten years after such corporation may have been or may be stricken or dissolved, and paying to the Secretary of State for the use of the state, all Dissolution for three years delinquent license fees.

Reinstatement.

Payment of
license fees
and
penalties.

Corporations
organized
to develop
natural
resources
of state.

license fees and penalties due to the state under existing laws and this chapter and the additional sum of ten dollars (\$10) for each and every year that its name has been stricken from, or noted as dissolved upon the records, or paying to the Secretary of State for the use of the state the license fees and penalties due to the state under existing laws or this chapter and the penalty above provided for the most distant year then due and unpaid and also for the year last due and unpaid and enter into a contract with the Secretary of State, according to a form to be approved by him, for the payment of all other unpaid license fees and penalties then due from it, in ten semiannual installment payments, to begin upon the due date of the next annual license fee. The current annual license fee shall not be received unless the installment payments due have been paid: *Provided further*, That any corporation organized solely for the purpose of developing natural resources and not engaged in any other business, and which does not own or operate any producing mine or property, shall be reinstated and have its license renewed at any time within twenty years after such corporation may have been stricken or dissolved, by paying to the Secretary of State the current annual license fee of ten dollars (\$10), together with a penalty of ten dollars (\$10) for each and every year for which said corporation is delinquent, and filing therewith its verified statement covering each and all of the years delinquent in the form herein provided for the annual statement of non-productive mining corporations: *Providing, further*, That the privilege of becoming reinstated shall not be granted to any corporation where the name of such corporation has been given to a new corporation organized after its dissolution.

Upon reinstatement as herein provided it shall be the duty of the Secretary of State to enter upon his records a notation that such corporation is re-

instated, and it shall thereupon be reinstated as of the date on which its name was stricken from or noted as dissolved upon the records of the office of the Secretary of State, and such corporation shall have the right to sue and shall enjoy the same rights and powers as if its name had never been stricken from the records or it had never been dissolved and all things done by it in the exercise of its corporate powers before such reinstatement shall become valid acts of the corporation.

Status
upon re-
instatement.

Passed the House February 10, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 227.

[H. B. 232.]

ELECTION—COMMISSIONERS OF COMMERCIAL WATERWAY DISTRICTS.

AN ACT relating to elections, providing for the nomination and election of Commissioners of Commercial Waterway Districts in class A and first class counties; and amending chapter 11, Laws of 1911 as amended by chapter 46, Laws of 1913, by adding thereto seven new sections to be known as sections 2-a to 2-g, consecutively, following section 2 thereof.

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

SECTION 1. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-a, to follow section 2 thereof, and reading as follows:

Section 2-a. Nominations for Commercial Waterway District Commissioners in class A and first class counties shall be by petition signed by at least twenty-five registered voters in such Commercial Waterway District. The petition shall be filed with the Secretary of the Board of Commissioners of the Commercial Waterway District not more than sixty

Petition for
nomination.

Filing of
petition.

days and not less than thirty days prior to the date of the election: *Provided*, That for the initial election held at the time of formation of the district, nominating petitions must be filed with the Board of County Commissioners.

SEC. 2. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-b, to follow section 2-a thereof, and reading as follows:

Manner of holding elections.

Section 2-b. The manner of holding any general or special election for Commercial Waterway Districts shall be in accordance with the laws of this state and the charter provisions of the cities or towns within the Commercial Waterway Districts. All expenses of elections for the formation of a Commercial Waterway District, or held in it thereafter, shall be advanced by the county in which the election is held, and the money paid out for such purpose shall be repaid to such county by the Commercial Waterway District.

Expenses.

SEC. 3. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-c, to follow section 2-b thereof, and reading as follows:

Terms of office.

Section 2-c. After the expiration of the terms of the Commissioners first elected, the term of office of each Commercial Waterway District Commissioner shall be six years, commencing on the first Monday of May following his election, and one such Commissioner shall be elected at each biennial general election.

SEC. 4. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-d, to follow section 2-c thereof, and reading as follows:

Section 2-d. In any Commercial Waterway District hereafter formed in class A and first class counties, three Commercial Waterway District Com-

missioners shall be elected at the same election at which the proposal is submitted to the voters as to whether such Commercial Waterway District shall be formed. The Commissioner receiving the highest number of votes shall hold office for a term of six years; the Commissioner receiving the second highest number of votes, for a term of four years; and the Commissioner receiving the third highest number of votes, for a term of two years.

Number of votes determines term.

SEC. 5. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-e, to follow section 2-d thereof, and reading as follows:

Section 2-e. No election of Commissioners in any Commercial Waterway District in class A and first class counties, except in connection with the organization of new districts, shall be held until the biennial election to be held on the second Tuesday in March, 1948, at which time and thereafter such elections shall be held biennially.

Elections in class A and 1st class counties.

SEC. 6. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-f, to follow section 2-e thereof, and reading as follows:

Section 2-f. In Commercial Waterway Districts in class A and first class counties already in existence when this act takes effect, a successor to the Commissioner whose term expires in 1948 shall be elected in 1948; a successor to the Commissioner whose term expires in 1949 shall be elected in 1950; and a successor to the Commissioner whose term expires in 1950 shall be elected in 1952.

Time of election for existing districts.

SEC. 7. Chapter 11, Laws of 1911, as amended by chapter 46, Laws of 1913, is amended by adding thereto a new section to be known as section 2-g, to follow section 2-f thereof, and reading as follows:

Section 2-g. All Commercial Waterway District Commissioners shall hold office until their succes-

Vacancies.

sors have been elected and qualified. Vacancies caused by death, resignation or otherwise shall be filled by appointment by the remaining Commissioners to serve until the next biennial election. At that election, if the term has not expired, a successor shall be elected to fill out the remainder of the unexpired term.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 228.

[H. B. 285.]

HOSPITALS—COUNTIES AND CITIES.

AN ACT relating to and regulating the establishment, maintenance and operation of hospitals by counties, and counties and cities jointly; and amending section 1, chapter 174, Laws of 1925, Ex. Ses. (sec. 6090-1, Rem. Rev. Stat.; sec. 636-1, PPC).

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

SECTION 1. Section 1, chapter 174, Laws of 1925, Ex. Ses. (sec. 6090-1, Rem. Rev. Stat.; sec. 636-1, PPC) is amended to read as follows:

Board of County Commissioners may establish hospitals.

Section 1. The Board of County Commissioners of any county shall have the power to establish, provide and maintain almshouses and hospitals for the care and treatment of the indigent, sick, injured and maternity cases, and for this purpose said Board of County Commissioners shall have the following powers: To purchase or lease real property therefor or to use for this purpose lands already owned by the county providing such site shall first be approved by the State Board of Health; to erect all necessary buildings, make all necessary improvements and repairs and alter any existing building for the use of said hospitals: *Provided*, That such

Powers of Board.

buildings be separate and apart from those designated as almshouses or county infirmaries: *Provided, further*, That the plans for such erection or alteration shall first be approved by the State Board of Health; to use county moneys, levy taxes and to issue bonds as authorized by law, to raise a sufficient amount of money to cover the cost of procuring the site, constructing and operating hospitals and for the maintenance thereof and all other necessary and proper expenses herein authorized for shall be paid; to authorize said hospital to be a member of and maintain membership in any local, state or national group or association organized and operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration and in connection therewith to use tax funds for the payment of dues and fees; to appoint a board of trustees for said hospital, as hereinafter provided, to accept and hold in trust for the county any grant of land, gift or bequest of money or any donation for the benefit of the purposes of this act, and apply same in accordance with the terms of the gift. Any number of counties or any county and any city in which the county seat of the county may be situated may contract one with the other for the joint purchase, acquisition, ownership, control and disposition of land and other property suitable as a site for a county hospital. Therefore, the joint construction, ownership, control, management and disposition of a building or buildings thereon for the use of such county and city as a county and city hospital, and such county or city now owning a site, or any interest therein, or a site with buildings thereon, may upon such terms as may appear fair and just to the Board of County Commissioners of such county or to the City Council or Commission or other governing body of such city contract with reference to the joint ownership, acquisition, leasing, control, im-

Approval
of plans.

Counties
may join
in establish-
ment and
operation.

provement and occupation of such property, as herein provided. For the purposes of this act the word hospital shall be deemed to include almshouses.

Passed the House March 3, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 229.

[H. B. 303.]

MINIMUM VOTES—PUBLIC HOSPITAL DISTRICTS.

AN ACT relating to Public Hospital Districts; providing the minimum vote to form such a district; and amending section 5, chapter 264, Laws of 1945 (sec. 6090-34, Rem. Rev. Stat.; sec. 736-72 (59), PPC).

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

SECTION 1. Section 5, chapter 264, Laws of 1945 (sec. 6090-34, Rem. Rev. Stat.; sec. 736-72 (59), PPC) is hereby amended to read as follows:

Section 5. The provisions of chapter 1, Laws of 1931, relating to elections, vacancies, procedures of the commission and boundaries and consolidation of public utility districts shall govern public hospital districts created under this act: *Provided*, That the total vote cast upon the proposition to form the district shall exceed forty per cent (40%) of the total number of votes cast in the precincts comprising the district at the next preceding general state and county election, and: *Provided*, That Public Hospital District Commissioners shall hold office for the term of six (6) years and until their respective successors are elected and qualified, each term to commence on the second Monday in January in each year following the election thereto. At the same election at which the proposition is submitted to the voters as to whether a Public Hospital District shall be formed,

Total votes
required.

Term of
Commiss-
sioners.

three (3) commissioners shall be elected to hold office, respectively, for the term of two (2), four (4) and six (6) years. All candidates shall be voted upon by the entire Public Hospital District and the candidate residing in commissioner district number one receiving the highest number of votes in the Public Hospital District shall hold office for the term of six (6) years; and the candidate residing in commissioner district number two receiving the highest number of votes in the Public Hospital District shall hold office for the term of four (4) years; and the candidate residing in commissioner district number three receiving the highest number of votes in the Public Hospital District shall hold office for the term of two (2) years, each of said terms to date from the times specified in this section following the election, but also to include the period intervening between the election and the beginning of the regular terms specified in this section.

Number
of votes
determines
term.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 230.

[H. B. 348.]

FIRE PROTECTION DISTRICTS.

AN ACT relating to fire protection districts; validating organization proceedings and confirming boundaries; and declaring an emergency.

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

Existing districts declared valid.

SECTION 1. The respective areas, organized and established or attempted to be organized and established under the authority granted in chapter 34, Laws of 1939, as amended, which since their organization and establishment or attempted organization and establishment have continuously maintained their organization as Fire Protection Districts established under the authority of said statutes are hereby declared to be duly organized Fire Protection Districts existing under and by virtue of the provisions of said statutes having in each case, the boundaries set forth in the respective organization proceedings of each of them as shown by the files and records in the offices of the Board of County Commissioners and Auditor of the county in which the particular area lies.

Effective immediately.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 231.

[H. B. 305.]

TAXATION—SALE OF PUBLIC LANDS UNDER CONTRACT.

AN ACT relating to taxation; regulating the assessment, levy and collection of taxes; providing for the taxing of public lands sold under contract; and amending section 33, chapter 130, Laws Ex. Ses. 1925, as amended by section 1, chapter 79, Laws of 1941 (sec. 11133, Rem. Rev. Stat.; sec. 979-517, PPC).

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

SECTION 1. Section 33, chapter 130, Laws Ex. Ses. 1925, as amended by section 1, chapter 79, Laws of 1941 (sec. 11133, Rem. Rev. Stat.; sec. 979-517, PPC) is amended to read as follows:

Section 33. When any real property is sold on contract by the United States of America, the state, or any county or municipality, and such contract expresses or implies that the vendee is entitled to the possession, use, benefits and profits thereof and therefrom so long as he complies with the terms of such contract, it shall be deemed that the vendor retains title merely as security for the fulfilment of the contract, and such property shall be assessed and taxed in the same manner as other similar property in private ownership is taxed, and the tax rate shall contain, opposite the description of the property so assessed the following notation: "Subject to title remaining in the vendor" or other notation of similar significance. No foreclosure for delinquent taxes nor any deed issued pursuant thereto shall extinguish or otherwise affect the title of the vendor. In any case under former law where the contract and not the property was taxed no deed of the property described in such contract shall ever be executed and delivered by the state or any county or municipality until all taxes assessed against such contract and

Public property purchased under contract by private individual.

Deed to be held until all taxes are paid.

local assessments assessed against the land described thereon are fully paid.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 232.

[H. B. 218.]

SECONDARY STATE HIGHWAYS.

AN ACT relating to secondary state highways; and amending section 10, chapter 207, Laws of 1937.

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

SECTION 1. Section 10, chapter 207, Laws of 1937 (Remington's Revised Statutes, Volume 7-A, 6402-10; P.P.C. 629-93), is amended to read as follows:

Establishment.

Section 10. Secondary state highways as branches of Primary State Highway No. 9 are hereby established according to designation and description as follows:

S. S. H. 9A.

(a) Secondary State Highway No. 9A; beginning at Port Angeles on Primary State Highway No. 9, thence in a westerly direction by the most feasible route by way of the Pysht river to a junction with Primary State Highway No. 9 in the vicinity of Sappho;

S. S. H. 9B.

(b) Secondary State Highway No. 9B; beginning at a junction with Primary State Highway No. 9 in the vicinity south of the crossing of the Sol Duc river, thence in a westerly direction by the most feasible route to Mora; also beginning at a junction with Secondary State Highway No. 9B, as herein described, in the vicinity of the confluence of the Sol Duc and Bogachiel rivers, thence in a westerly direction by the most feasible route to La Push,

S. S. H. 9C.

(c) Secondary State Highway No. 9C; beginning at a junction with Primary State Highway No. 9 in

Hoquiam, thence in a northwesterly direction by the most feasible route by the way of Ocean City, Copalis, Pacific Beach, and Moclips to the Quinault Indian Reservation line.

(d) Secondary State Highway No. 9D; beginning S. S. H. 9-D.
at a junction with Primary State Highway No. 9 in the vicinity west of McCleary, thence in a northeasterly direction by the most feasible route to a junction with Primary State Highway No. 9 south of Shelton;

(e) Secondary State Highway No. 9E; beginning S. S. H. 9-E.
at a junction with Primary State Highway No. 9 in the vicinity south of Discovery Bay, thence in a southeasterly direction by the most feasible route to the vicinity of South Point on Hood Canal;

(f) Secondary State Highway No. 9F; beginning S. S. H. 9-F.
at Sequim on Primary State Highway No. 9, thence in a northerly direction by the most feasible route to Dungeness.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 233.

[H. B. 189.]

PAYMENTS TO PENSIONERS.

AN ACT providing for the payment to pensioners under section 5, chapter 74, Laws of 1911 as last amended by section 1, chapter 209, Laws of 1941 (sec. 7679 Rem. Rev. Stat.; 705-1 PPC) of certain amounts in addition to pensions now payable thereunder and making an appropriation from the General Fund.

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

SECTION 1. Notwithstanding any other provision of law, every widow or invalid widower receiving a pension under section 5, chapter 74, Laws of 1911 as last amended by section 1, chapter 209, Laws of 1941, shall, after the effective date of this act, be paid

Amounts.

seventy five dollars (\$75) per month, and every permanently totally disabled workman receiving a pension under said section 5 as amended, shall, after the effective date of this act, be paid seventy-five dollars (\$75) per month (if unmarried at the time his injury occurred); one hundred dollars (\$100) per month (if he or she has a wife or invalid husband); and fifty dollars (\$50) per month (if the husband is not an invalid and the husband and wife are living together as such); *Provided, however,* That no part of said additional payments shall be payable from the Accident Fund or be charged against any class under the industrial insurance law.

Monthly payments by Director of Labor and Industries.

The Director of Labor and Industries shall pay monthly to every such widow, invalid widower, and totally disabled workman from the funds appropriated by this act such an amount as will, when added to the pensions they are presently receiving, exclusive of amounts received for children or dependents or attendants, equal the amounts hereinabove specified.

Reduction of repayments on advances.

In cases where money has been or shall be advanced to any such person from the pension reserve, the additional amount to be paid to him or her under this act shall be reduced by the amount of monthly pension which was or is predicated upon such advanced portion of the pension reserve.

The legislature shall make biennial appropriations to carry out the purposes of this act.

Appropriation.

SEC. 2. There is hereby appropriated from the General Fund the sum of four million five hundred thousand dollars (\$4,500,000) for the payment of the additional amounts required by this act.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 234.

[S. H. B. 205.]

ELECTIONS.

AN ACT relating to elections; providing for the manner, form and times for filing declarations of candidacy, and withdrawal thereof, for filing petitions and certificates of nomination and declination thereof, for giving notices of holding primaries and elections; amending section 4, chapter 209, Laws of 1907, as last amended by section 1, chapter 95, Laws of 1933 (sec. 5180, Rem. Rev. Stat.; sec. 529-11, PPC), section 8, chapter 209, Laws of 1907, as last amended by section 1, chapter 26, Laws of 1935 (sec. 5185, Rem. Rev. Stat.; sec. 529-21, PPC), section 5, chapter 194, Laws of 1945 (sec. 5166-4, Rem. Rev. Stat.; sec. 522-39, PPC), section 8, page 403, Laws of 1889-90, as last amended by section 2, chapter 178, Laws of 1921 (sec. 5172, Rem. Rev. Stat.; sec. 524-23, PPC) and section 11, page 404, Laws of 1889-90, as last amended by section 3, chapter 178, Laws of 1921 (sec. 5175, Rem. Rev. Stat.; sec. 524-29, PPC); and repealing all acts and parts of acts, general or special, in conflict therewith.

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

SECTION 1. Section 4, chapter 209, Laws of 1907, as last amended by section 1, chapter 95, Laws of 1933 (sec. 5180, Rem. Rev. Stat.; sec. 529-11, PPC) is amended to read as follows:

Section 4. The name of no candidate shall be printed upon the official ballot used at a September primary, unless not earlier than the preceding July 1st nor later than the preceding July 20th, a declaration of candidacy is filed in the form hereinafter set forth, nor at any other primary election unless at least forty-five (45) and not more than sixty (60) days prior to such primary, a declaration of candidacy has been filed by him as provided in this act in the following form:

Declaration of candidacy to be filed.

I,, declare upon honor that I reside at No. street, (city or town of) (county of), State of Washington, and am a qualified voter therein, and a member of

Form.

(do not fill this in if office sought is nonpartisan)
..... party, that I hereby declare my-
self a candidate to the office of
or position No. for the office of
.....

(fill in whichever blank is applicable) to be made at
the primary election to be held on the
day of, and hereby request that
my name be printed upon the official primary ballot
as provided by law as a candidate of the
(do not fill this in if office sought is nonpartisan)
..... party, and I accompany herewith
the sum of dollars, the fee required
by law of me for becoming a candidate.

Subscribed this day of
....., 19

With-
drawal.

Provided, That any candidate may withdraw his
declaration at any time within five days after the
last day allowed for filing declarations of candidacy.

SEC. 2. Section 8, chapter 209, Laws of 1907, as
last amended by section 1, chapter 26, Laws of 1935
(sec. 5185, Rem. Rev. Stat.; sec. 529-21, PPC) is
amended to read as follows:

List of
candidates.

Section 8. At least thirty-five days before any
September primary, the Secretary of State shall
transmit to each County Auditor a certified list, con-
taining the name, post office address and party desig-
nations of each person to be voted for at such pri-
mary, and the office for which he is a candidate as
appears by the nomination papers filed in his office.

Preparation
of absentee
ballots.

Each County Auditor shall at least twenty-five
days before any primary, have prepared sufficient
ballots for use by absentee voters and at least ten
(10) days prior to any primary, publish once a notice
showing, with the proper party designation and un-
der the title of each office, the names and addresses
of all the persons for whom nomination papers have

Publication
of notice.

been filed in so far as the same shall affect electors of his county, and giving the date of the primary, the hours during which the polls shall be open, and that the primary will be held in the regular polling place for each precinct: *Provided*, That the names of all candidates for nonpartisan offices shall be published without party designation. This shall be the only notice required for the holding of any September primary.

Nonpartisan
offices.

SEC. 3. Section 5, chapter 194, Laws of 1945 (sec. 5166-4, Rem. Rev. Stat.; sec. 522-39, PPC) is amended to read as follows:

Section 5. All candidates for offices to be voted on at any election in first, second, and third class cities shall file declarations of candidacy not more than sixty (60) nor less than forty-five (45) days prior to the day of the primary with the clerk thereof: *Provided*, That no such candidate shall declare any party affiliation therein. Any such candidate may withdraw his declaration at any time within five days after the last day allowed for filing declarations of candidacy.

Elections in
first, second
and third
class cities.

Nonpartisan.

At least thirty days before the date fixed for the primary, the City Clerks shall transmit to the County Election Board a certified list of the candidates to be voted on thereat as represented by the declarations of candidacy filed in his office.

Transmittal
of list to
County Elec-
tion Board.

Nominating petitions for candidates for an office in a political subdivision other than a first, second or third class city, the election for which is to be held on the second Tuesday in March of any year shall be filed with the clerk or secretary of the governing board thereof not later than thirty (30) days prior to the general election.

Political
subdivisions
other than
cities of first,
second and
third classes.

All candidates required to file declarations of candidacy shall pay the same fees and be governed by the same rules as obtain with respect to candidates for nomination at the September primary elections.

Fees.

SEC. 4. Section 8, page 403, Laws of 1889-90, as last amended by section 2, chapter 178, Laws of 1921 (sec. 5172, Rem. Rev. Stat.; sec. 524-23, PPC) is amended to read as follows:

Declining of nomination.

Section 8. Certificates of nomination by clerks of fourth class cities and towns and certificates of clerks and secretaries of district boards, except in second and third class school districts, showing who has been nominated and for what office therein, shall be filed with the County Auditor not less than twenty days before the election: *Provided*, That this section shall not apply to certificates of nomination for general or special elections for any city or town which is not subject to the consolidated election laws.

SEC. 5. Section 11, page 404, Laws of 1889-90, as last amended by section 3, chapter 178, Laws of 1921 (sec. 5175, Rem. Rev. Stat.; sec. 524-29, PPC) is amended to read as follows:

Decline of nomination.

Section 11. Any person nominated for public office at a September primary may at least twenty-five days before election notify in writing the officer with whom the certificate nominating him is required to be filed that he declines the nomination, whereupon the nomination shall be void.

Notification.

In the case of elections held in cities, towns and districts other than judicial, legislative, port and public utility districts, the declination must be filed at least fifteen days before the election except in cities of the first class wherein primaries are held less than thirty days prior to the election, in which case declinations to be effective must be filed at least ten days before election.

Filing.

SEC. 6. All acts and parts of acts, general or special, in conflict herewith are hereby repealed.

Passed the House March 3, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 235.

[H. B. 229.]

EDUCATION—SUPPORT OF SCHOOLS.

AN ACT relating to education; providing for support of the common schools; and amending section 5, subchapter 9, title III, chapter 97, Laws of 1909, as last amended by section 7, chapter 141, Laws of 1945 (section 4936, Rem. Rev. Stat.; sec. 889-9, PPC).

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

SECTION 1. Section 5, subchapter 9, title III, chapter 97, Laws of 1909, as last amended by section 7, chapter 141, Laws of 1945 (section 4936, Remington's Revised Statutes, Supplement, also Pierce's Perpetual Code 889-9), is amended to read as follows:

Section 5. In the manner and at the times hereinafter provided there shall be distributed out of the State School Equalization Fund to the County Treasurer of each county for the use and benefit of the several school districts of each such county a sum sufficient to produce one and seven-tenths cents (1.7¢) per day's attendance determined in accordance with section 4 of this act. The County Commissioners of the several counties of the State of Washington shall annually, at the time of making the tax levy for county purposes, levy a tax on all property subject to taxation in their county sufficient, with the aforesaid apportionment from the State School Equalization Fund, to produce seven cents (7¢) per day's attendance as determined in accordance with section 4 of this act: *Provided*, That such tax on said property shall in no case exceed nine-tenths (9/10) of one (1) mill on each dollar of the assessed valuation: *Provided, further*, If the nine-tenths (9/10) of one (1) mill levy as aforesaid will not produce the seven cents (7¢) per day's attendance, as provided herein, in any county,

Distribution
from State
School Equal-
ization Fund.

Tax levy.

Maximum
levy.

Certification
of deficit.

Apportion-
ments of cur-
rent State
School Fund.

the deficit shall be certified by the County Commissioners to the Superintendent of Public Instruction as a charge against the State School Equalization Fund, for the schools of such county. The apportionments from the State School Equalization Fund provided for in this section shall be made as follows: The Superintendent of Public Instruction shall at the time of making regular apportionments of the Current State School Fund during the following calendar year apportion to the County Treasurer of such county one-twelfth (1/12) the amount due for the schools of said county from the State School Equalization Fund. The County Treasurer shall immediately notify the County Superintendent of Schools of the amount received, and the County Superintendent shall apportion the special allotment to the school districts of his county at the same time and upon the same basis as is used to distribute the County School Funds.

Passed the House March 3, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 236.

[H. B. 304.]

SEWER DISTRICTS—TAXES.

AN ACT relating to sewer districts; authorizing Boards of Sewer Commissioners to levy a tax on property; and amending section 41, chapter 210, Laws of 1941, as amended by section 14, chapter 140, Laws of 1945 (sec. 9425-50, Rem. Rev. Stat.; sec. 913-79, PPC).

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

SECTION 1. Section 41, chapter 210, Laws of 1941, as amended by section 14, chapter 140, Laws of 1945 (sec. 9425-50, Rem. Rev. Stat.; sec. 913-79, PPC) is amended to read as follows:

Section 41. On or before the first day of October each year, the Board of Sewer Commissioners of each sewer district shall make and file with the Board of County Commissioners of the county containing such district, a statement and estimate in writing of the amount required for maintenance of the sewer system of said district for the ensuing fiscal year, and the Board of County Commissioners, shall on or before the first day of November next ensuing, levy an assessment for the amount of said estimate, or such amount as it shall deem advisable, upon the property within the district, chargeable therewith in the same proportion as the assessment to pay the original cost of construction of said sewerage system was levied. Or the Board of Sewer Commissioners are hereby authorized to levy, or cause to be levied, to carry out the purposes of this act, in addition to the levy mentioned in section 18 of this act, a general tax on all property located in said sewer district each year not to exceed three (3) mills on the assessed valuation of the property in such sewer district. Said taxes when so levied shall be certified to the proper county official for the collection of the same as other general taxes. When such money is collected it shall be placed in a separate fund and paid out on warrants of the County Auditor of the county in which the sewer district is situated and authorized by the Board of Sewer Commissioners for the purposes specified in this act.

Making and filing of statement of amounts required.

Levy of assessments.

Levy of general tax.

Maximum.

Passed the House March 9, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 237.

[H. B. 276.]

MT. SPOKANE STATE PARK—TRANSFER OF LANDS.

AN ACT authorizing the transfer or exchange of lands within or adjacent to the Mt. Spokane State Park.

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

Exchange of lands authorized.

SECTION 1. The State Parks Committee is hereby authorized to convey any lands constituting a part of Mt. Spokane State Park in exchange for any private lands within the external boundaries of said Mt. Spokane State Park or for any private lands adjacent to any portion of said Mt. Spokane State Park, which private lands when so acquired shall constitute a part of Mt. Spokane State Park.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 238.

[H. B. 290.]

TAX FORECLOSED PROPERTY.

AN ACT relating to the disposal by counties of tax foreclosed property to governmental agencies.

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

Disposal by County Commissioners.

SECTION 1. The Board of County Commissioners may dispose of tax foreclosed property to any governmental agency for public purposes by private negotiation, without a call for bids, for not less than the principal amount of the unpaid taxes.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 239.

[H. B. 371.]

PORT DISTRICTS—WARRANTS AND BONDS.

AN ACT relating to port districts; authorizing the funding and refunding of general district warrants and bonds; providing for the terms and conditions and redemption of the funding and refund bonds; and declaring an emergency.

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

SECTION 1. The Board of Commissioners of any port district of the state may fund or refund any of the general bonded indebtedness and/or warrants of the district now or hereafter existing and accrued interest thereon, and may combine various series and/or issues of warrants and/or bonds into a single issue of funding or refunding bonds, by the issuance of general obligation funding or refunding bonds, when the Board, by resolution, finds, determines, and declares that such proposed funding or refunding will inure to the benefit and credit of the district and will not result in an increase of the district's indebtedness or in an increase in the rate of interest borne by the indebtedness so funded or refunded. Such funding or refunding may be accomplished by the sale of said funding or refunding bonds or by their exchange for the bonds and/or warrants to be refunded. General obligation bonds of a port district which do not provide for prior redemption, may also be refunded with the consent of the holders thereof.

SEC. 2. Such funding or refunding bonds shall bear interest at a rate not in excess of five per cent (5%) per year as fixed by the Board after the sale of the bonds, or, in the event of the issuance thereof by exchange, prior to such exchange; and the form of the bonds and interest coupons which shall be

Refund of
bonds or
warrants.

Sale or
exchange.

Consent of
holders.

Interest.

Form of
bonds and
coupons.

attached thereto, their execution, and the bonds in all other respects, shall be as permitted by law and as provided by resolution of the Board.

Amortiza-
tion.

SEC. 3. Such funding or refunding bonds shall run for a period of not exceeding twenty (20) years from date thereof, and shall mature and be payable on the amortization plan prescribed by section 1, chapter 151, Laws of 1923: *Provided*, That any such funding or refunding bonds may be issued to mature commencing at the end of the first year after date thereof, and the foregoing amortization plan may be departed from when, in view of other taxation and financial burdens of the district, it is to the advantage of the district and of the owners of the property therein, in the judgment of the Board thereof, expressed in a written resolution, to depart from such amortization plan; and the funding or refunding bonds or any part thereof maturing on or after ten (10) years from date thereof may be made redeemable on any interest payment date prior to their dates of fixed maturity, at the option of the district, upon such prior notice thereof as shall be determined by resolution of said Board and as expressed upon the face of the bonds thus subjected to the right of prior redemption. The Board may apply to the payment of the funding or refunding bonds and to the prior redemption thereof any other moneys or funds belonging to the district which are legally available for such purpose.

Chapter 151
Laws 1923
applicable.

SEC. 4. Said funding or refunding bonds and the issuance thereof shall be governed in all other respects by the provisions of chapter 151, Laws of 1923, in so far as applicable.

Effective im-
mediately.

SEC. 5. This act is necessary for the immediate preservation of the public peace, health and safety,

the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 240.

[H. B. 297.]

STATE CEREBRAL PALSY FUND.

AN ACT relating to the discovery, treatment, hospitalization, education and training of persons afflicted with cerebral palsy; defining the joint and several powers and duties of the State Superintendent of Public Instruction and the State Department of Health in relation thereto; creating a State Cerebral Palsy Fund; prescribing to whom and for what purpose such funds shall be disbursed; defining persons eligible for benefits of this act, and making appropriations.

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

SECTION 1. It is hereby declared to be of vital concern to the State of Washington that all persons who are bona fide residents of the State of Washington and who are afflicted with cerebral palsy in any degree be provided with facilities and a program of service for medical care, education, treatment and training to enable them to become normal individuals. In order to effectively accomplish such purpose the Superintendent of Public Instruction and the Department of Health, hereinafter called the Departments, are authorized and instructed and it shall be their joint duty to establish and administer facilities and a program of service for the discovery, care, education, hospitalization, treatment and training of educable persons afflicted with cerebral palsy, and to provide in connection therewith

Superintendent of Public Instruction and Department of Health to provide facilities.

Diagnos-
tion and hos-
pitalization.

Cooperation
with other
agencies.

Facilities.

nursing, medical, surgical and corrective care, together with academic, occupational and related training. Such program shall extend to developing, extending and improving service for the discovery of such persons and for diagnosis and hospitalization and shall include cooperation with other agencies of the State charged with the administration of laws providing for any type of service or aid to handicapped persons, and with the United States Government through any appropriate agency or instrumentality in developing, extending and improving such service, program and facilities. Such facilities shall include field clinics, diagnosis and observation centers, boarding schools, special classes in day schools, research facilities and such other facilities as shall be required to render appropriate aid to such persons. Existing facilities, buildings, hospitals and equipment belonging to or operated by the State of Washington shall be made available for these purposes when use therefor does not conflict with the primary use of such existing facilities. Existing buildings, facilities and equipment belonging to private persons, firms or corporations or to the United States Government may be acquired or leased.

State cere-
bral palsy
fund.

Appropri-
ation.

SEC. 2. In order to provide the necessary funds for the program and purposes set forth in section 1 of this act, there is hereby created a State Cerebral Palsy Fund which shall be apportioned and expended under the direction of the State Superintendent of Public Instruction. There is hereby appropriated from the General Fund to the State Cerebral Palsy Fund for the fiscal biennium ending March 31, 1949, the sum of two hundred fifty thousand dollars (\$250,000), and there is further appropriated from the State Cerebral Palsy Fund the following:

a. To the State Department of Health, the sum of fifty thousand dollars (\$50,000) to be used by the Department to accomplish the objectives set forth in section 1 of this act as pertaining to the provisions of medical services including diagnosis, field clinics, observation centers, medical facilities, research activities and schools established under this act.

To the
Department
of Health.

b. To the Superintendent of Public Instruction, the sum of two hundred thousand dollars (\$200,000) for the operation and maintenance of boarding schools, special classes in day schools, and other academic, occupational and related training in new or existing facilities.

For the Su-
perintendent
of Public
Instruction.

SEC. 3. Any resident of this State who is educable but so severely handicapped as the result of cerebral palsy that he is unable to take advantage of the regular system of free education of this State may be admitted to or be eligible for any service and facilities provided hereunder, provided such resident has lived in this State continuously for more than one year before his application for such admission or eligibility.

Patients
eligible.

SEC. 4. Persons shall be admitted to or be eligible for the services and facilities provided herein only after diagnosis according to procedures and regulations established and approved for this purpose by the joint action of the Departments.

Prior
diagnosis.

SEC. 5. 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 the act which can be given effect without the invalid provisions or application.

Saving
clause.

Passed the House March 3, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 241.

[H. B. 374.]

IRRIGATION DISTRICTS.

AN ACT relating to irrigation districts and the inclusion or exclusion of lands therein; amending section 52 of that certain act of 1890 entitled "Irrigating Districts; Organization and Government Of," at page 696 and section 55 of the same act as amended by section 42, chapter 129, Laws of 1921 (secs. 7479 and 7493, Rem. Rev. Stat.; secs. 679-357 and 679-363, PPC).

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

SECTION 1. Section 52 of that certain act of 1890 entitled "Irrigating Districts; Organization and Government Of," at page 696 (sec. 7479, Rem. Rev. Stat.; sec. 679-357, PPC) is amended to read as follows:

Change of
boundaries
of districts.

Section 52. The Board of Directors, if they deem it not for the best interests of the district that a change of its boundaries be so made as to include therein the lands mentioned in the petition, shall order that the petition be rejected. But if they deem it for the best interests of the district that the boundaries of said district be changed, and if no person interested in said district, or the proposed change of its boundaries, shows cause in writing why the proposed change should not be made, or if, having shown cause, withdraws the same, the Board may order that the boundaries of the district be so changed as to include therein the lands mentioned in said petition, or some part thereof. The order shall describe the boundaries of lands included, as aforesaid; and for that purpose the Board may cause a survey to be made of such portions of such boundary as is deemed necessary and may at its option redefine the boundaries of the district, or so much of the same as it deems advisable.

SEC. 2. Section 55 of that certain act of 1890 entitled "Irrigating Districts; Organization and Gov-

ernment Of," as amended by section 42, chapter 129, Laws of 1921, is amended to read as follows:

Section 55. If at any such election a majority of all the votes cast shall be against exclusion the Board shall deny and dismiss said petition and proceed no further in said matter; but if in the case of a petition for the exclusion of lands from a district a majority of such votes be in favor of the exclusion of said lands from the district, the Board shall thereupon order that the said lands mentioned in said resolution be excluded from the district; if in the case of a petition for the exclusion of a former district from a consolidated district, a majority of the votes cast in such former district shall be against exclusion, or a majority of the votes cast in the remaining portion of the consolidated district shall be against exclusion, the Board shall deny and dismiss the petition and proceed no further in the matter; but if in the case of a petition for such exclusion of a former district a majority of the votes cast in such former district and a majority of the votes cast in the remaining portion of the consolidated district shall be in favor of the exclusion of such former district, the Board shall thereupon order that the lands comprising such former district be excluded from the consolidated district and that such former district shall be and is re-established as an irrigation district created and established under the provision of this chapter and that the title to all property formerly belonging to, and all property within the boundaries of said former district, shall be and is vested in such re-established district, and shall call an election to be held in such re-established district for the election of a Board of Directors thereof, and direct the publication of notices of such election in the manner provided in

Action of
Board after
election.

Publication
of notices.

this chapter for the publication of notice of special elections. The Board entering such order shall continue to administer the affairs of such re-established district until the directors elected at such election shall have qualified.

Description
of bounda-
ries in order.

The said order excluding land from a district shall describe the boundaries of the lands excluded, should the exclusion change the boundaries of the district, and in case of the exclusion of a former district from a consolidated district, shall describe the boundaries of the re-established district and the boundaries of the district remaining; and for that purpose the Board may cause a survey to be made of such portions of the boundaries as the Board may deem necessary.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 242.

[H. B. 387.]

VALIDATION—BONDS AND OBLIGATIONS.

AN ACT validating, ratifying, approving, and confirming certain bonds and other instruments or obligations heretofore issued; validating, ratifying, approving, and confirming certain proceedings heretofore taken by public bodies for public works projects; and declaring an emergency.

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

Definition
of "public
body."

SECTION 1. As used in this act, the term "public body" means any city, town, district or other governmental agency created by or under the laws of this state.

SEC. 2. All bonds heretofore issued for the purpose of financing or aiding in the financing of any work, undertaking, or project by any public body, including all proceedings for the authorization and

issuance of such bonds, and the sale, execution, and delivery thereof, are hereby validated, ratified, approved, and confirmed, notwithstanding any lack of power (other than constitutional) of such public body, or the governing body or commission or officers thereof, to authorize and issue such bonds, or to sell, execute, or deliver the same, and notwithstanding any defects or irregularities (other than constitutional), including the failure to publish notices of elections, in such proceedings, or in such sale, execution or delivery, and notwithstanding that such governing body or commission or officers may not have been elected, appointed or qualified for the offices they purported to hold; and such bonds are and shall be binding, legal, valid, and enforceable obligations of such public body.

Validation,
ratification
and approval
of bonds and
proceedings.

SEC. 3. All proceedings which have been taken prior to the date this act takes effect, for the purpose of financing or aiding in the financing of any work, undertaking, or project by any public body, including all proceedings for the authorization and issuance of bonds and for the sale, execution, and delivery thereof, are hereby validated, ratified, approved, and confirmed, notwithstanding any lack of power (other than constitutional) of such public body, or the governing body or commission or officers thereof, to authorize and issue such bonds, or to sell, execute, or deliver the same, and notwithstanding any defects or irregularities (other than constitutional) in such proceedings.

Further
ratification
and approval
of finance
proceedings
and bonds.

SEC. 4. This act is necessary for the immediate preservation of the public peace, health and safety, for the support of the state government and its existing public institutions, and shall take effect immediately.

Effective Im-
mediately.

Passed the House February 28, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 243.

[H. B. 403.]

UNIVERSITY OF WASHINGTON—TUITION FEES.

AN ACT relating to the University of Washington; providing for the payment and disposition of tuition fees; and amending section 2, chapter 66, Laws of 1915, as last amended by section 1, chapter 187, Laws of 1945 (sec. 4546, Rem. Rev. Stat.; sec. 911-33, PPC); and amending section 3, chapter 66, Laws of 1915, as last amended by section 2, chapter 187, Laws of 1945 (sec. 4547, Rem. Rev. Stat.; sec. 911-35, PPC).

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

SECTION 1. Section 2, chapter 66, Laws of 1915, as last amended by section 1, chapter 187, Laws of 1945 (sec. 4546, Rem. Rev. Stat.; sec. 911-33, PPC), is amended to read as follows:

Section 2. The University of Washington shall charge to and collect from each of the students registering therein the following fees: (a) From students registering in the Schools of Medicine or Dentistry: A general tuition fee of not to exceed one hundred dollars (\$100) per quarter from each person domiciled in this state or the territory of Alaska for the period of one year prior to registration, and one hundred sixty-five dollars (\$165) each per quarter from all others. From students registering in schools and colleges other than the Schools of Medicine and Dentistry: A general tuition fee of twenty-five dollars (\$25) per quarter from each person domiciled in this state or the territory of Alaska for the period of one year prior to registration, and seventy-five dollars (\$75) each per quarter from all others. (b) Special tuition fees to include fees for summer session, short courses, marine station work, correspondence or extension courses, individual instruction fees, and such other special tuition fees as may be established by the Board of Regents of the University from time to time. (c) A library fee of ten

Fees to be collected from students.

Medical and Dental Schools.

Other schools and colleges.

Special tuition fees.

dollars (\$10) per quarter for law, for each student registered in law, for the law library. (d) Student deposit, disciplinary, laboratory, library, gymnasium, hospital or health fees, and such other fees as may be established by the Board of Regents from time to time, the fees mentioned in this subdivision to be deposited or paid by each student required to deposit or pay same under rules to be prescribed by said Board.

Law library fee.

Other special fees.

SEC. 2. Section 3, chapter 66, Laws of 1915, as last amended by section 2, chapter 187, Laws of 1945 (sec. 4547, Rem. Rev. Stat.; sec. 911-35, PPC), is amended to read as follows:

Section 3. All general tuition fees mentioned in subdivision (a) of section 2 of this act shall, within thirty-five (35) days from the date of collection thereof, be paid into the state treasury and by the State Treasurer shall be credited as follows: General tuition fees collected from students registering in the Schools of Medicine and Dentistry shall be credited to the "University of Washington Medical and Dental Building and Equipment Fund" and general tuition fees collected from students registering in other schools and colleges shall be credited one-half to the "University of Washington Building Fund" and one-half to the "University of Washington Fund." The sums so credited to the "University of Washington Building Fund" shall be used exclusively for the purpose of erecting, altering, maintaining, equipping or furnishing buildings constructed under the act of March 15, 1915, being chapter 66 of the Laws of 1915 and the acts amendatory thereto.

Fees paid to State Treasurer and credited to certain funds.

Passed the House March 1, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 244.

[S. H. B. 420.]

MOTOR VEHICLE EXCISE TAXES.

AN ACT relating to the collection of motor vehicle excise taxes by the Department of Transportation; amending section 6A of chapter 144, Laws of 1943, as added thereto by section 2, chapter 152, Laws of 1945 (sec. 6312-120a, Rem. Rev. Stat.; sec. 964-62, PPC); making an appropriation and declaring an emergency.

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

SECTION 1. Section 6A of chapter 144, Laws of 1943, as added thereto by section 2, chapter 152, Laws of 1945 (sec. 6312-120a, Rem. Rev. Stat.; sec. 964-62, PPC) is amended to read as follows:

Section 6A. Whenever any person shall apply to the State Department of Public Service for a permit or identification plates to operate a motor vehicle in interstate commerce, in any year, under the provisions of chapter 184, Laws of 1935, as amended, said person shall pay to said Department, together with the fee for such permit or plates, fifty per cent (50%) of the excise fee payable for that year on said vehicle under the provisions of this act, except in the following cases:

Fee for permit to operate vehicle in interstate commerce.

(1) If the excise fee for such vehicle, whether owned, leased or rented, for such year has theretofore been paid and such person shall furnish to said Department a receipt, or other satisfactory proof, evidencing such payment, which receipt, or other evidence, after any necessary verification, shall be returned to him upon request; or

Proof of prior payment of excise fee.

(2) If the application be for a vehicle, licensed in another state, for a permit or plates which will simply permit an occasional irregular trip or trips from another state into this state.

Vehicle licensed in another state.

In either of the two above enumerated cases the Department, in accounting to the State Treasurer, shall note the reason for non-collection of the excise.

Reason for non-collection to be noted.

In any case where a person shall have paid the excise fee for any vehicle for any year to the Department and shall later apply to a County Auditor for a motor vehicle license for such year, such County Auditor shall issue such license without collecting the excise fee but only after verifying the said payment from the excise fee receipt, or from a signed statement, issued by the Department, and in accounting to the State Treasurer for such non-collection the Auditor shall note the number of such receipt or the number of the identification plates issued by the Department.

Where application is made to County Auditor.

The Department shall account for and pay over to the State Treasurer, at the latest within thirty (30) days after it has received payment, the excise fees it has collected under this act, and the State Treasurer shall credit the same to the Motor Vehicle Excise Fund.

Credit to Motor Vehicle Excise Fund.

It is the intent of this act that not more than one excise fee imposed under section 2 thereof shall be collected for any vehicle for any year.

One excise fee.

For the purposes of this section, the several provisions of this act applying to the County Auditor shall apply to the State Department of Public Service and those applying to the County Assessor shall apply to the State Tax Commission.

Act applicable to Department of Transportation and State Tax Commission.

SEC. 2. There is hereby appropriated from the General Fund of the state treasury to the transportation revolving fund the sum of two thousand dollars (\$2,000) to cover the salaries and expenses of the Department of Transportation in collecting motor vehicle excise taxes pursuant to section 2, chapter 152, Laws of 1945, and acts amendatory thereto.

Appropriation for expense of administration.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety,

Effective immediately.

support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 245.

[H. B. 449.]

DEPOSIT OF PUBLIC FUNDS.

AN ACT relating to the deposit of public funds in banks by City Treasurers; authorizing the deposit of revenue bonds of cities; and amending section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 240, Laws of 1945 (sec. 5569, Rem. Rev. Stat.; sec. 398-43, PPC).

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

SECTION 1. Section 1, chapter 118, Laws of 1913, as last amended by section 1, chapter 240, Laws of 1945 (sec. 5569, Rem. Rev. Stat.; sec. 398-43, PPC), is amended to read as follows:

Section 1. Before any such designation shall become effectual and entitle the Treasurer to make deposits in such bank or banks, the bank or banks so designated shall, within ten (10) days after the same is filed with the Comptroller, file with the Comptroller of such city a contract with the said city wherein said bank shall agree to pay such rate of interest on the cash daily balance of all municipal funds kept by such Treasurer in said bank, while acting as such depository, as shall be fixed from time to time by the City Finance Committee; such payments to be made monthly to said city while said deposit continues in said depository; said contract shall run to said city and be in such form as shall be approved by the mayor or corporation counsel; and such bank shall also file with the Comptroller of such city a surety bond or bonds to such city

Banks to contract to pay interest as fixed by City Finance Committee.

Bond.

to the amount of the deposits of such city that may be carried in such bank, conditioned for the prompt payment thereof on checks duly drawn by the said Treasurer; or in lieu thereof shall deposit with the said Comptroller any of the following enumerated securities, if there has been no default in the payment of principal or interest thereon, the aggregate market value of which shall at all times be not less than one hundred and ten per cent (110%) of the amount of the funds deposited by said Treasurer: (1) Bonds, notes or other securities constituting the direct and general obligations of the United States or the bonds, notes or other securities constituting the direct and general obligation of any instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;

Deposit of securities.

United States.

(2) direct and general obligation bonds and warrants of the State of Washington, or of any other state of the United States;

States.

(3) direct and general obligation bonds and warrants of any city, town, county, school district, port district or other political subdivision in the State of Washington, having the power to levy general taxes, which are payable from general ad valorem taxes;

Political subdivisions.

(4) bonds issued by public utility districts as authorized under the provisions of section 6 (f), chapter 1, Laws of 1931;

Public utilities.

(5) bonds of any city of the State of Washington for the payment of which the entire revenues of the city's water system, power and light system, or both, less maintenance and operating costs, are irrevocably pledged, even though such bonds are not general obligations of such city: *Provided*, That said Comptroller need not accept for deposit any collateral described in this subdivision if in his judgment it is not desirable so to do.

Revenue bonds.

Approval.

Such surety bonds or securities shall be in such form as shall be approved by the Corporation Counsel of such city and the sufficiency of such surety bonds or such securities shall be approved by the Mayor and Comptroller of such city. When such bonds have been duly approved and filed with the Comptroller of said city, he shall immediately certify to the City Treasurer the amount of bonds or securities filed by such bank or banks, whereupon the City Treasurer shall be authorized to make deposits in such bank: *Provided*, That in the event repayment of deposits in any such depositary is insured by the Federal Deposit Insurance Corporation, or by any other corporation, agency or instrumentality organized under and acting under and pursuant to the laws of the United States of America, the execution and filing of a bond with such Treasurer shall be required only for so much of the designated maximum amount of deposits as such designated maximum amount exceeds the amount of such insurance, and if such depositary elects to deposit securities only to the amount necessary to secure the excess of the moneys on deposit with it over the amount covered by such insurance.

Federal
Deposit
Insurance.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 246.

[H. B. 188.]

INDUSTRIAL INSURANCE—COMPENSATION OF
WORKMEN.

AN ACT relating to Industrial Insurance; providing compensation and remedies of workmen hereafter injured in extra-hazardous employment, and of their dependents, minor children and beneficiaries in case of death, amending section 5, chapter 74, Laws of 1911, as last amended by section 1, chapter 209, Laws of 1941 (sec. 7679, Rem. Rev. Stat.; sec. 705-1, PPC) and regulating fee of attorney for claimant.

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

SECTION 1. Section 5, chapter 74, Laws of 1911, as last amended by section 1, chapter 209, Laws of 1941 (sec. 7679, Rem. Rev. Stat.; sec. 705-1, PPC) is hereby amended to read as follows:

Section 5. Each workman who shall hereafter be injured in the course of his employment, or his family or dependents in case of death of the workman, shall receive out of the accident fund compensation in accordance with the following schedule, and, except as in this Act otherwise provided, such payment shall be in lieu of any and all rights of action whatsoever against any person whomsoever.

Compensation to be received according to schedule.

COMPENSATION SCHEDULE

(a) Where death results from the injury the expenses of burial not to exceed two hundred dollars (\$200) shall be paid to the undertaker conducting the funeral: *Provided*, That no sum shall be paid an undertaker for the burial expenses where the deceased left a widow or an orphan child or children unless the undertaker shall make and file with the Department an affidavit that no part of the burial expenses have been either directly or indirectly paid by or charged to the widow or orphan child or children.

Compensation schedule.

Burial expenses.

Proviso.

Surviving spouse and children.

(1) If the workman leaves a widow or invalid widower, a monthly payment of seventy-five dollars (\$75) shall be made throughout the life of the surviving spouse, to cease at the end of the month in which remarriage shall occur, and the surviving spouse shall also receive per month for each child of the deceased under the age of eighteen years at the time any monthly payment is due the following payments: For the youngest or only child twenty dollars (\$20), for the next or second youngest child fifteen dollars (\$15), and for each additional child ten dollars (\$10), but the total monthly payments shall not exceed one hundred forty dollars (\$140) and any deficit shall be deducted proportionately among the beneficiaries: *Provided*, That in addition to the monthly payments above provided for, a surviving widow, or parent or parents, if there is no surviving widow of any such deceased workman, shall be forthwith paid the sum of three hundred dollars (\$300).

Parents.

Payment on death.

Remarriage.

Upon remarriage of a widow she shall receive once and for all, a lump sum of one thousand dollars (\$1,000), but the monthly payments for the child or children shall continue as before.

Payment for children to continue.

(2) If the workman leave no wife or husband, but an orphan child or children under the age of eighteen years, a monthly payment of thirty-five dollars (\$35) shall be made to each such child until such child shall reach the age of eighteen years, but the total monthly payment shall not exceed one hundred forty dollars (\$140) and any deficit shall be deducted proportionately among the beneficiaries.

Other dependents.

(3) If the workman leaves no widow, widower or child under the age of eighteen years, but leaves a dependent or dependents, a monthly payment shall be made to each dependent equal to fifty per cent of the average monthly support actually received by such dependent from the workman during the twelve months next preceding the occurrence of

the injury, but the total payment to all dependents in any case shall not exceed fifty dollars (\$50) per month. If any dependent is under the age of eighteen years at the time of the occurrence of the injury, the payment to such dependent shall cease when such dependent shall reach the age of eighteen years. The payment to any dependent shall cease if and when, under the same circumstances, the necessity creating the dependency would have ceased, if the injury had not happened.

Maximum.

If the workman is under the age of twenty-one years and unmarried at the time of his death, the parents or parent of the workman shall receive twenty-five dollars (\$25) per month for each month after his death until the time at which he would have arrived at the age of twenty-one years.

Parents.

(4) In the event a surviving spouse receiving monthly payments shall die, leaving a child or children under the age of eighteen years, such child or children shall receive each the sum of thirty-five dollars (\$35) per month until arriving at the age of eighteen years, but the total monthly payment shall not exceed one hundred forty dollars (\$140) and any deficit shall be deducted proportionately among the beneficiaries.

Minors on death of surviving spouse.

(b) Permanent total disability means loss of both legs, or arms, of one leg and one arm, total loss of eyesight, paralysis or other condition permanently incapacitating the workman from performing any work at any gainful occupation.

Permanent total disability defined.

When permanent total disability results from the injury, the workman shall receive monthly during the period of such disability: (1) If unmarried at the time of the injury, the sum of seventy-five dollars (\$75).

Rate.

(2) If the workman have a wife or invalid husband, but no child under the age of eighteen years, the sum of one hundred dollars (\$100).

Wife or invalid husband.

Husband not
an invalid.

If the husband is not an invalid the monthly payment of one hundred dollars (\$100) shall be reduced to fifty dollars (\$50) as long as they are living together as husband and wife.

Spouse and
children.

(3) If the workman have a wife or husband and a child or children under the age of eighteen years, or being a widow or widower, having any such child or children, the monthly payment in the preceding paragraph shall be increased by twenty dollars (\$20) for the youngest or only child, fifteen dollars (\$15) for the next or second youngest child, and ten dollars (\$10) for each additional child under the age of eighteen years, but the total monthly payments shall not exceed one hundred sixty-five dollars (\$165) and any deficit shall be deducted proportionately among the beneficiaries.

Attendants'
services.

(4) In case of total permanent disability, if the character of the injury is such as to render the workman so physically helpless as to require the services of an attendant, the monthly payment to such workman shall be increased forty-five dollars (\$45) per month as long as such requirement shall continue, but such increases shall not obtain or be operative while the workman is receiving care under or pursuant to any of the provisions of sections 7712 to 7725, inclusive, of this code.

Death of
workman
during
disability.

(c) If the injured workman die, during the period of permanent total disability, whatever the cause of death, leaving a widow, invalid widower or child under the age of eighteen years, the surviving widow or invalid widower shall receive seventy-five dollars (\$75) per month until death or remarriage, to be increased per month for each child of the deceased under the age of eighteen years at the time any monthly payment is due, as follows: For the youngest or only child twenty dollars (\$20), for the next or second youngest child fifteen dollars (\$15), and for each additional child ten dollars

(\$10): *Provided*, That the total monthly payments shall not exceed one hundred forty dollars (\$140) and any deficit shall be deducted proportionately among the beneficiaries; but if such child is or shall be without father or mother, such child shall receive thirty-five dollars (\$35) per month until arriving at the age of eighteen years, but the total monthly payment to such children shall not exceed one hundred forty dollars (\$140), and any deficit shall be deducted proportionately among such children. Upon remarriage the payments on account of the child or children shall continue as before to such child or children.

Maximum.

Remarriage.

An invalid child while being supported and cared for in a state institution shall not receive compensation under this act. If an injured workman, or the surviving spouse of an injured workman shall not have the custody of a minor child for, or on account of, whom payments are required to be made under this section, such payment or payments shall be made to the person having the lawful custody of such minor child.

Children in care of institution or persons other than parents.

(d) (1) When the total disability is only temporary, the schedule of payments contained in paragraphs (1), (2) and (3) of the foregoing subdivision (b) shall apply, so long as the total disability shall continue,

Total disability only temporary.

(2) but if the injured workman have a wife or husband and have no child or have a wife or husband, or being a widow or widower, with one or more children under the age of eighteen years, the compensation for the case during such period of time as the total temporary disability shall continue, shall be per month as follows, to-wit: (a) Injured workman whose husband is not an invalid, fifty dollars (\$50), and for the youngest or only child, ten dollars (\$10), and for each additional child, seven dollars and fifty cents (\$7.50), but the

Rates.

total monthly payments shall not exceed ninety dollars (\$90) and any deficit shall be deducted proportionately among the beneficiaries; (b) injured workman with wife or invalid husband and no child, seventy-five dollars (\$75); injured workman with wife or invalid husband and one child, or being a widow or widower and having one child, ninety-five dollars (\$95); (c) injured workman with a wife or invalid husband and two children, or being a widow or widower and having two children, one hundred ten dollars (\$110), and ten dollars (\$10), for each additional child, but the total monthly payments shall not exceed one hundred forty dollars (\$140) and any deficit shall be deducted proportionately among the beneficiaries.

Continued
payment of
wages.

Should a workman suffer a temporary total disability, and should his employer, at the time of his injury, continue to pay him the wages which he was earning at the time of such injury, such injured workman shall not receive any payment provided in paragraph (d) subdivision (1) from the accident fund during the period his employer shall so pay such wages.

Recovery or
restoration of
earning
power.

(3) As soon as recovery is so complete that the present earning power of the workman, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall continue in the proportions which the new earning power shall bear to the old. No compensation shall be payable out of the accident fund unless the loss of earning power shall exceed five per cent.

Partial.

Loss must
exceed five
per cent.

No payment shall be made to or for a natural child of a deceased workman, and at the same time, as the step-child of a deceased workman.

Reserve fund
created.

(e) There is hereby created in the office of the State Treasurer a fund to be known and designated as the reserve fund out of which shall be made the

payments specified in this section for all cases of death or permanent total disability including future payments to be made for the cases of that character which have heretofore arisen. Into the reserve fund there shall be forthwith placed all unexpended funds, in cash or invested, heretofore set aside for cases requiring a reserve. For every case resulting in death or permanent total disability hereafter arising it shall be the duty of the Department to make transfer on their books from the accident fund of the proper class to the reserve fund a sum of money for that case equal to the estimated present cash value of the monthly payments provided for it, to be calculated upon the basis of an annuity covering the payments in this section provided to be made for the case. Such annuities shall be based upon tables to be prepared for that purpose by the State Insurance Commissioner and by him furnished to the State Treasurer, calculated upon standard mortality tables with an interest assumption of three (3) per cent per annum.

Transfers
from acci-
dent fund
to reserve
fund.

Computation
table for
annuities.

The Department shall notify the State Treasurer from time to time of such transfers as a whole and the State Treasurer shall invest the reserve in either State Capitol building bonds issued to take up capitol building warrants now outstanding, or in the class of securities provided by law for the investment of the permanent school fund, and the interest or other earnings of the reserve fund shall become a part of the reserve fund itself. The Department shall, on October 1st of each year, apportion the interest or other earnings of the reserve fund as certified to it by the State Treasurer, to the various class reserve funds according to the average class balance for the preceding year. As soon as possible after October 1st of each year, beginning in the year 1927, the State Insurance Commissioner shall expert [examine] the reserve fund of each class to ascertain its standing as of October 1st, of that year, and the

Investment
of reserve
fund.

Apportion-
ment of
earnings.

Examination
by Insurance
Commiss-
sioner.

relation of its outstanding annuities at their then value to the cash on hand or at interest belonging to that fund. He shall promptly report the result of his examination to the Department and to the State Treasurer in writing not later than December 31st, following. If the report shows that there was on said October 1st, in the reserve fund of any class in cash or at interest a greater sum than the then annuity value of the outstanding pension obligations of that class, the surplus shall be forthwith turned over to the accident fund of that class, but if the report shows the contrary condition of any class reserve, the deficiency shall be forthwith made good out of the accident fund of that class. The State Treasurer shall keep accurate accounts of the reserve fund and the investment and earnings thereof, to the end that the total reserve funds shall at all times, as near as may be, be properly and fully invested, and to meet current demands for pension or lump sum payments may, if necessary, make temporary loans to the reserve fund out of the accident fund for that class, repaying same from the earnings of that reserve fund or from collections of its investments, or, if necessary, sales of the same.

Surplus.

Temporary
loans to
meet current
demands on
funds.

Definition of
"permanent
partial dis-
ability."

(f) Permanent partial disability means the loss of either one foot, one leg, one hand, one arm, one eye, one or more fingers, one or more toes, any dislocation where ligaments were severed where repair is not complete, or any other injury known in surgery to be permanent partial disability. For the permanent partial disabilities here specifically described, the injured workman shall receive compensation as follows:

Schedule.

LOSS BY AMPUTATION

		Loss by am- putation.
Of one leg so near the hip that an artificial limb cannot be worn	\$5,000	
Of one leg at or above the knee so that an artificial limb can be worn.....	\$3,425	
Of one leg below the knee.....	\$2,350	
Of great toe with metatarsal bone thereof.....	\$725	
Of great toe at the proximal joint.....	\$450	
Of great toe at the second joint.....	\$165	
Of one other toe other than the great toe with metatarsal bone thereof	\$250	
Of second toe at proximal joint.....	\$115	
Of third toe at proximal joint.....	\$115	
Of fourth toe at proximal joint.....	\$115	
Of fifth toe at proximal joint.....	\$50	
Of metatarsal bone on toe other than great toe.....	\$125	
Of one arm so near the shoulder that an artificial arm cannot be worn.....	\$4,500	
Of the major arm at or above the elbow.....	\$3,750	
Of forearm at upper third.....	\$3,250	
Of the major hand at wrist.....	\$2,900	
Of thumb with metacarpal bone thereof.....	\$1,100	
Of thumb at proximal joint.....	\$725	
Of thumb at second joint.....	\$270	
Of index or first finger at proximal joint.....	\$590	
Of index or first finger at second joint.....	\$500	
Of index or first finger at distal joint.....	\$225	
Of middle or second finger at proximal joint.....	\$450	
Of middle or second finger at second joint.....	\$375	
Of middle or second finger at distal joint.....	\$125	
Of ring or third finger at proximal joint.....	\$410	
Of ring or third finger at second joint.....	\$315	
Of ring or third finger at distal joint.....	\$125	
Of little or fourth finger at proximal joint.....	\$160	
Of little or fourth finger at second joint.....	\$115	
Of little or fourth finger at distal joint.....	\$50	
Of metacarpal bone in finger except thumb.....	\$115	

MISCELLANEOUS

Loss of one eye by enucleation.....	\$2,160	Miscellan- eous.
Loss of sight of one eye.....	\$1,620	
Complete loss of hearing in both ears.....	\$3,420	
Complete loss of hearing in one ear.....	\$950	
Complete broken arch in foot.....	\$950	

Compensation for any other permanent partial disability shall be in the proportion which the extent of such other disability shall bear to that above specified, which most closely resembles and approxi-

Other
permanent
partial dis-
ability.

Maximums.

mates in degree of disability such other disability, but not in any case to exceed the sum of three thousand six hundred dollars (\$3,600): *Provided*, That for disability to a member not involving amputation, not more than three-fourths ($\frac{3}{4}$) of the foregoing respective specified sums shall be paid: *Provided further*, That payment for any injury to minor hand or arm or any part thereof, shall not exceed ninety-five (95) per centum of the amounts hereinbefore enumerated.

Workman under twenty-one years and unmarried.

If the injured workman be under the age of twenty-one years and unmarried, the parents or parent shall also receive a lump sum payment equal to ten per cent of the amount awarded to the minor workman.

Further accidents to injured workman.

(g) Should a further accident occur to a workman who has been previously the recipient of a lump sum payment under this act, his future compensation shall be adjudged according to the other provisions of this section and with regard to the combined effect of his injuries and his past receipt of money under this act.

Injury to part of body already disabled.

Should a workman receive an injury to a member or part of his body already from whatever cause permanently partially disabled, resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent total disability of such workman, his compensation for such permanent partial disability shall be adjudged with regard to the previous disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof.

Further accident resulting in permanent total disability.

Should any further accident result in the permanent total disability of such injured workman, he shall receive the pension to which he would be entitled notwithstanding the payment of a lump sum for his prior injury.

(h) If aggravation, diminution, or termination of disability takes place or be discovered after the rate of compensation shall have been established or compensation terminated, in any case the Director of Labor and Industries, through and by means of the Division of Industrial Insurance, may, upon the application of the beneficiary, made within five years after the establishment or termination of such compensation, or upon his own motion, readjust for further application the rate of compensation in accordance with the rules in this section provided for the same, or in a proper case terminate the payment: *Provided*, Any such applicant whose compensation has heretofore been established or terminated shall have five (5) years from the taking effect of this act within which to apply for such readjustment.

Aggravation, diminution or termination of disability.

Readjustment.

Five year limitation.

No act done or ordered to be done by the Director of Labor and Industries, or the Department of Industrial Insurance, prior to the signing and filing in the matter of a written order for such readjustment, shall be ground for such readjustment: *Provided, however*, That if within the time limited for taking an appeal from an order closing a claim, the Department shall order the submission of further evidence or the investigation of any further fact, the time for appeal from such order closing the claim shall be extended until the applicant shall have been advised in writing of the final order of the Department in the matter.

Acts done prior to written order not grounds for readjustment.

Time for appeal extended.

(i) A husband or wife of an injured workman, living in a state of abandonment for more than one year at the time of the injury or subsequently, shall not be a beneficiary under this act. A wife who has lived separate and apart from her husband for the period of two years and who has not, during that time, received, or attempted by process of law to collect, funds for her support or maintenance, shall be deemed living in a state of abandonment.

Beneficiary restrictions by abandonment or separation.

Lump sum settlements for non-resident beneficiaries.

(j) If a beneficiary shall reside or remove out of the state the Department may, in its discretion, with the written consent of the beneficiary, convert any monthly payments provided for such cases into a lump sum payment (not in any case to exceed the value of the annuity then remaining, to be fixed and certified by the State Insurance Commissioner, but in no case to exceed the sum of five thousand dollars (\$5000).

Beginning of payments.

(k) No workman injured after June 30th, 1923, shall receive or be entitled to receive compensation out of the accident fund for or during the day on which injury was received or the three days following the same.

Pre-existing diseases affecting recovery.

(l) If it be determined by the Department of Labor and Industries that an injured workman had, at the time of his injury, a pre-existing disease and that such disease delays or prevents complete recovery from such injury the said Department shall ascertain as nearly as possible, the period over which the injury would have caused disability were it not for the deceased condition and/or the extent of permanent partial disability which the injury would have caused were it not for the disease, and award compensation only therefor.

Act not retroactive.

SEC. 2. The increased benefits and compensation authorized by this act shall not be applicable to a case of death, or injury or aggravation thereof, occurring prior to the effective date of this act.

Attorneys' fees.

SEC. 3. It shall be unlawful for an attorney engaged in the representation of any claimant to charge for services in the Department or on hearing before the joint board, any fee in excess of a reasonable fee, of not less than 10% nor more than 35% of the increase in the award secured by the attorney's services. Such reasonable fee shall be fixed by the Director of Labor and Industries for services performed by an attorney for a claimant

prior to application for a hearing before the joint board. Such reasonable fee for services performed by an attorney for a claimant before the joint board shall be fixed by the board taking into consideration the fee previously allowed by the director, and it may review upon such hearing the fee fixed by the director. It shall be unlawful for any attorney engaged by any claimant in representation before the Department or the joint board to charge or receive directly or indirectly any fee or expenses in excess of that fixed as herein provided.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 247.

[H. B. 187.]

INDUSTRIAL INSURANCE—REPORTS BY EMPLOYERS.

AN Act relating to industrial insurance and medical aid, prescribing method of reporting by employers, including certain additional classifications and making certain changes in the schedule of extra-hazardous occupations, and making provision for experience rating for a resuming employer, creating and providing for the use of and making an appropriation for, the use of a fund for extraordinary accidents, and amending section 4, chapter 74, Laws of 1911, as last amended by section 1, chapter 138, Laws of 1939 (section 7676, Remington's Revised Statutes Supplement; Pierce's Perpetual Code 717-1) and declaring an emergency.

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

SECTION 1. Section 4, chapter 74, Laws of 1911, as last amended by section 1, chapter 138, Laws of 1939, is hereby amended and divided into sections to read as follows:

Section 4a. Inasmuch as industry should bear the greater portion of the burden of the cost of its accidents, each employer shall prior to the twenty-

Employer's payments to accident and medical aid funds.

Assessments for deficits.

Promulgation of rates by Director.

Determination of amounts for each class.

Cost experience.

Condition of class.

Determination for each employer.

fifth day of January, April, July and October of each year pay into the State Treasury (1) for the accident fund and (2) for the medical aid fund, a certain number of cents for each man hour worked by the workmen in his employ, engaged in extra-hazardous employment; if, however, there should be a deficit in any class or sub-class the Director of Labor and Industries, through the Supervisor of Industrial Insurance, is hereby authorized and directed to assess the same against all the contributors to such class or sub-class during the calendar year or fraction thereof in which said deficit was incurred or created. The Director of the Department of Labor and Industries shall have the power to promulgate, change and revise such rates according to the condition of the accident and medical aid funds, and to establish rates for industries declared to be extra-hazardous subsequent to the taking effect of this amendment and/or which voluntarily seek coverage under the elective adoption provisions of this act.

The amounts to be paid into the accident fund shall be determined as follows: The Department of Labor and Industries shall, prior to the first day of January of each year determine for each class and/or sub-class, a basic premium rate for the ensuing calendar year, and in so doing, shall take into consideration, first, the cost experience of each class and sub-class over the two-year period immediately preceding July first of the year in which the basic rate is being fixed; second, the then condition of each class and/or sub-class account.

The Department of Labor and Industries shall also, prior to the first day of January of each year determine the premium rate to be paid into said accident fund during the ensuing year by each employer to be credited to each class and/or sub-class account, applicable to the employer's operations or business, and in so doing, shall take into considera-

tion, the average cost experience of each employer for each workman hour reported by him during each fiscal year in each such class or sub-class over the five-year period immediately preceding July first of the year in which the rate is being determined, and in so computing, the cost experience of any employer, the fixed sum of four thousand five hundred dollars (\$4,500) shall be charged against his experience for each injury resulting in death or total permanent disability of a workman instead of the actual cost to the accident fund of such injury. The actual premium rate which any employer shall be required to pay for the accident fund shall be forty per cent (40%) of the basic rate, plus sixty per cent (60%) of the employer's cost rate for each workman hour reported by him during each fiscal year over the five-year period next preceding the then last July first, but in no case shall the total rate exceed one hundred sixty per cent (160%) of the basic rate.

Cost ex-
perience.

Section 4b. The basic premium rates for the accident fund and the medical aid fund, effective immediately upon the passage of this act shall be in accordance with the following classifications, sub-classifications and schedules and the rates shall be as established by the Department of Labor and Industries.

Classifica-
tions.

(The letters "N.O.S." as used in this section shall mean "Not Otherwise Specified.")

Abbrevia-
tions indi-
cated.

(The letter "(S)" as used in this section shall mean suspension of collection of premiums in that fund for employers entitled to an individual rating.)

Ind. Ins. means Industrial Insurance.

Med. Aid means Medical Aid.

Occ. Dis. means Occupational Disease.

Wkmn. Hr. means Workman Hour.

(Rates and classifications subject to change by departmental order when indicated as herein provided.)

The time of truck drivers and helpers shall be reported as follows:

Truck drivers and helpers.

(1) If the employer's main business is under the act, the classification of the main business will apply.

(2) If trucking incidental to and wholly a part of an extra-hazardous department of a main non-hazardous business, then the classification applicable to the extra-hazardous department will apply.

(3) If trucking is the only extra-hazardous operation being conducted, then classification 11-1 will apply. (Excludes log trucking—see Class 50-1.)

(4) If trucking is separate and distinct from other extra-hazardous operations, or separate and distinct from other extra-hazardous operations of a main non-hazardous business, then classification 11-1 will apply. (Excludes log trucking—see Class 50-1.)

CLASS 1.

Classes.

- 1-1 Ditches and canals (N.O.S.)
 Canals other than irrigation
 Excavations (N.O.S.)
 Grading (N.O.S.)
 Diking
 Dredging (includes all marine dredging local in character)
 Well drilling
 Asphalt mixing
 Asphalt paving
 Bituminous paving (all types)
 Block paving
 Concrete street pavements
 Paving, brick (construction and repair)
 Concrete sidewalks (excludes sidewalks and driveways in connection with building construction)
 Plank roads (construction)
 Sidewalks (planks)
 Streets, planking
 Highway, street and road construction (includes grubbing and clearing in connection with street and highway grading), (excludes logging roads), (excludes tunneling in connection with road construction)
 Grading streets and highways (includes grubbing and clearing in connection with street and highway grading), (excludes logging roads)

CLASS 1—Continued.

- 1-1 Road grading (this sub-class is exclusively for road, street and highway grading), (includes grubbing and clearing in connection with street and highway grading), (excludes logging roads)
 - Back filling (incidental to pipe laying)
 - Crushed stone surfacing
 - Conduit (construction)
 - Concrete culverts (or other types with span of 12 feet or less) (excludes bridge and trestle approaches)
 - Fences (all types) (erection and repair)
 - Concrete construction (N.O.S.) (includes erection and tearing down of forms)
 - Concrete construction, reinforced (N.O.S.)
 - Concrete sidewalks and driveways (N.O.S.)
 - Pipe laying
 - Sewers
 - Trenches
 - Water mains (construction) and repair (see Class 15-1 for City and County maintenance)
 - Pit, crusher and bunker operations in connection with road, street, and highway construction
 - Land clearing
 - Road surfacing (all types)
 - Retaining walls (all types) (in connection with road, street and highway construction)
 - Diamond drilling (if work performed directly in connection with construction work, then the construction classification shall apply) (Maintenance and repair of equipment and machinery in connection with above types of work subject to this Class 1-1.) (All back filling in connection with above types of work subject to this Class 1-1.)
- 1-3 Shaft sinking (N.O.S.)
 - Well digging
- 1-5 Tunnels and approaches (all types) (N.O.S.) (All excavations, back filling, construction, repairing, dismantling, erection, and the construction, erection and tearing down of forms, and the installing of road beds in connection with any of the above types of work is subject to this class 1-5.)
- 1-6 Tunnels (railroad) (includes lining)
- 1-8 Grading railroads (excludes logging railroads)
 - Railroads (grading)
 - Railroads (construction work other than bridge work)

CLASS 2.

- 2-1 Breakwaters, construction
 - Bridge building (steel, wood, concrete) (all types)
 - Bridge foundations and approaches
 - Bulkhead construction (water hazard)

CLASS 2—Continued.

- 2-1 Concrete culverts (or other types with span more than 12 feet)
 Concrete piles in docks and trestles
 Jetties
 Marine railways (construction)
 Pile driving (includes marine pile driving local in character)
 Railroads (bridge and trestle work)
 Spans, monoliths, structures, causeways, roadways (elevated) (all types)
 Rip-rapping (water hazard)
 Subaqueous work
 Trestles and approaches (all types)
 Viaducts (all types)
 Wharf and pier construction
 Overhead crossings
 Undercrossings (all excavations, back filling, construction, repairing, dismantling, erection, and the construction, erection and tearing down of forms, and the installing of road beds in connection with any of the above types of work is subject to this Class 2-1.)

CLASS 5.

For the purpose of this Act a janitor or handy man shall be considered a man of all work, i.e., one whose work is so varied and indefinite that it is impractical to segregate his time between non-hazardous and extra-hazardous operations. (See Class 48—elective adoption.)

A maintenance man shall be considered as one who has been hired to perform specific extra-hazardous work although a part of the employment may be non-hazardous; such work consisting primarily of the maintaining in repair or in condition fixed or established property. (See Class 5 sub-classes for real estate and property owners.)

- 5-1 Washing buildings (inside or outside)
 Window washing (excludes domestics, janitors and handymen regularly employed for other purposes), (includes the actual time of all workmen specifically employed to wash buildings or windows.)
 5-2 Brick work (construction) (N.O.S.) (See Class 5-5 for brick buildings)
 Chimney (all types) (N.O.S.)
 Flooring compositions (hot or cold)
 Marble, tile, terra cotta (all types in connection with construction)
 Mantel setting
 Slate work
 Linoleum or composition covering of walls, floors, drainboards, etc.

CLASS 5—Continued.

- 5-2 Rock walls and rockeries (erection, installation and repairing) (excludes landscaping)
- 5-3 Furnaces (installation)
 - Heating systems (installation)
 - Plumbing work
 - Ventilating systems (installation)
 - Automatic sprinklers (installation)
 - Boiler (installation)
 - Boiler (covering)
 - Metal weather stripping (installation)
 - Steam pipe covering (installation)
 - Safes and vaults (installations and removals)
 - Manufactured store, bank and building fixtures (installation and removals) (N.O.S.)
 - Air conditioning and refrigeration systems, (installation and repair) (Repairing and servicing of above types of equipment away from the premises of employer's shop subject to this Class 5-3) (See Class 34-2 for shop work)
- 5-4 Frescoing
 - Kalsomining
 - Painting, building or structures includes washing of buildings or structure as an incidental part of the painting operation
 - Painting (inside or outside work) (includes washing of surfaces to be painted as an incidental part of the painting operation)
 - Paper hanging
 - Sign painting (inside and outside), (excludes inside shop work)
 - Street and building decorating
 - Whitewashing
 - Billboard and advertising signs (construction, installation and maintenance) (See Classes 34-2, 34-4 and 41-1 for shop work)
- 5-5 Fireproof doors and shutters (erection and repair)
 - Galvanized iron or tin work (roof or cornice), (installation or repair)
 - Grain elevators (construction) (repairs)
 - Hothouse construction and repair
 - Metal ceiling work
 - Roof work (all types), (construction and repair)
 - Stair building (all types)
 - Store, bank or building fixtures (constructed on premises) (installation and removal)
 - Carpenter work (includes all carpenter and helpers work in connection with alterations, repairs and installation in building industry)

CLASS 5—Continued.

- 5-5 Concrete and brick buildings (includes all operations in connection with the construction of a concrete or brick building)
 All building industry operations, which shall include all field activities in connection with the erection, alteration, repairing or demolishing of any building or buildings or part thereof or appurtenant thereto
 Concrete floors and foundations (includes erection and tearing down of forms) in connection with building industry
 Glass (installation)
 House and building moving and wrecking
 Chimneys (all types) (if part of a building industry operation)
 Installation and repair of all fixtures and equipment in houses or buildings (N.O.S.)
 Lathing
 Ornamental metal, tile, and other composition work in and on buildings
 Plastering
 Stuccoing (excavations and back filling in connection with building construction, if work done directly by building contractor, subject to this Class 5-5)
- 5-8 Chimneys, metal (erection)
 Iron frame structures (other than bridges), (erection)
 Steel frame structures (other than bridges), (erection)
 Steeples (erection)
 Tanks, metal (erection)
 Tanks, wooden (erection)
 Tanks, concrete (erection)
 Towers, wood or metal (erection) (includes electrical transmission towers)
 Structural steel (N.O.S.)
 Water towers, metal or wood (erection)
 Windmills, wood or metal (erection) (This class to include all excavations and foundation work, including dismantling and repairing of above types of structures)
- 5-9 Hardwood floors (laying)
- 5-10 Temporary employers engaged in any phase of building or general construction and repairing

CLASS 6.

- 6-1 Conduits (placing wires in)
 Electrical apparatus (installing systems in buildings)
 Fire alarms (installation)

CLASS 6—Continued.

- 6-1 Electrical installations (servicing and repairs N.O.S.)
(excludes shop work) (includes household installation and servicing of manufactured household electrical appliances) (See Class 34-2 for shop-work)
- 6-2 Cable railways (construction)
Electric railways (construction)
Street railway construction (excludes all bridge and trestle work)
Street railway grading
Telephone and telegraph systems (construction)
Transmission lines (construction) (excludes erection of wood or metal towers) (includes erection of wood and metal poles)
- 6-3 Belts (erection of shafting, etc.)
Dynamos (installation)
Engine (installation)
Gas machine (installation)
Machinery (N.O.S.)
Machinery (dismantling)
Machinery (installation)
Machinery (servicing away from shop premises)
Railroad (dismantling), (excludes bridges, trestles and snowshed wrecking)
Elevators (freight or passenger) (installation and repair)
- 6-4 Junk dealers

CLASS 7.

- 7-1 Dam construction (includes every operation)

CLASS 8.

- 8-3 Irrigation ditches, repair and maintenance
Highway department of state, counties and cities (all operations in connection with highway maintenance), (excludes all new highway construction, grading, or bridge building, which operations must be reported in respective classifications)
- 8-4 Commercial production of sand, gravel, clay and stone products

CLASS 9.

- 9-1 Boat building (steel hulls)
Shipbuilding (steel hulls, includes all operations within shipyards)
- 9-2 Boat building (wooden hulls)
Shipbuilding (wooden hulls, includes all operations within shipyard)
- 9-4 Ferries, steamboats, tugs (operations)

CLASS 10.

- 10-2 Lath mills, planing mills, sawmills and tie mills
(operation and maintenance)
Masts (with or without machinery)
Pole yards (independent of logging operations)
(N.O.S.)
Fuel and lumber yards with power-driven machinery
(includes teamsters, drivers and helpers)
Spars (with or without machinery)
Retailing of fuel oil by fuel dealers using power-driven
machinery (includes drivers and helpers)
- 10-3 Shingle mills (operation and maintenance)
Mfg. of shakes (hand or machinery operation) (does
not include cutting of shingle bolts, see Class 50-1)
- 10-6 Creosote works (includes yard operations)
Pile and pole treating works (includes yard opera-
tions)
- 10-7 Lumber inspectors (this sub-class exclusively for
independent lumber inspection companies)

CLASS 11.

- 11-1 Drayage (transfer and storage) (includes teamsters,
drivers and helpers)
General hauling (N.O.S.) and trucking (excludes log
trucking)
Teaming, truck driving and motor delivery (N.O.S.)
Auto freight transportation
- 11-3 Fuel and lumber yards without power-driven ma-
chinery
Retailing of fuel oil by fuel dealer where no power-
driven machinery is used

CLASS 13.

- 13-1 Bridge tenders (electrically operated bridges)
Electric light and power plants (operation and main-
tenance)
Electric systems (N.O.S.) (operation and mainte-
nance)
- 13-2 Steam heat and power plants (operation and main-
tenance)
- 13-3 Telephone systems (operation and maintenance),
(excludes telephone operators). (If interstate op-
erations involved, payroll segregation to be per-
mitted)

CLASS 14.

- 14-1 Street railways (electric interurban railroad), (oper-
ation)
City or town passenger bus operation (includes those
operated by municipalities in connection with
street railway system or as a replacement of street

CLASS 14—Continued.

railway system and also those operated by others operating under a municipal franchise)
 Stage, taxicab and for hire car driving
 Ambulance drivers and helpers
 School bus drivers (vehicles used must be under direct control of School District and driver must be expressly employed by School District, or under contract with School District.) (Excludes persons using their own passenger cars to transport children to and from school)

CLASS 15.

15-1 City and county operation and maintenance (includes all extra-hazardous operations in connection with regular functions of city and county government) (includes peace officers on salary and probation officers having police powers) (excludes all operations in connection with the maintenance of highways by state, counties and cities. See Class 8-3). (New construction of bridges, grading and paving of roads shall be reported in respective classifications)

CLASS 16.

16-1 Coal mines (includes shaft sinking and all tunneling in connection with all coal mines)
 Coke ovens (operation), (excludes office force only)

CLASS 17.

17-2 Mines, all types (other than coal), (includes all shaft sinking and tunneling in connection with mines other than coal)
 Ore reduction (by wet or dry process without application of heat at mine)
 Shaft sinking (metal mines)
 Tunneling (metal mines)
 Open cut mining (all types) (excludes prospecting)
 Placer or hydraulic mining
 Clay pits (N.O.S.)

17-3 Quarries
 Stone cutting (quarry hazard)

CLASS 18.

18-1 Blast furnace (operation)
 Rolling mills (operation)
 Steel and iron making
 Open hearth furnaces (operation)
 Smelters (operation)
 Copper, lead, zinc, etc. (smelting)

CLASS 19.

- 19-1 Gas works (operation) (excludes meter readers, complaint men, solicitors and store room employees)
Oil refineries (operation and maintenance) (does not include distribution or merchandising. See Class 34-7)

CLASS 21.

- 21-1 Chop, feed and flour mills (operation)
Seed cleaning
Grain and feed stores—wholesale and retail (includes drivers and helpers)
- 21-2 Grain warehouse and elevators (operation)
Commercial storage warehouses (operation) (includes drivers and helpers) (excludes operations in connection with Class 11-1)
Warehouse operations of merchandise wholesalers (N.O.S.) (excludes drivers and helpers) (See Class 11-1 for drivers and helpers)
- 21-4 Fruit warehouses (includes all operations in connection with grading, sorting and packing of fresh fruits) (includes cold storage operations if a part of warehousing operations; if a separate distinct operation or business see Class 44-1)
Vegetable warehouses (same as fruit warehouses) (See Class 11-1 for drivers and helpers)
Commission fruit and vegetable warehouses (See Class 11-1 for drivers and helpers)

CLASS 22.

- 22-1 Laundries (operation), (includes drivers and helpers)
Dye works and cleaners (includes drivers and helpers)

CLASS 23.

- 23-1 Water works (operation), (other than municipal which is to be reported in Class 15-1).

CLASS 24.

- 24-1 Paper mills (operation and maintenance)
Pulp mills (operation and maintenance)

CLASS 29.

- 29-1 Cooperate (manufacturing)
Staves, barrel, tub (manufacturing)
Barrels, kegs, pails (manufacturing)
Basket manufacturing
- 29-2 Sash, door, blinds, etc. (manufacturing)
Glazing, beveling and setting glass (in shops and factories)
Sash and door factories (all factory operations)

CLASS 29—Continued.

- 29-3 Excelsior (manufacturing)
 - Cabinet works
 - Furniture (manufacturing)
 - Boxes and packing cases (manufacturing)
 - Wooden and fibre ware (manufacturing)
 - Wood working (N.O.S.), (shop work only)
 - Kindling wood
 - Wood pipe (manufacturing)
 - Pattern shops (independent)
 - Manual training instructors (shop work only) (public schools only)
 - Plant fabrication of ready made houses (See Class 5-5 for erection)
- 29-4 Commercial Production of Plywood

CLASS 31.

- 31-1 Building material (N.O.S.)
 - Concrete blocks and tiles (manufacturing)
 - Lime (manufacturing)
 - Oils and paints (manufacturing)
 - Staves (cement)
 - Cement (manufacturing)
 - Paving blocks (cutting)
 - Stone cutting (away from quarry) (All employers engaged in the business of manufacturing building materials (N.O.S.) and the wholesale warehousing of such building materials subject to this class.)

CLASS 33.

- 33-1 Fish canneries and fish trap (operation)
- 33-2 Fish oil (manufacturing)
 - Fish products
 - Oyster beds and cannery (operations)
 - Fish reduction plants (operation)
 - Fish receiving and wholesaling

CLASS 34.

- 34-1 Automobile painting
 - Vulcanizing
 - Automobile body construction and repair
 - Auto sales agencies and garages (includes only those operations in connection with storage, service, parts and repair departments) (gas and oil service stations performing auto repairing subject to this class)
 - Auto wrecking
- 34-2 Blacksmith shops, with machinery
 - Boiler works
 - Foundries
 - Machine shops (N.O.S.)
 - Wood working (in connection with car building)

CLASS 34—Continued.

- 34-2 Welding (shop work only) (welding at site of construction, installation or repair work to be reported under construction, installation or repair classification) (This class to apply to all employers who operate a shop using power-driven machinery for the purpose of manufacturing (N.O.S.), repairing or servicing articles)
- 34-3 Airplane (manufacturing)
- 34-4 Cans (manufacturing)
Galvanized iron works (manufacturing)
Hardware (manufacturing)
Metal (stamping) plating and polishing
Sheet metal works
Stamping tin or metal
Tin works
Neon and illuminated signs (manufacturing) (This class for shop operations only)
- 34-6 Gas service stations (excludes auto repairing)
Oil service stations (excludes auto repairing)
- 34-7 Merchandising of oils (includes drivers and helpers) (This class applies only to those employers engaged in the wholesale distribution of oils)

CLASS 35.

- 35-1 Brick (manufacturing)
Earthenware (manufacturing)
Fire clay products (manufacturing)
Porcelain ware (manufacturing)
Pottery (manufacturing)
Terra Cotta (manufacturing)
Tile (manufacturing)
Glass (manufacturing) (This class does not apply to the production of raw materials for use in the manufacturing of the above articles.)
- 35-2 Briquetts (manufacturing)
Charcoal burning
Peat fuel (manufacturing)

CLASS 37.

- 37-1 Alcohol (manufacturing)
Ammonia (manufacturing)
Nitrogen (manufacturing)
Oxygen (manufacturing)
Chemical and assaying laboratories
Chemical (manufacturing)
Distilleries
- 37-2 Bottling works (includes drivers and helpers)
Breweries (includes drivers and helpers)
Wineries (includes drivers and helpers)

CLASS 38.

- 38-1 Brooms (manufacturing)
Brushes (manufacturing)
Cordage (manufacturing)
Asbestos products (manufacturing)
Leather (working in) (includes shoe repair shops using power-driven machinery)
Rubber (working in)
- 38-2 Cloth (working in)
Textiles (manufacturing)
Textiles (N.O.S.)
Tailoring and alteration establishments or departments having power-driven machinery (Class 38-2 includes all operations in connection with manufacturing, alteration and repair of cloth and textiles by employers engaged in such operations as a business or industry)
- 38-5 Paper (working in)
Paper products (manufacturing)

CLASS 39.

- 39-1 Bakeries (includes drivers and helpers)
Candy or cracker (manufacturing)
Macaroni making
Confectionery (manufacturing)
- 39-2 Canneries (fruit and vegetables)
Foodstuffs (working in) (N.O.S.)
Fruits (canning)
Dehydrators (all operations)
Frozen fruits and vegetables (commercial wholesaling operations only)
Potato sorting (if broker or commission agent have sorting operations conducted they shall be considered as the employers) (If work performed by farmer see Class 48-3)
- 39-3 Sugar refineries (all operations), (includes drivers and helpers)
- 39-4 Handling, processing and adapting for sale, butter, eggs, poultry and egg meat products (N.O.S.)
- 39-5 Restaurants and establishments (except private boarding houses) preparing and serving food to the public for consumption on the premises
Bunkhouses, kitchens and eating houses in connection with extra-hazardous occupations or conducted primarily for employees in extra-hazardous occupations

CLASS 40.

- 40-1 Condensed milk (all operations), (includes drivers and helpers)

CLASS 40—Continued.

- 40-2 Cheese making (includes drivers and helpers)
 Creameries and dairies (operation), (includes drivers and helpers)
 Ice cream (manufacturing), (includes drivers and helpers) (If a separate district commercial dairy or creamery operation is operated in connection with a dairy farm this Class 40-2 will apply to all workmen employed within that separate distinct operation.) (The operations in connection with the actual dairy farming may be covered under Elective Adoption, Class 48-3.)

CLASS 41.

- 41-1 Electrotyping
 Engraving (photo-engraving)
 Lithographing
 Photo-engraving
 Linotype operators (includes all employees in room with machinery)
 Printing
 Jewelry (manufacturing)
 Jewelry engraving
 Sign and card printing and painting (inside shop operations only)

CLASS 42.

- 42-1 Longshoring and stevedoring
 Wharf and pier (operation)

CLASS 43.

- 43-1 Fertilizer (manufacturing), (includes drivers and helpers)
 Lard making (includes drivers and helpers)
 Meat products (canneries), (includes drivers and helpers)
 Packing houses (includes all operations in connection with the meat packing industry), (includes drivers and helpers)
 Slaughter houses (includes drivers and helpers)
 Stockyards (operations), (includes drivers and helpers)
 Tallow making (includes drivers and helpers)
 Tanneries (includes drivers and helpers)
 Garbage works (includes drivers and helpers)
 Incinerators (includes drivers and helpers)
 Meat, fish, and poultry markets (with power machinery), (includes drivers and helpers)
 Soap making (includes drivers and helpers)

CLASS 44.

- 44-1 Cold storage plants (refrigeration), (includes drivers and helpers)
Ice, artificial (manufacturing and delivery), (includes drivers and helpers)
Refrigeration or cold storage plants (operation), (includes drivers and helpers)
Ice, natural (harvesting and handling), (includes drivers and helpers)

CLASS 45.

- 45-1 Theatre, moving picture operators and stage employees only

CLASS 46.

- 46-1 Powder works (manufacturing), (includes all operations)
46-2 Fireworks (includes all operations in connection with manufacturing) (excludes the sale, exhibition and display of fireworks)

CLASS 47.

- 47-1 Combined chemicals and explosives (manufacturing)

CLASS 48.

Elective adoption (sub-classes as follows):

- 48-1 Caretakers (N.O.S.)
Clerks (N.O.S.)
Janitors
Office employees (N.O.S.)
Inside occupations (N.O.S.)
Inside salesmen and demonstrators (N.O.S.) (Office employees of employers whose main business is subject to the compulsory provisions of this Act and whose duties do not require them to be subject to the extra-hazardous operations being conducted are entitled to coverage under this classification (elective adoption). Office employees of such employers who are subject as a result of their duties, to the hazards being conducted are entitled to coverage under Class 49-4. Office employees of employers whose main business is not subject to the Act are entitled to coverage under this class (elective adoption). Persons employed specifically as janitors and whose duties are of a general "handyman" nature are entitled to coverage under this class (elective adoption).)
- 48-2 Outside salesmen, demonstrators and collectors using automobiles
Outside occupations (N.O.S.)
- 48-3 Agricultural workers

CLASS 48—Continued.

- 48-7 Temporary building construction by employers who are not engaged in a business or an industry. (i.e., a person employing help by day labor to perform work on his own home, farmers, churches, charitable and social organizations.)

CLASS 49.

- 49-1 Foresters (forest rangers, timber cruisers, surveyors and engineers)
- Guards (penitentiary and other penal institutions), (employed by state)
- Peace officers, on salary, having police powers (excludes town, city and county peace officers, see Class 15-1)
- Wardens, fish, and game (employed by state)
- Inspectors (having police powers and employed by state)
- State park employees having police powers
- Employees of the Department of Labor and Industries
- 49-2 Highway patrol (state)
- 49-4 Office employees of employers subject to the compulsory provisions of law and whose employment duties require exposure to extra-hazardous operations being conducted by employer.

CLASS 50.

- 50-1 Logging, operation and maintenance
- Railroads, logging (operation)
- Shingle bolt cutting
- Tie cutting
- Log trucking (includes contract log hauling) (Logging shall be considered the complete operations of falling, bucking, skidding, yarding, loading and other necessary incidental operations)
- 50-2 Booming and rafting logs
- 50-3 Pulpwood cutting
- 50-4 Logging, rail and truck road construction and maintenance

Employer must notify Director.

Contents of notice.

Section 4c. Every employer who shall enter into any business or commence any operation subject to industrial insurance classification, shall, before so commencing notify the Director of Labor and Industries of such fact, accompanying such notification with an estimate of his payroll and workmen hours for the first calendar month of his proposed operations, and shall make payment of the premium on such estimate with adjustments to be subsequently made. Every such employer shall pay the full

basic rate until such time as an experience rating in excess of a one year period may be computed as of a first succeeding July first date, and shall be liable for a premium of at least one dollar (\$1.00) per month irrespective of the amount of his workmen hours reported during said month to the Department: *Provided*, That any employer who has had an experience rating and made payment on the merit basis for any operation subject to any industrial insurance classification within the fiscal year preceding the fiscal year in which he resumes that operation or in the current fiscal year, or an employer who resumes an operation in the same fiscal year in which he ceased that operation and who would have had an experience rating in such year had he not ceased such operation, shall be entitled to be restored to his merit rating by class based on his previous experience: *Provided further*, That no other resuming employer shall have his preceding experience whether or not such experience shall have been in the preceding five years except as herein provided for a new employer.

Advance
payment.Previous
experience
rating.Resuming
employer.

To the end that no employer shall evade the burden imposed by an unfavorable or high cost experience, the Director of Labor and Industries shall have the power to determine whether or not an increase, decrease or change (a) of operating property; (b) of interest in operating property; (c) of employer; (d) of personnel or interest in employer is sufficient to show a bona fide change which would make inoperative any high cost experience.

Determina-
tion by Di-
rector of
changes ap-
plicable to
employer.

Every employer within the provisions of this act shall on or before the twenty-fifth day of January, April, July and October of each year hereafter furnish the Department with a true and accurate payroll and the aggregate number of workmen hours, during which workmen were employed by him during the preceding calendar quarter, the total amount paid to such workmen during such preceding cal-

Payroll
reports.

endar quarter, and a segregation of employment in the different classes provided in this act, and shall pay his premium thereon to the accident fund and medical aid fund. The sufficiency of such statement shall be subject to the approval of the Director of Labor and Industries.

Subject to Director's approval.

Every employer shall keep at his place of business a record of his employment from which the above information may be obtained and such record shall at all times be open to the inspection of the Director of Labor and Industries, Supervisor of Industrial Insurance, or the traveling auditors, agents or assistants of the Department, as provided in section 7690 of Remington's Revised Statutes of Washington.

Record of employment open for inspection.

Section 4d. Every person, firm, or corporation who shall fail to keep such record or fail to make such report in the manner and at the time herein provided shall be subject to a penalty of not to exceed one hundred dollars (\$100) for each such offense, to be collected by civil action in the name of the state and paid into the accident fund.

Penalties: Failure to keep record and report.

Every employer who shall fail to furnish an estimate of payroll and workmen hours and make payments as above provided shall be liable to a penalty of not to exceed five hundred dollars (\$500) and shall also be liable if an accident has been sustained by an employee prior to the time such estimate is received by the Department, to a penalty in a sum equal to fifty per cent (50%) of the cost to the accident fund and medical aid fund of such accident, to be collected in a civil action in the name of the state, and paid into the accident fund and/or medical aid fund. The Director of Labor and Industries may waive the whole or any part of any penalty charged under this act.

For failure to make payroll estimate and make payments.

Waiver.

Any employer, who shall misrepresent to the Department the amount of his payroll or the number of workmen hours upon which the premium under this act is based, shall be liable to the state in ten

Misrepresentation.

times the amount of the difference in premiums paid and the amount the employer should have paid, and shall also be guilty of a misdemeanor if such misrepresentations shall be made knowingly. Civil penalties to the state under this act shall be collected by civil action in the name of the state and paid into the accident fund.

For the purpose of such payments into the accident fund, accounts shall be kept with each industry in accordance with the classification herein provided and no class shall be liable for the depletion of the accident fund from accidents happening in any other class. Each class shall meet and be liable for the accidents occurring in such class. The fund thereby created shall be termed the "accident fund" which shall be devoted to the purpose specified for it in this act.

Each class to be self sustaining in accident fund.

The medical aid fund created in section 7713 of Remington's Revised Statutes of Washington shall not be kept by classes and all payments shall be made from the one fund, but accounts shall be kept with each class and sub-class of industry in accordance with the classification herein provided for the purpose of computing the medical aid cost experience of such classes and sub-classes and determining the correctness of the medical aid rates charged such classes and sub-classes.

Medical Aid Fund not kept by classes.

It is the intent that the accident fund created under this section shall ultimately become neither more nor less than self-supporting, exclusive of the expense of administration, and if in the adjustment of premium rates by the Director of Labor and Industries the moneys paid into the fund by any class or classes shall be insufficient to properly and safely distribute the burden of accidents occurring therein the Department may divide, rearrange or consolidate such class or classes, making such adjustment or transfer of funds as it may deem proper.

Department may adjust classes and transfer funds.

Unlawful deductions from wages.

Corrections in classifications.

Appeals.

Single establishment with several occupations.

Different risk classes.

Notice to Director of employer's desire to report in distinct risk classes.

Section 4e. It shall be unlawful for the employer to deduct or obtain any part of the premium required by this section to be by him paid into the accident fund from the wages or earnings of his workmen or any of them, and the making or attempting to make any such deduction shall be a gross misdemeanor. The Director of Labor and Industries shall make corrections of classifications or sub-classifications or changes in rates, classes, and sub-classes when the best interests of such classes or sub-classes will be served thereby. From the original classification or premium rating or any change made therein, any employer claiming to be aggrieved may appeal to the joint board and to the courts in the manner provided in section 7697 of Remington's Revised Statutes.

If a single establishment or work comprises several occupations listed in this section in different risk classes, the premium shall be computed according to the workmen hours of each occupation, or in the discretion of the Director of Labor and Industries, a single rate of premium may be charged for the entire establishment based upon the rate of premium of the occupation reporting the largest number of workmen hours: *Provided*, That, when a single establishment or work comprises distinct different risk classes, each employing a considerable number of persons, the right to have the premium computed according to the number of workmen hours of each occupation shall not be denied the employer without hearing: *Provided further*, That any employer desiring to report his operations in the various distinct risk classifications subsequent to the passage of this act, must, before so reporting, notify the Director of Labor and Industries in writing of such fact, prior to the first day of the month in which such employer desires to segregate his operations, and inform the Director of the segregated classifications he desires. After an employer has segregated his operations into the various distinct risk classi-

cations, unless the employer and the Director agree to the contrary, the employer must continue to report in those segregated classifications as long as they exist in his operation and involve a considerable number of employees.

The Director of Labor and Industries shall have power to authorize any employee of the Department who is an attorney admitted to practice law in the State of Washington to appear for the department in any action instituted for the purpose of collecting industrial insurance premiums.

Lawyer employees of Department may appear in court.

That the premiums of employers operating coal mines which shall include shaft sinking and all tunneling in connection with coal mines and the building industry, which shall include, all field activities in connection with the erection, alteration, repairing or demolishing of any building or buildings or part thereof or appurtenance thereto, adapted to residential, business, governmental, educational or manufacturing uses, shall be computed on a base rate only and no merit rating credits or penalties shall be given or imposed on such employers.

Premiums on other activities to be included in coal mining.

Section 4f. There is hereby created a special fund to be known as the "Catastrophe Fund" which shall be used only for the purpose of defraying charges assessed against it as hereinafter provided.

Catastrophe Fund.

There is hereby appropriated to the Catastrophe Fund from the Accident Fund, for the fiscal biennium ending March 31, 1949, the sum of five hundred thousand dollars (\$500,000).

Appropriation from accident fund.

The transfer of funds shall be from each class of the Accident Fund in the proportion that each class balance is to the total of the Accident Fund on April 1, 1947, and the reversion of the unexpended balance to the Accident Fund shall be based upon the same proportion.

Transfers from class funds.

The Director of Labor and Industries shall report to each regular session of the legislature the balance remaining in the Catastrophe Fund and shall make

Reports to Legislature.

such recommendations as he shall deem necessary to maintain the same on a continuing basis.

Charges against class fund and against catastrophe fund.

Whenever there shall occur an accident in which three or more employees are fatally injured or receive injuries consisting of loss of both eyes or sight thereof, or loss of both hands or use thereof, or loss of both feet or use thereof, or loss of one hand and one foot or use thereof, the first nine thousand dollars (\$9,000) of total costs other than medical aid costs arising out of this said accident shall be charged to the proper class of the Accident Fund and to the account of the employer, and the balance of costs arising out of the accident shall be charged against and defrayed by the Catastrophe Fund.

Effective immediately.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 19, 1947.

CHAPTER 248.

[S. B. 77.]

TAX ON PIN BALL MACHINES AND SLOT MACHINES.

AN ACT relating to the taxation with respect to persons engaging in business as operators of certain mechanical devices, amending section 96, chapter 180, Laws of 1935, as enacted by section 1, chapter 118, Laws of 1941 (sec. 8370-96, Rem. Rev. Stat.; sec. 976-1, PPC), and declaring an emergency.

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

SECTION 1. Section 96, chapter 180, Laws of 1935, as enacted by section 1, chapter 118, Laws of 1941 (sec. 8370-96, Rem. Rev. Stat.; sec. 976-1, PPC) is amended to read as follows:

Section 96. From and after the first day of May, 1941, there is hereby levied and there shall be collected from every person a tax for the act or privi-

lege of engaging in business as an operator of certain mechanical devices irrespective of whether such activity shall be legal or illegal under the laws of this state or any subdivision thereof: *Provided, however,* Nothing in this act shall be construed to legalize any activity now or hereafter declared to be in violation of the laws of this state or any subdivision thereof, but the illegality of any such activity shall not be a defense or bar to the collection of any tax imposed thereon by this act. Such tax shall be measured by the application of rates against the gross operating income of the business as follows:

Tax levied on privilege.

Act not to be construed to legalize any activity.

Tax based upon gross income.

(a) Upon every person engaging within this state in business as an operator of any pinball machine, iron claw machine, travelling crane or other similar mechanical device wherein the element of skill or a combination of the elements of chance and skill is involved in determining a pay-out to the player, as to such persons the amount of tax on such business shall be equal to the gross operating income of the business multiplied by the rate of twenty per cent;

Twenty per cent where skill and chance are involved.

(b) Upon every person engaging within this state in business as an operator of any mechanical device wherein only the element of chance determines a pay-out to the player, as to such persons the amount of tax on such business shall be equal to the gross operating income of the business multiplied by the rate of forty per cent.

Forty per cent where chance only is involved.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the Senate February 24, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 249.

[S. B. 242.]

NON-PROFIT CORPORATIONS.

AN ACT relating to the organization and powers of corporations other than those formed for the purpose of profit; amending sections 5, 7, and 12, chapter 134, Laws of 1907 (secs. 3888 to 3900, Rem. Rev. Stat.; secs. 467-1 to 467-25, PPC) and adding sections 14, 15, 16, and 17 to said chapter to provide for amendments to articles of incorporation, the payment of filing fees, and the extension of the term of existence and reinstatement of corporations.

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

SECTION 1. Section 5, chapter 134, Laws of 1907 (sec. 3892, Rem. Rev. Stat.; sec. 467-9, PPC) is amended to read as follows:

May be formed by five or more.

Section 5. Not less than five individuals, co-partnerships, or corporations shall be required to form a corporation hereunder. Articles of incorporation shall be prepared, executed and acknowledged in triplicate; one copy shall be filed in the office of the Secretary of State, another in the office of the County Auditor of the county in which the principal place of business of the corporation is located, and the third retained in the possession of the corporation. Such articles shall state the name of the corporation, the purposes for which it is formed, the place where its principal place of business will be, its duration, the number of the trustees thereof, and the names of the trustees who shall manage the affairs of the corporation for such length of time, not less than two months, nor more than six months, as may be designated in such articles, until the trustees shall be elected by the members. The formation of the corporation shall be complete upon the filing of the articles as herein provided.

Articles.

Filing.

Contents.

SEC. 2. Section 7, chapter 134, Laws of 1907 (sec. 3894, Rem. Rev. Stat.; sec. 467-13, PPC) is amended to read as follows:

Section 7. Corporations formed under this act shall have power of succession by their corporate name for the time specified in their respective articles of incorporation or, if no such time of existence is specified, then perpetually, and in such name may sue and be sued in any Court, may make and use a common seal and alter the same at pleasure, may receive gifts and devises, may purchase, hold and convey real and personal property, as the purposes of the corporation may require, may appoint such subordinate agents or officers as the business may require, may demand assessments of members and sell or forfeit their interests in the corporation for default with respect to any lawful provision of the by-laws, may enter into any lawful contracts and incur obligations essential to the transaction of its affairs for the purpose for which it was formed, may borrow money and issue notes, bills or evidence of indebtedness, and may mortgage its property to secure the same as its by-laws may provide, and, generally, may do all things necessary or proper to carry out the purpose of its creation.

Corporate powers.

SEC. 3. Section 12, chapter 134, Laws of 1907 (sec. 3899, Rem. Rev. Stat.; sec. 467-23, PPC) is amended to read as follows:

Section 12. Any corporation heretofore formed under any law of this State, the purpose or purposes for the creation of which is such that it might have been formed and carry on business hereunder, may avail itself of the privileges and incur the liabilities prescribed by this act upon a majority vote of all the members to the effect that it desires to reorganize hereunder, the result of such vote to be evidenced by a certificate executed by the president and secretary under the seal of the cor-

Corporations may reorganize hereunder.

Method.

poration and filed in the office of the Secretary of State and of the County Auditor of the county where the principal place of business of the corporation is located. Upon the filing of such certificate it shall be endowed with all the privileges and affected by all the liabilities prescribed hereunder.

SEC. 4. Chapter 134, Laws of 1907 (secs. 3888 to 3900, Rem. Rev. Stat.; secs. 467-1 to 467-25, PPC) is amended by adding thereto a new section, to be designated as section 14, immediately following section 13, which shall read as follows:

Changes in name and corporate structure.

Section 14. Any corporation formed under this act may, by the affirmative vote of a majority of its members, amend its articles of incorporation so as to change its name, its purposes, the place where its principal place of business will be, the number of its trustees, the duration of its existence, or in any other manner not inconsistent with the provisions of this act.

SEC. 5. Chapter 134, Laws of 1907 (secs. 3888 to 3900, Rem. Rev. Stat.; secs. 467-1 to 467-25, PPC) is amended by adding thereto a new section, to be designated as section 15, immediately following the new section 14, which shall read as follows:

Amendments.

Section 15. (1) After an amendment has been adopted, articles of amendment shall be prepared in triplicate originals, setting forth the amendment and the adoption thereof, and shall be signed and sworn to by the president or vice president and the treasurer or secretary or assistant secretary.

Filing with Secretary of State.

(2) The triplicate originals of the articles of amendment shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of amendment conform to law, he shall put an endorsement of his approval on each set; and when the fees therefor have been paid, as required by law, he shall file one of such sets in his office

Approval.

and record the same and shall issue a certificate of amendment. Thereupon, the amendment shall become effective.

(3) The certificate of amendment, together with the two remaining sets of articles of amendment bearing the endorsement of the fact and time of filing in the office of the Secretary of State, shall be returned to the corporation. One of the sets of articles of amendment shall be filed in the office of the auditor of the county in which the principal place of business of the corporation is located and the other shall be retained by the corporation.

Return to
Corporation.

Filing with
County
Auditor.

SEC. 6. Chapter 134, Laws of 1907 (secs. 3888 to 3900, Rem. Rev. Stat.; secs. 467-1 to 467-25, PPC) is amended by adding a new section, to be designated as section 16, immediately following the new section 15, which shall read as follows:

Section 16. If the term of existence of a corporation formed under this act or which has availed itself of the privileges provided by this act has expired or should expire at any time, it may make an application for reinstatement to the Secretary of State within ten years after such expiration. The application shall be accompanied by an amendment to the articles of incorporation, stating the new term of existence of the corporation as extended, together with a reinstatement fee of twenty-five dollars (\$25), which shall be paid in addition to the fee required for filing the amendment to its articles of incorporation. The applicant shall thereupon be reinstated unless its name was given to another corporation within this state during the period subsequent to the expiration of the term of existence of the applicant under its former articles of incorporation.

Application
for reinstatement
on
expiration
of term.

Fee.

SEC. 7. Chapter 134, Laws of 1907 (secs. 3888 to 3900, Rem. Rev. Stat.; secs. 467-1 to 467-25, PPC) is amended by adding thereto a new section to be

designated as section 17, immediately following the new section 16, which shall read as follows:

Reinstatement.

Section 17. Upon reinstatement of a corporation the Secretary of State shall enter upon his records a notation that such corporation is reinstated, and it shall thereupon be reinstated as of the date on which its term of existence expired; and such corporation shall have the right to sue and shall enjoy the same rights and powers as if its term of existence had been continuous or its term of existence had been extended before the expiration of its stated term of existence, and all things done by it in the exercise of its corporate powers before such reinstatement shall be valid acts of the corporation.

Passed the Senate February 27, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 250.

[S. B. 248.]

WASHINGTON STATE PATROL RETIREMENT SYSTEM.

AN Act providing for the Washington State Patrol Retirement System; creating a retirement board and prescribing its powers and duties; establishing certain funds in connection therewith; requiring contributions thereto by commissioned members of the Washington State Patrol and the state; making an appropriation therefor; and providing penalties.

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

Definitions.

SECTION 1. The following words or phrases as used in this act, unless a definite meaning is plainly required by the context, shall have the following meanings:

"Retirement System."

(a) "Retirement System" shall mean the Washington State Patrol Retirement System as used in this act.

(b) "Retirement Fund" shall mean the Washington State Patrol Retirement Fund provided for in this act. "Retirement fund."

(c) "State Treasurer" shall mean the Treasurer of the State of Washington. "State Treasurer."

(d) "Member" shall mean any person included in the membership of the Retirement Fund as provided for in this act. "Member."

(e) "Employee" shall mean any commissioned employee of the Washington State Patrol. "Employee."

(f) "Beneficiary" shall mean any person in receipt of retirement allowance or any other benefit allowed by this act. "Beneficiary."

(g) "Regular Interest" shall mean interest compounded annually at such rates as may be deemed by the Retirement Board. "Regular interest."

(h) "Retirement Board" shall mean the board provided for in this act. "Retirement board."

(i) "Commissioner of Insurance" shall mean the Commissioner of Insurance of the State of Washington. "Commissioner of Insurance."

(j) "State Auditor" shall mean the auditor of the State of Washington. "State Auditor."

(k) The words "this act" whenever used in section 1 to 21, both inclusive, shall mean the Washington State Patrol Retirement act. "This act."

SEC. 2. A. A Washington State Patrol Retirement fund is hereby established for members of the Washington State Patrol which shall include funds created and placed under the management of a Retirement Board for the payment of retirement allowance and other benefits under the provisions of this act. Fund established.

B. Any member of the Washington State Patrol, upon date of commissioning, shall be eligible to participate in the retirement plan and shall start contributing to the fund immediately. Any commissioned employees of the Washington State Patrol Eligibility.

Optional participation.

before the effective date of this act shall have the option to participate in the Retirement Fund, but after the date of said act becomes effective, each new commissioned employee must automatically participate in the fund. If a member should terminate service of the Washington State Patrol and later reenter, he shall be treated in all respects as though he were a new member.

Service in military or naval forces.

C. A member of the Retirement System who has served or shall serve on active Federal service in the military or naval forces of the United States in time of war or emergency, declared by competent Federal authority, who within one year from termination of such active Federal service, shall resume employment as a state employee, shall have his service in such armed forces credited to him as a member of the Retirement System.

Administration vested in board.

SEC. 3. The general administration and management of the Washington State Patrol Retirement Fund and the making effective of the provisions of this act are hereby vested in the Retirement Board who shall have the authority to make all necessary rules and regulations, not inconsistent with the provisions of this act, to carry into effect the provisions thereof.

Membership of board.

The Board of the Washington State Patrol Retirement Fund shall consist of seven members as follows: Chief of the Washington State Patrol, Commissioner of Insurance, State Auditor and four members known as employee members, who shall be elected by ballot by members of the Retirement Fund in a manner to be approved by the Retirement Board. Two of said employee members shall be from and represent eastern Washington and two of said employee members shall be from and represent western Washington.

Chairman.

The Chief of the Washington State Patrol shall act at all times as chairman of the Retirement Board.

A majority of the members of the Retirement Board shall constitute a quorum for the transaction of business and any action taken shall be approved by five or more of its members. The Retirement Board shall hold such meetings as are necessary to transact its business and in any event shall meet not less than once each year and sufficient notice shall be given the members thereof.

Quorum.

Meetings.

The first election of employee members of the Retirement Board shall be conducted by and under the supervision of the Chief of the Washington State Patrol within thirty days after this act becomes effective. At the first election, each person eligible to participate in the Retirement Fund shall have the right to vote for two qualified employee members, said members to vote only upon those members from his geographical division of the state. One employee member from eastern Washington and one employee member from western Washington shall serve for a two year term and the other two employee members shall serve for a one year term. The qualified member receiving the greatest number of votes shall be deemed elected for the two year term and the qualified member receiving the next highest number of votes shall be deemed elected for the one year term. Thereafter each year, each employee member shall serve for a two year term. Any vacancy occurring in the term of any qualified employee member of the Retirement Board shall be filled by a general election. The qualified employee member elected shall fill the unexpired term.

Election of
employee
members of
board.

Vacancies.

SEC. 4. Members of Board. The Retirement Board shall have the power to employ a secretary and to secure the services of such technical and administrative employees as may be necessary for the transaction of business of the Retirement Fund. The compensation of all persons engaged by the Retirement Board shall be fixed by the Retirement Board.

Employees
of board.Compensa-
tion.

ment Board and all other expenses of the Retirement Board necessary for the proper operation of the Retirement Fund shall be paid at such rates and in such amounts as the Retirement Board shall approve. The Retirement Board shall perform such other functions as are required for the proper execution of the provisions of this act and shall have authority to make all rules and regulations necessary therefor.

Rules and regulations.

Oath.

SEC. 5. Board Members. Each member of the Retirement Board created by this act, upon appointment or election, shall take an oath of office that he will support the constitution of the United States, the constitution of the State of Washington, and that he will diligently and honestly administer the affairs of the said Board and that he will not knowingly violate or willfully permit to be violated any of the provisions of law applicable to this act. Such oath shall be subscribed to by the member making it and certified by the officer before whom it is taken and shall immediately be filed in the office of the Secretary of State. The members of the Retirement Board shall serve without compensation but shall suffer no loss because of absence from their regular employment and shall be reimbursed from the expense fund as provided for herein.

Compensation.

Expenses.

Investment of monies in fund.

SEC. 6. All monies in the funds of the Washington State Patrol Retirement Fund shall be invested by the State Treasurer in accordance with the provisions of chapter 91, Laws of 1935, of the State of Washington.

State Treasurer custodian.

SEC. 7. The Treasurer of the State of Washington shall be the custodian of the funds of the Washington State Patrol Retirement Fund.

Deposit of fund.

The State Treasurer is hereby authorized and directed to deposit any portion of the funds of the Retirement Fund not needed for immediate use in the same manner and subject to all the provisions

of law with respect to the deposit of state funds by such Treasurer, and all interest earned by such portions of the said Retirement Funds as may be deposited by the State Treasurer in pursuance of authority herewith given shall be collected by him and placed to the credit of the Retirement Fund. The custodian shall furnish annually to the Retirement Board a sworn statement of the amount of funds in his custody belonging to the Retirement Fund. The records of the Retirement Fund shall be open to public inspection and any member of the Retirement Fund shall be furnished with a statement of the amount of his credit upon written request of such member, *provided* that the Retirement Board shall not be required to answer more than one such request of a member in any one year.

Interest
on deposit.

Annual
statement to
be furnished.

Records of
fund open
to inspection.

SEC. 8. Except as herein provided, no trustee and no employee of the Retirement Board shall have any interest, direct or indirect, in the gains or profits of any investment made by the Board nor as such directly or indirectly receive any pay or emolument for services and no trustee or employee of said Board, directly or indirectly for himself or as agent or party for others, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by the Board, nor shall any member or employee of said Board become an endorser or surety or become in any manner an obligor for monies owned or borrowed by the Board.

Certain
activities
of board
members and
employees
prohibited.

SEC. 9. At such times as the Retirement Board may deem it necessary and at least once within the first three years of the operation of this act and once in each five year period thereafter, the Retirement Board shall have prepared by a competent actuary a report showing a complete valuation of the present and prospective assets and liabilities of the various funds created by this act. The actuary shall make

Actuary
report.

an investigation of the mortality and service experience of the members of the system and shall report fully upon the totals of the Retirement Fund together with such recommendations as he shall deem advisable for the information of the Retirement Board in the proper operation of the Retirement Fund.

Chief of Patrol to notify State Auditor of personnel changes.

SEC. 10. The Chief of the Washington State Patrol shall, on the first day of each calendar month, notify the State Auditor of the commissioning of new employees subject to the provisions of this act and shall submit to him the name, title, compensation, duties and date of birth of each new commissioned employee and shall also notify the Auditor at the same time of all removals, withdrawals and changes in salary of any member which shall have occurred during the preceding month.

SEC. 11. The fund hereby created is the Washington State Patrol Retirement Fund.

Pensions and benefits payable from fund.

A. The Washington State Patrol Retirement Fund shall be the fund from which shall be paid all pensions or benefits in lieu thereof which are payable as provided in this act: *Provided*, That the expenses of operation of the Washington State Patrol Retirement System shall be paid from appropriations made for the operation of the Washington State Patrol.

Biennial estimate of amount required.

The Retirement Board shall estimate biennially the amount required to maintain the Retirement Fund for the ensuing biennium.

Certificate to be issued to each member of patrol.

SEC. 12. Subject to such rules and regulations as the Retirement Board shall adopt, said Board shall issue to each member a certificate certifying the aggregate length of all his prior service as a Washington State Patrol employee as defined in this act. In no event shall service be computed prior to date of commission.

SEC. 13. The Attorney General of the State of Washington shall be the legal adviser of the Washington State Patrol Fund and the Retirement Board.

Attorney
General to be
legal adviser.

SEC. 14. Retirement. Any member who has attained the age of sixty years shall be automatically separated from active service and shall be eligible for participation in the Retirement Fund upon application duly made *provided* that for the first year after the effective date of this act members who are sixty years of age may have one additional year within which they may retire. Such compulsory retirement date shall be computed after the first of the month following the attainment of age sixty by said respective member, and if any member neglects or refuses to file his application with the Retirement Board, said Board may consider his application as having been filed on his sixtieth birthday.

Retirement.

Automatic
retirement.

Sixty years
of age.

If any member has had twenty-five years of service and is over the age of fifty years, an early retirement date may be permitted upon application duly made and approved by the Retirement Board, such member to receive a retirement income computed on actuarial basis.

Twenty-five
years service
and over
fifty years
of age.

SEC. 15. Benefits. Upon compulsory retirement a member shall be granted a monthly retirement income based on his average salary allowed during the ten years immediately preceding his retirement date. Such retirement income shall be composed of the sum of two parts, namely: past service benefit and current service benefit but in no event shall exceed one hundred and fifty dollars (\$150) maximum per month.

Benefits.

A. Past service benefit shall be based on a past service annuity of one per cent (1%) of the average salary earned by the member prior to retirement multiplied by the number of years of service rendered by the member to the Washington State Patrol

Past service
benefit.

prior to the effective date of this act. A member shall be entitled to past service benefit only if such member applies for participation in the Retirement Fund within sixty days after the effective date of this act.

Current service benefit.

B. Current service benefit shall be based on a current service annuity of one and seven-tenths per cent (1.7%) of such average salary earned by the member and multiplied by the number of years of service while participating in the fund.

Monthly life annuity.

SEC. 16. The normal form of income at retirement shall be a monthly life annuity which shall continue as long as the member shall live.

Election by member.

A member may elect either to accept the life annuity heretofore mentioned or a joint and survival form of annuity. If said member elects to choose the joint and survival form of annuity, such annuity shall be lesser than the normal form of annuity but will be payable during the member's lifetime and after his death to a designated beneficiary. If a member elects to take the joint and survival annuity, the designation of the joint annuitant must be made either three months after the effective date of this act or within three years immediately preceding the retirement date. A member may be permitted to revoke such designations any time prior to retirement but after such revocation future designations could be made only with the consent of the Retirement Board. If a joint annuitant should die before the member retires, such member would be entitled to the normal form of annuity.

Joint and survival form of annuity.

Revocation of designation.

Death of member before retirement.

SEC. 17. If a member should die before retirement, all contributions made by him with interest at two and one-half per cent (2½%) compounded annually would be paid to his beneficiary.

After retirement.

If after retirement a member should die before he has received an amount equal to his own contributions with interest compounded to the date of

his retirement, the excess shall be paid to his beneficiary.

SEC. 18. Should a member become permanently and totally disabled, as a direct and proximate result of injury received in the course of employment, such member would receive benefits under chapter 215, Laws of 1943, and during such period would be a nonactive member. If any nonactive member should return to active duty with the Washington State Patrol, he shall be eligible to become an active member by paying into the Retirement Fund all contributions accumulated during such time of disability.

Permanent total disability.

SEC. 19. A. Beginning on the effective date of this act, every Washington State Patrol employee who is a member of the Washington State Patrol Retirement Fund shall contribute four per centum (4%) of his monthly salary, which the State Auditor shall deduct from the compensation of each member on each and every payroll.

Four per cent contribution by employee members of fund.

B. There is hereby appropriated the sum of one hundred thousand dollars (\$100,000) from the Highway Safety Fund to the Washington State Patrol Retirement Fund for the purpose of carrying out the provisions of this act. There is further appropriated from the Washington State Patrol Retirement Fund for the purpose of paying pensions, benefits and awards under this act the sum of fifty thousand dollars (\$50,000).

Appropriations.

C. In event a member severs his connection with the Washington State Patrol or is dismissed, the amount paid by the State of Washington shall remain in the Washington State Patrol Retirement Fund.

Retention of state's payments in fund.

SEC. 20. The right of any person to a retirement income under the provisions of this act and all monies and investments and income thereof are hereby exempt from any state, county, municipal

Retirement payments exempt and unassignable.

or other local tax and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or the insolvency laws or other processes of law whatsoever and shall be unassignable except as in this act specifically provided.

False statements.

SEC. 21. Any person who shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of the Washington State Patrol Retirement Fund in any attempt to defraud such fund as a result of such act shall be guilty of a gross misdemeanor.

Passed the Senate March 9, 1947.

Passed the House March 7, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 251.

[S. B. 288.]

ADOPTION.

AN ACT relating to adoption; amending sections 2, 3, 8, 9, 11, and 14, chapter 268, Laws of 1943 (sections 1699-3, 1699-4, 1699-9, 1699-10, 1699-12 and 1699-15, Remington's Revised Statutes, 1943 Supplement), as amended by section 1, chapter 191, Laws of 1945 (section 1699-12, Remington's Revised Statutes, 1945 Supplement).

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

SECTION 1. Section 3, chapter 268, Laws of 1943 (section 1699-4, Remington's Revised Statutes, 1943 Supplement), is amended to read as follows:

Consent to be filed.

Section 3. Written consent to such adoption must be filed prior to a hearing on such petition, as follows:

Person to be adopted if over fourteen years of age.

(a) By the person to be adopted, if such person be fourteen (14) years of age or older, but the filing of such consent shall not obviate the necessity of securing any other consent herein required;

(b) If the person to be adopted be of legitimate birth or legitimized thereafter, and a minor, then by each of his living parents, except as hereinafter provided;

Minor of
legitimate
birth.

(c) If the person to be adopted be illegitimate and a minor, then by his mother, if living, except as hereinafter provided:

Illegitimate.

(d) If a legal guardian has been appointed for the person of said child, then by such guardian;

Legal
guardian.

(e) If the person to be adopted be a minor and has been permanently committed upon due notice to his parents by any court of general jurisdiction to an approved agency, then by such approved agency, in which event neither notice to nor consent by its parents in the adoption proceeding shall be necessary: *Provided*, That if the approved agency refuses to consent to the adoption, the court, in its discretion, may order that such consent be dispensed with.

Approved
agency.

SEC. 2. Section 8, chapter 268, Laws of 1943 (section 1699-9, Remington's Revised Statutes, 1943 Supplement), is amended to read as follows:

Section 8. The Court shall direct notice of any hearing required under section 5 to be given to any non-consenting parent or guardian, if any, and to any person or association having the actual care, custody or control of said child: *Provided*, That where a parent has been deprived of the custody of such child and such child has been set over for adoption by an order of a court of competent jurisdiction, after due notice in a proceeding regularly had for such purpose, no notice need be given to the parent so deprived, and the record of such deprivation proceedings shall be deemed *prima facie* proof of such deprivation. Such notice shall be given in the following manner: The Court shall direct the clerk to issue a notice of such hearing directed to the persons entitled to notice, notifying such persons

Notice of
hearing.

Manner of
giving notice.

Service of
notice.

Publication.

of the filing of the petition, stating briefly the object of the petition and the purpose of the hearing, and notifying such persons of the date, time and place of the hearing. A copy of the notice shall be served in the manner provided by law for the service of the summons upon the persons entitled thereto at least ten days prior to the hearing. In the event it shall appear by the affidavit of the petitioners that the persons entitled to notice, or either of them, are nonresidents of the state or that they cannot, after diligent search, be found within the state, and that a copy of said notice has been deposited in the post office directed to such person or persons, unless it is stated in the affidavit that their residence is unknown to petitioners, then the court may order said notice published in a legal newspaper printed in the county, once a week for three consecutive weeks, the first publication of said notice to be at least twenty-five (25) days prior to the date fixed for the hearing. Proof of service of notice shall be filed in the cause as required by law for making proof of the service of summons. If the Court is satisfied of the illegitimacy of the child to be adopted, and so finds, no notice to the father of such child shall be required.

Investigation
to be made.

Expense.

Report to
Court.

SEC. 3. Section 9, chapter 268, Laws of 1943 (section 1699-10, Remington's Revised Statutes, 1943 Supplement), is amended to read as follows:

Section 9. Upon the filing of a petition for adoption, the Court shall cause an investigation of the propriety of the adoption to be made. The Court shall appoint an approved agency or any salaried court employee or any other suitable and proper person as next friend of the child to make such investigation. The investigation shall be made without expense to the petitioners. The investigator appointed by the Court shall make a report in writing to the Court within thirty (30) days from the

time of his appointment unless further time be granted by the Court. Such report shall contain all available information concerning the physical and mental condition of the child, the parents of the child, and the physical, mental, moral and financial condition of the petitioners, and any other facts and circumstances relating to the propriety and advisability of the adoption.

SEC. 4. Section 11, chapter 268, Laws of 1943 (section 1699-12, Remington's Revised Statutes, 1943 Supplement), as amended by section 1, chapter 191, Laws of 1945 (section 1699-12, Remington's Revised Statutes, 1945 Supplement), is amended to read as follows:

Section 11. Upon the conclusion of such hearing, if had, or upon filing the report of investigation, if any, or as soon as the procedure hereunder may permit, the Court shall enter its decree either granting or denying the petition for adoption and change of name, if any, all as in its discretion it shall deem proper. If the decree be for adoption, it shall provide:

After hearing Court may enter decree.

Provisions.

(a) For the issuance of a certificate of birth of any child born in the State of Washington, by the state department of registration of births, in such form and containing such information as the Court may deem proper and by such decree shall direct;

Certificate of birth.

(b) Whether or not any of the records of the said department of registration of births shall be secret; and if any be directed to be secret, then the same shall be disclosed only upon order of Court for good cause shown;

Records may be secret.

(c) That such adoption shall remain interlocutory for six months from date of entry of such decree, and shall become absolute at the expiration of said six months.

Adoption interlocutory

Appeal. Such decree shall be final as to the parties thereto and those notified as herein provided unless appealed from within thirty (30) days after entry thereof.

Filing of petition within interlocutory period. At any time prior to the expiration of six months from entry of such decree, any interested person may file in the adoption proceedings his verified petition alleging grounds, if any he has, for the vacation or modification of such decree. Upon the filing of such petition, the Court shall, upon application, fix a time for hearing thereon. At least ten days' notice of such hearing shall be served upon all of the parties to the adoption proceeding and to the persons served as provided in section 8 hereof, and also upon the person making the report of investigation pursuant to section 9. Upon such hearing, if the petition be granted, the Court shall enter an order vacating such decree of adoption, and may also make such further order for the welfare of the child as in its discretion seems proper. An appeal from any order vacating or refusing to vacate such decree may be taken, as in other cases.

Notice and hearing.

Order.

Appeal.

Final judgment.

If no appeal be taken from the decree of adoption and if no petition to vacate or modify the same be filed within such six (6) months period then said decree shall be deemed a final judgment as of the date of its entry.

SEC. 5. Section 14, chapter 268, Laws of 1943 (section 1699-15, Remington's Revised Statutes, 1943 Supplement), is amended to read as follows:

Person over age of twenty-one years.

Section 14. If the petition be for the adoption of a person over the age of twenty-one (21) years and of legal competency, and is accompanied by the written consent of such person, neither notice to any person nor investigation shall be required.

Passed the Senate March 3, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 252.

[S. B. 376.]

LAW SCHOOL CREDIT FOR VETERANS.

AN ACT providing for credits on a law course of studies by reason of service in the armed forces of the United States.

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

SECTION 1. Any person who has served in any branch of the armed forces of the United States and who is enrolled or who hereafter enrolls as a student in any law school in the State of Washington, shall be given credit for two school quarters of work on his law course, by reason of such service, toward his law degree: *Provided*, That such service shall have been for a period of at least one year prior to September 1, 1945.

Credit given for service in armed forces.

Passed the Senate March 4, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 253.

[S. B. 308.]

PASSENGER TRANSPORTATION BY MOTOR VEHICLE.

AN ACT relating to passenger transportation by motor vehicle; prescribing penalties for violation; and repealing chapter 57, Laws of 1915, as amended by chapter 161, Laws of 1927; chapter 27, Laws of 1929, and chapter 73, Laws of 1933 (secs. 6382-101, 6383 to 6386, incl., Rem. Rev. Stat.; secs. 282-19 to 282-27, incl., PPC).

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

SECTION 1. When used in this act: (a) the term "for hire vehicle" includes all vehicles used for the transportation of passengers for compensation, except auto stages, victory vehicles, or school busses operating exclusively under a contract to a school

"For hire vehicle."

“For hire operator.” district; (b) the term “for hire operator” means and includes any person, concern or entity engaged in the transportation of passengers for compensation in for hire vehicles.

Application for permit. **SEC. 2.** No for hire operator shall cause operation of a for hire vehicle upon any highway of this state without first obtaining a permit from the Director of Licenses. Application for a permit shall be made on forms provided by the Director of Licenses and shall include (a) the name and address of the owner or owners, and if a corporation, the names and addresses of the principal officers thereof; Contents. (b) city, town or locality in which any vehicle will be operated; (c) name and motor number of any vehicle to be operated; (d) the endorsement of a city official authorizing an operator under a law or ordinance requiring a license; and (e) such other information as the Director of Licenses may require.

Fee for permit. **SEC. 3.** Application for a permit shall be forwarded to the Director of Licenses with a fee of five dollars (\$5). Upon receipt of such application and fee, the Director shall, if such application be in proper form, issue a permit authorizing the applicant to operate for hire vehicles upon the highways of this state until such owner ceases to do business as such, or until the permit is suspended or revoked.

Display of permit. Such permit shall be displayed in a conspicuous place in the principal place of business of the owner:

Proviso. *Provided,* That all for hire operators who have qualified as such under the provisions of chapter 57, Laws of 1915, shall be issued a permit without the payment of the permit fee, but will be required to pay the certificate fee as herein provided.

Bond requirement. **SEC. 4.** Before a permit is issued every for hire operator shall be required to deposit and thereafter keep on file with the Director of Licenses of the State of Washington a surety bond running to the

State of Washington covering each and every for hire vehicle as may be owned or leased by him and used in the conduct of his business as a for hire operator. Such bond shall be in the sum of one thousand dollars (\$1,000) for any recovery for death or personal injury by one person, and ten thousand dollars (\$10,000) for all persons killed or receiving personal injury by reason of one act of negligence, and one thousand dollars (\$1,000) for damage to property of any person other than the assured, with a good and sufficient surety company licensed to do business in this state as surety and to be approved by the Director of Licenses of the State of Washington, conditioned for the faithful compliance by the principal of said bond with the provisions of this act, and to pay all damages which may be sustained by any person injured by reason of any careless negligence or unlawful act on the part of said principal, his agents or employees in the conduct of said business or in the operation of any motor propelled vehicle used in transporting passengers for compensation on any public highway of this state.

Personal
injury.

Property
damage.

Approval
of bond.

SEC. 5. In lieu of the surety bond as provided in this act, there may be deposited and kept on file and in force with the Director of Licenses a public liability insurance policy covering each and every motor vehicle operated or intended to be so operated, executed by an insurance company licensed and authorized to write such insurance policies in the State of Washington, assuring the applicant for a permit against property damage and personal liability to the public, with the premiums paid and payment noted thereon. Said policy of insurance shall provide a minimum coverage equal and identical to the coverage required by the aforesaid surety bond. No provisions of this act shall be construed to limit the right of any injured person to any pri-

Deposit of
policy in lieu
of bond.

vate right of action against a for hire operator as herein defined.

SEC. 6. Every person having a cause of action for damages against any person, firm, or corporation receiving a permit under the provisions of this act, for injury, damages or wrongful death caused by any careless, negligent or unlawful act of any such person, firm, or corporation or his, their, or its agents or employees in conducting or carrying on said business or in operating any motor propelled vehicle for the carrying and transporting of passengers over and along any public street, road or highway shall have a cause of action against the principal and surety upon the bond or the insurance company and the insured for all damages sustained, and in any such action the full amount of damages sustained may be recovered against the principal, but the recovery against the surety shall be limited to the amount of the bond.

Cause
of action
against
surety or
insurance
company.

Certificate.

SEC. 7. The Director of Licenses shall approve and file all bonds and policies of insurance. The Director of Licenses shall, upon receipt of fees and after approving the bond or policy, furnish the owner with an appropriate certificate which must be carried in a conspicuous place in the vehicle at all times during for hire operation. A for hire operator shall secure a certificate for each for hire vehicle operated and pay therefor a fee of one dollar (\$1) for each vehicle so registered. Such permit or certificate shall expire on June 30 of each year, and may be annually renewed upon payment of a fee of one dollar (\$1).

Fee.

New certifi-
cate upon
substitution
of policy or
bond.

SEC. 8. In the event the owner substitutes a policy or bond after a for hire certificate has been issued, a new certificate shall be issued to the owner. The owner shall submit the substituted bond or policy to the Director of Licenses for approval,

together with a fee of one dollar (\$1). If the Director approves the substituted policy or bond, a new certificate shall be issued. In the event any certificate has been lost, destroyed or stolen, a duplicate thereof may be obtained by filing an affidavit of loss and paying a fee of fifty cents (50¢).

Fee.

Lost or stolen certificate.

SEC. 9. The Director of Licenses may refuse to issue a permit or certificate, or he may suspend or revoke a permit or certificate if he has good reason to believe that one of the following is true of the operator or the applicant for a permit or certificate: (1) He has been convicted of an offense of such a nature as to indicate that he is unfit to hold a certificate or permit; (2) he is guilty of committing two or more offenses for which mandatory revocation of driver's license is provided by law; (3) he has been convicted of manslaughter resulting from the operation of a motor vehicle or convicted of negligent homicide; (4) intemperate or addicted to the use of narcotics.

Grounds for suspension or revocation of certificate or permit.

Notice of the Director to refuse, suspend or revoke such permit or certificate shall be given by registered mail to the holder or applicant for such permit or certificate and shall designate a time and place for hearing before the Director of Licenses, which shall not be less than ten days from the date of such notice. Should the Director, after such hearing, decide that a permit shall be cancelled or revoked, he shall notify said holder or applicant to that effect by registered mail. The applicant or permit holder may within thirty (30) days from the date of the decision appeal to the Superior Court of Thurston County for a review of such decision by filing a copy of said notice with the Clerk of said Superior Court and a copy of such notice in the office of the Director of Licenses. The Court shall set the matter down for hearing with the least possible delay.

Notice and hearing.

Appeals.

Penalty for operating without compliance.

Any for hire operator as herein defined who shall operate a for hire vehicle as herein defined without first having filed a bond or insurance policy and having received a for hire permit and a for hire certificate as required by this act shall be guilty of a gross misdemeanor and upon conviction therefor shall be punished by imprisonment in jail for a period not exceeding ninety (90) days or a fine of not exceeding five hundred dollars (\$500), or both fine and imprisonment.

Fees deposited in Highway Safety Fund.

SEC. 10. All fees received by the Director of Licenses under the provisions of this act shall be transmitted by him, together with a proper identifying report, to the State Treasurer to be deposited by the State Treasurer in the Highway Safety Fund.

Rules and regulations.

SEC. 11. The Director of Licenses is empowered to make and enforce such rules and regulations as may be consistent with and necessary to carry out the provisions of this act.

Repeals.

SEC. 12. Chapter 57, Laws of 1915, as amended by chapter 161, Laws of 1927; chapter 27, Laws of 1929, and chapter 73, Laws of 1933 (secs. 6382-101, 6383 to 6386, incl., Rem. Rev. Stat.; secs. 282-19 to 282-27 incl. PPC) are hereby repealed.

Passed the Senate March 3, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 254.

[S. S. B. 23.]

FIRE PROTECTION DISTRICTS.

AN ACT relating to fire protection districts, amending sections 1, 2, 5, 12, 16a, 20, 25, 31, 34, 38, and 39, chapter 34, Laws of 1939, as amended, and section 3, chapter 70, Laws of 1941, as amended (secs. 5654-101, -102, -105, -112, -116a, -120, -125, -131, -134, -138, and -139, Rem. Rev. Stat.; secs. 540-1, -3, -9, -23, -33, -41, -51, -63, -69, -77, and -79, PPC); providing for a determination of the amounts of district obligations which annexed lands shall bear; for the exclusion of land not benefited; for the joint ownership and operation of district facilities; for a reserve fund; and providing limits on incurring obligations; authorizing mergers of districts and prescribing the procedure therefor and the effect thereof; authorizing districts to issue burning permits, prescribing the conditions thereof, and providing penalties; and repealing all acts and parts of acts in conflict herewith.

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

SECTION 1. Section 1, chapter 34, Laws of 1939 as last amended by section 1, chapter 162, Laws of 1945 (sec. 5654-101, Rem. Rev. Stat.; sec. 540-1, PPC) is amended to read as follows:

Section 1. Fire-Protection Districts for the elimination of fire hazards and for the protection of life and property in territories outside of incorporated cities and towns and in territories including one or more cities of the fourth class are hereby authorized to be established as in this act provided.

Authorized
to be
established.

SEC. 2. Section 2, chapter 34, Laws of 1939 (sec. 5654-102, Rem. Rev. Stat.; sec. 540-3, PPC) is amended to read as follows:

Section 2. For the purpose of the formation of a Fire-Protection District, a petition designating the boundaries of the proposed district, by metes and bounds, or by describing the lands to be included in the proposed district by United States townships, ranges and legal subdivisions, signed by not less than fifteen per cent (15%) of the qualified registered

Petition to
form district.

Contents.

electors who are resident within the boundaries of such district, and setting forth the object for the creation of such district and alleging that the establishment of such district shall be conducive to the public safety, welfare, and convenience, and will be a benefit to the property included therein, shall be

Filing.

filed with the County Auditor of the county within which such proposed district is located, accompanied

Costs.

by an obligation signed by two or more petitioners, agreeing to pay the cost of the publication of the notice hereinafter provided for. Such district shall not cause to be taxed for district purposes those lands

Forest protection lands.

within the district which are now or will hereafter be required to pay forest protection assessment. The organization of any Fire-Protection District heretofore otherwise legally formed and which includes lands within its boundaries required by law to pay forest protection assessment is hereby approved and

Examination by County Auditor.

confirmed as a legally organized Fire-Protection District in the State of Washington. The County Auditor shall, within thirty (30) days, from the date of filing such petition, examine the signatures and certify to the sufficiency or insufficiency thereof; and for such purpose shall have access to all registration books or records in the possession of the registration officers of the election precincts included, in whole or in part, within the boundaries of the proposed district. Such books and records shall be *prima facie* evidence of the

Signature may not be withdrawn.

truth of said certificate. No person having signed such a petition shall be allowed to withdraw his name therefrom after the filing of the same with the County Auditor. If such petition shall be found to contain a sufficient number of signatures of qualified registered electors who are resident within the boundaries of such district, the County Auditor shall transmit the same, together with his certificate of sufficiency attached thereto, to the Board of County Commissioners which shall thereupon by resolution entered upon its minutes, receive the same and fix a

Transmittal and certification of petition by Auditor.

day and hour thereof when it will publicly hear said petition.

SEC. 3. Section 5, chapter 34, Laws of 1939 (sec. 5654-105, Rem. Rev. Stat.; sec. 540-9, PPC) is hereby amended to read as follows:

Section 5. At the time and place fixed for the hearing on said petition or at any adjournment thereof as herein provided, the Board of County Commissioners shall hear said petition and shall receive such evidence as it shall deem material in favor of or opposed to the formation of such district or to the inclusion therein or exclusion therefrom of any lands, but no lands not within the boundaries of the proposed district as described in said petition, shall be included within the district without a written grant describing the land, executed by all persons having any interest of record therein, and filed in the proceedings on such petition. No land within the boundaries described in the petition, except that land which the Commissioners find will receive no benefits from the proposed district, shall be excluded from the district.

Hearing
on petition.

Lands to
be included.

SEC. 4. Section 12, chapter 34, Laws of 1939 (sec. 5654-112, Rem. Rev. Stat.; sec. 540-23, PPC) is hereby amended to read as follows:

Section 12. If the certificate of the canvassing officials shows that the proposition to organize the proposed Fire-Protection District failed to receive three-fifths of all the votes cast at said election, the Board of County Commissioners shall enter a minute to that effect and all proceedings had to create the proposed district shall become nullified and void.

Three-fifths
of all votes
cast at
election.

SEC. 5. Section 3, chapter 70, Laws of 1941, as amended by section 2, chapter 162, Laws of 1945 (sec. 5654-16a, Rem. Rev. Stat.; sec. 540-33, PPC) is hereby amended to read as follows:

Section 3. Any territory contiguous to a Fire-Protection District and not within the boundaries

Contiguous
territory.

of an incorporated city of the first, second or third class or other Fire-Protection District may be annexed to such Fire-Protection District, for the purpose of obtaining fire fighting protection or prevention facilities, by petition of fifteen per cent of the qualified registered electors residing within the territory proposed to be annexed: *Provided*, That if territory included in a city of the fourth class is annexed the entire territory within such fourth class city must be annexed as a unit. Such petition shall be filed with the Fire Commissioners of the Fire-Protection District and if the said Fire Commissioners shall concur in the said petition they shall then file such petition with the County Auditor who shall within thirty (30) days from the date of filing such petition examine the signatures thereof and certify to the sufficiency or insufficiency thereof. After the County Auditor shall have certified to the sufficiency of the petition, the proceedings thereafter by the Board of County Commissioners and the rights and powers and duties of the Board of County Commissioners, petitioners and objectors and the election and canvass thereof shall be the same as in the original proceedings to form a Fire Protection District: *Provided*, That the Board of County Commissioners shall have authority and it shall be its duty to determine on an equitable basis, the amount of obligation which the territory to be annexed to the district shall assume, if any, to place the taxpayers of the existing district on a fair and equitable relationship with the taxpayers of the territory to be annexed by reason of the benefits of coming into a going district previously supported by the taxpayers of the existing district, and such obligation may be paid to the district in yearly installments to be fixed by the County Board if within the 4-mill annual tax limit and included in the annual tax levies against the property in such annexed territory until fully paid. The amount of the obliga-

Annexation.

Petition.

Fourth class cities as entire unit.

Approval by fire commissioners.

Filing of petition.

Examination and certification.

Election and canvassing.

Board to determine the obligation of the annexed territory.

tion and the plan of payment thereof fixed by the County Board shall be set out in general terms in the notice of election for annexation: *Provided, however,* That the special election shall be held only within the boundaries of the territory proposed to be annexed to said Fire-Protection District. Upon the entry of the order of the Board of County Commissioners incorporating such contiguous territory with such existing Fire-Protection Districts, said territory shall become subject to the indebtedness, bonded or otherwise, of said existing district in like manner as the territory of said district. Should such petition be signed by all of the qualified registered electors residing within the territory proposed to be annexed, and should the Fire Commissioners concur therein, an election in such territory and a hearing on such petition shall be dispensed with and the Board of County Commissioners shall enter its order incorporating such territory within the said existing Fire-Protection District.

Amount and plan of payment to be set out in notice of election.

Petition signed by all electors in territory.

SEC. 6. Section 20, chapter 34, Laws of 1939, as amended by section 4, chapter 70, Laws of 1941 (sec. 5654-120, Rem. Rev. Stat.; sec. 540-41, PPC) is hereby amended to read as follows:

Section 20. Any Fire-Protection District organized under this act shall have authority:

Powers of districts.

(1) To lease, own, maintain, operate and provide fire engines and all other necessary or proper apparatus, facilities, machinery and equipment for the prevention and extinguishment of fires, and protection of life and property;

Personal property.

(2) To lease, own, maintain and operate real property, improvements and fixtures thereon suitable and convenient for housing, repairing and caring for fire fighting equipment;

Real property.

(3) To enter into contract with any incorporated city or town whereby such city or town shall furnish fire-prevention and fire extinguishment service to the districts and the inhabitants thereof under the

Contracts.

provisions of this act upon such terms as the board of directors of the district shall determine. To contract with another County Fire-Protection District, or with any town, city or municipal corporation or governmental agency or private person or persons to consolidate or cooperate for mutual fire fighting protection and prevention purposes; or, for mutual fire fighting, protection and prevention purposes only, may annex or become annexed to any incorporated city or town of the third or fourth class or governmental agency already provided with fire fighting and protection equipment and fire-protection service upon terms which may be mutually agreed upon. Any city, town, municipal corporation or governmental agency may contract with a County Fire-Protection District established and maintained under the provisions of this act for the purpose of affording such district fire fighting and protection equipment and service or fire prevention facilities, and in so contracting the district, city, town, municipal corporation or other governmental agency shall be deemed for all purposes to act within its governmental capacity. Any County Fire-Protection District established and maintained under the provisions of this act, or any city, town, municipal corporation or other governmental agency is hereby authorized to contract with any person, firm or corporation for the purpose of affording fire fighting, protection or fire prevention facilities to such person, firm or corporation and such contractual relation shall be deemed for all purposes to be within the governmental power of such rural Fire-Protection District, city, town, municipal corporation or other governmental agency; .

Joint
operations.

(4) Fire-Protection Districts situated in different counties may contract to operate jointly in carrying out the objects of their creation. Contracts for joint operation may provide for joint ownership of property and equipment, and may authorize a joint

board of fire commissioners of the contracting districts to manage the affairs of the joint operations; to employ and discharge the necessary agents and employees and fix their respective wages and salaries; to provide and designate a suitable place in any county in which any of the contracting districts is situated, as a regular meeting place for the joint board; to incur the necessary expenses and direct the payment therefor from the funds of the contracting districts in such proportion as the joint boards shall determine; and to do all things as may in the judgment of the joint board be required to carry out the joint operations of the contracting districts.

The joint board shall consist of the members of the boards of the contracting districts and a majority of the membership of each district board shall constitute a quorum for the transaction of the business of the joint board. The Members of the Boards of Fire Commissioners of the contracting districts shall organize as a joint board annually in January after the second Monday thereof, elect a chairman and appoint a secretary for the ensuing year. Any member of the board of any contracting district may act as secretary of the joint board or the joint board may appoint such other person as the joint board may determine. The joint board shall prepare the annual budget for the joint operation of the contracting districts and shall determine the share of revenues for the joint operation to be raised by each district and the share of the expense of joint operation to be paid by each district in the ensuing year, and the secretary of the joint board shall certify and deliver within the time required by law, to the County Auditor of each county involved, the part of the budget to be raised by the district in that county and the tax officials of that county shall levy and collect the tax, and the County Treasurer shall pay vouchers drawn by the joint board on the funds of the district in

Joint board.

Annual budget.

Tax levy.

that county upon warrants issued by the County Auditor of that county.

Term of contracts for joint operation.

Contracts for joint operation of fire districts, as herein authorized shall run from year to year and as of January 1st may be terminated by written notice of the Board of Fire Commissioners of any contracting district to the other contracting district or districts on or before July 1st and the contract for joint operations shall terminate on January 1st following: *Provided*, That all obligations of the joint operations must be paid or definitely arranged for before contract termination and no notice of termination shall relieve any contracting district of its unpaid obligation incurred under the contract for joint operation;

Uniformity and coordination.

(5) To encourage uniformity and coordination of Fire-Protection District operation programs, the fire commissioners of two or more Fire-Protection Districts, may form an association thereof, for the purpose of securing data and information of value in fighting and in preventing fires; hold and attend meetings thereof; and promote more economical and efficient operation of the associated Fire-Protection Districts. The Directors of Fire-Protection Districts so associated shall adopt articles of association, select a chairman and secretary, and such other officers as they may determine, and may employ and discharge such agents and employees as the officers deem convenient to carry out the purposes of the association. The expenses of the association may be paid from Fire-Protection District Expense Funds upon vouchers of the respective associated districts: *Provided*, That the aggregate contributions made to the association by any district in any calendar year shall not exceed 1/10 of one mill of the tax valuation of the district;

Articles of association.

Employment of help.

Expenses.

Joint contract with another body.

(6) Two or more Fire-Protection Districts may contract with each other and such a district may contract with a city or county or the State Super-

visor of Forestry or any association approved by him for the joint leasing, ownership, maintenance and operation of all necessary and proper apparatus, facilities, machinery, and equipment for the elimination of fire hazards and for the protection of life and property within the contracting districts, and of real property, improvements and fixtures thereon suitable and convenient for the housing, repairing, and caring for such apparatus, facilities, machinery, and equipment, and may contribute their agreed proportion of the cost and expense thereof;

Such contracts shall be executed by the Commissioners of the contracting districts and, when the contract is between such districts, the terms and conditions thereof shall be carried out by the Boards of Commissioners acting jointly;

(7) To do all things and perform all acts not otherwise prohibited by law. Other acts.

SEC. 7. Section 25, chapter 34, Laws of 1939 (sec. 5654-125, Rem. Rev. Stat.; sec. 540-51, PPC) is hereby amended to read as follows:

Section 25. Not later than fifteen (15) days prior to the day of election any resident elector of the district, desiring to become a candidate for office of Fire Commissioner, shall file with the County Auditor of his county a statement of his candidacy, for which no fee shall be charged. Such resident electors so filing shall be entitled to have their names appear as candidates on the ballot for said election. Candidates
for Fire
Commissioner.

Filing.

SEC. 8. Section 31, chapter 34, Laws of 1939 (sec. 5654-131, Rem. Rev. Stat.; sec. 540-63, PPC) is hereby amended to read as follows:

Section 31. The Office of the Fire Commissioners and principal place of business of the district shall be at some place within the county in which the district is situated, to be designated by the Board of Fire Commissioners. The Board shall hold regular Office of
Commissioners.

Meetings.

monthly meetings at their office on such day as they, by resolution previously adopted, shall determine, and may adjourn such meetings as may be required for the proper transaction of business. Special meetings of the Board may be called at any time by a majority of the Commissioners or by the secretary and the chairman of the Board. Any Fire Commissioner not joining in the call of a special meeting shall be entitled to a three (3) days' written notice by mail of the same, specifying generally the business proposed to be transacted at said special meeting, but when at any special meeting of the Board all members are present, lack of previous notice thereof shall not invalidate the proceedings.

Notice of special meetings.

SEC. 9. Section 34, chapter 34, Laws of 1939 (sec. 5654-134, Rem. Rev. Stat.; sec. 540-69, PPC) is hereby amended to read as follows:

Funds created.

Section 34. There are hereby created in said County Treasurer's office of each county in which a fire protection district shall be organized for the use of the district the following funds: (1) Expense Fund; (2) Coupon Warrant Fund; (3) Contract Fund; (4) Reserve Fund; and (5) Local Improvement District No..... Fund. All taxes levied for administrative, operative and maintenance purposes, when collected, shall be placed by the County Treasurer in the expense fund of the district; all taxes levied for the payment of coupon warrants and interest thereon, when collected, shall be placed by the County Treasurer in the coupon warrant fund of the district; all taxes levied for the purchase of fire-fighting equipment, apparatus, and for the housing thereof, proceeds from the sale of coupon warrants, and the transfer of any surplus in the expense fund, shall be placed by the County Treasurer in the contract fund of the district; the Board of Fire Commissioners may include in its annual budget items of possible outlay to be provided for and held in reserve for any district purpose and until the same

Deposits in funds.

or any part thereof is transferred by the County Treasurer upon order of the Board of Fire Commissioners to any other appropriate fund of the district and taxes shall be levied therefor and all such taxes when collected by the County Treasurer shall be placed in the reserve fund of the district; all special taxes levied against the lands in any improvement district within the Fire-Protection District, when collected, shall be placed by the County Treasurer in the local improvement district fund for such local improvement district.

SEC. 10. Section 38, chapter 34, Laws of 1939, as amended by section 7, chapter 70, Laws of 1941 (sec. 5654-138, Rem. Rev. Stat.; sec. 540-77, PPC) is hereby amended to read as follows:

Section 38. The Board of Fire Commissioners of the district shall have authority to contract indebtedness for any general district purpose and evidence the same by the issuance and sale at par plus accrued interest not exceeding six per cent (6%) per annum of coupon warrants of the district in such denominations, in such form and payable at such time or times not longer than six (6) years from the issuing date of said coupon warrants; said date to be specified thereon, as the Board shall determine and provide. Such coupon warrants shall be payable to bearer, shall have interest coupons attached providing for the payment of interest semi-annually on the first day of January and of July following in each year: *Provided*, That at the option of District Board the aggregate amount of coupon warrants may include a sum sufficient to pay the annual interest thereon for a period not exceeding one year from the issuing date of the coupon warrants and in that event such interest shall be taken from the proceeds of the sale of the coupon warrants and immediately placed in coupon warrant fund of the district, for the payment of the interest coupons maturing during the first

Indebtedness.

Coupon warrants.

Interest.

Term.

Aggregate amount of warrants may include interest for one year.

Recording of warrants.

year of the coupon warrants and the issuance of the coupon warrants prior to delivery thereof to the purchaser, shall be recorded in the office of the County Treasurer in a book kept for that purpose. Said coupon warrants when issued shall constitute general obligations of the district. All outstanding district warrants of every kind shall outlaw and become void after six (6) years from the maturity date thereof where money shall be available in the proper fund of the district within that time for their payment.

Warrants void after six years.

SEC. 11. Section 39, chapter 34, Laws of 1939 as amended by section 1, chapter 106, Laws of 1943 (sec. 5654-139, Rem. Rev. Stat.; sec. 540-79, PPC) is hereby amended to read as follows:

Yearly expenses limited to yearly levy.

Section 39. Except as authorized in this act by the issuance and sale of district coupon warrants and also except as otherwise authorized by law, the Board of Fire Commissioners shall have no authority to incur expenses or other financial obligations payable in any year in excess of the aggregate amount of the taxes levied for and payable in that year, and in preparing the annual budget for the ensuing year, the Board of Fire Commissioners shall first deduct from estimated revenues the amount of coupon warrants and interest, if any, payable during the ensuing year and shall bring their operating expenses and other financial requirements of the district within the residue of the estimated revenues and other available funds after deducting the amount required to pay the coupon warrants and interest thereon payable in that year: *Provided*, That unpaid warrants for expenses and obligations incurred within the aggregate limitation herein prescribed, outstanding at the end of any calendar year may be paid from taxes collected in subsequent years, and the aggregate annual tax levy for all district purposes exclusive of levies for local improvement districts shall not exceed four (4) mills.

Warrants excepted.

Proviso.

SEC. 12. A Fire Protection District organized under chapter 34, Laws of 1939 as amended (secs. 5654-101 to 5654-151, incl., Rem. Rev. Stat.; secs. 540-1 to 540-101, incl., PPC) may merge with another such district lying adjacent thereto, upon such terms and conditions as they agree upon, in the manner hereinafter provided. The district desiring to merge with another district shall hereinafter be called the "merging district," and the district into which the merger is to be made shall be called the "merger district."

Merger.

SEC. 13. To effect such a merger, a petition therefor shall be filed with the board of the merger district by the Commissioners of the merging district. The Commissioners of the merging district may sign and file the petition upon their own initiative, and they shall file such a petition when it is signed by fifteen per cent (15%) of the qualified electors resident in the merging district and presented to them. The petition shall state the reasons for the merger; give a detailed statement of the district's finances, listing its assets and liabilities; state the terms and conditions under which the merger is proposed; and pray for the merger.

Petition.

Filing.

Contents.

SEC. 14. The board of the merger district may, by resolution, reject the petition, or it may concur therein as presented, or it may modify the terms and conditions of the proposed merger, and shall transmit the petition, together with a copy of its resolution thereon to the merger district. If the petition is concurred in as presented or as modified, the board of the merging district shall forthwith present the petition to the Auditor of the county in which the merging district is situated, who shall within thirty days examine the signatures thereon and certify to the sufficiency or insufficiency thereof, and for that purpose he shall have access to all registration books and records in the possession of the regis-

Rejection or concurrence by board.

Certification and examination by auditor.

tration officers of the election precincts included, in whole or in part, within the merging district. Such books and records shall be *prima facie* evidence of truth of the certificate. No signatures may be withdrawn from the petition after the filing.

Signatures may not be withdrawn.

Resolution to call election.

SEC. 15. If the Auditor finds that the petition contains the signatures of a sufficient number of qualified electors, he shall return it, together with his certificate of sufficiency attached thereto, to the board of the merging district. Thereupon such board shall adopt a resolution, calling a special election in the merging district, at which shall be submitted to the electors thereof, the question of the merger.

Three fifths of votes cast required.

SEC. 16. The board of the merging district shall notify the board of the merger district of the results of the election. If three-fifths of the votes cast at the election favor the merger, the respective district boards shall adopt concurrent resolutions, declaring the districts merged, under the name of the merger district. Thereupon the districts are merged into one district, under the name of the merger district; the merging district is dissolved without further proceedings; and the boundaries of the merger district are thereby extended to include all the area of the merging district. Thereafter the legal existence cannot be questioned by any person by reason of any defect in the proceedings had for the merger.

Boundaries of merged district.

Three fifths of electors signing petition.

SEC. 17. If three-fifths of all the qualified electors in the merging district sign the petition to merge, no election on the question of the merger is necessary. In which case the Auditor shall return the petition, together with his certificate of sufficiency attached thereto, to the board of the merging district. Thereupon the boards of the respective districts shall adopt their concurrent resolutions of merger in the same manner and to the same effect as if the merger had been authorized by an election.

SEC. 18. None of the obligations of the merged districts or of a local improvement district therein shall be affected by the merger and dissolution, and all land liable to be assessed to pay any of such indebtedness shall remain liable to the same extent as if the merger had not been made, and any assessments theretofore levied against the land shall remain unimpaired and shall be collected in the same manner as if no merger had been made. The Commissioners of the merged district shall have all the powers possessed at the time of the merger by the Commissioners of the two districts, to levy, assess and cause to be collected all assessments against any land in both districts which may be necessary to provide for the payment of the indebtedness thereof, and until the assessments are collected and all indebtedness of the districts paid, separate funds shall be maintained for each district as were maintained before the merger: *Provided*, That the board of the merged district may, with the consent of the creditors of the districts merged, cancel any or all assessments theretofore levied, in accordance with the terms and conditions of the merger, to the end that the lands in the respective districts shall bear their fair and proportionate share of such indebtedness.

Obligations unaffected by merger or dissolution.

Power to levy and assess.

Cancellation of prior assessments.

SEC. 19. The Commissioners of the merging district shall, forthwith upon completion of the merger, transfer, convey, and deliver to the merged district all property and funds of the merging district, together with all interest in and right to collect any assessments theretofore levied.

Delivery of property and funds to merged district.

SEC. 20. No person, firm or corporation shall start or continue, or cause to be started or continued, an open fire on any cleared or cultivated land within a Fire Protection District, without a written permit therefor, issued by authority of the district, in any such district in which the Commissioners thereof have adopted and published a resolution assuming

Permit to start fires.

the privilege of issuing such permits. No Fire District shall issue a burning permit for a fire on any forest or cut over land.

Commissioners to publish resolution to issue fire permits.

SEC. 21. If the Commissioners of such a district desire to assume the privilege of issuing such fire permits, they shall adopt a resolution to that effect, and publish it once a week for three consecutive weeks in a newspaper published in the county and of general circulation in the district and post it in three public places in the district. The affidavit of publication by the publisher and of the Clerk of the district of the posting shall be filed in the records of the Commissioners and shall be *prima facie* evidence of such publication and posting. Ten days after such posting and the last publication, the resolution shall take effect.

Contents of permit.

SEC. 22. Such permits shall be issued upon request, without charge, by the persons authorized by the Commissioners so to do, when the issuing officer deems it safe to do so. The permit shall designate the premises and the exact location thereon where the fire may be started and continued; the nature of the material to be burned; the time limit of the permit; and may contain any special requirements pertaining to the fire and the control thereof as the issuing officer deems necessary for safety.

Permittee to comply with terms of permit.

SEC. 23. The permittee shall comply with all the terms and conditions of the permit, and shall keep a responsible person in charge of the fire at all times, who shall hold the fire under control and not permit it to spread to other property or structures, and shall thoroughly extinguish the fire when the authorized burning is completed. The possession of such a permit shall not relieve the permittee from liability for any damages resulting from the fire for which he may otherwise be liable.

SEC. 24. The violation of or failure to comply with any provision of this act pertaining to fire permits, or of any term or condition of the permit, is a misdemeanor.

Failure to comply.

SEC. 25. All acts and parts of acts in conflict with this act, or any part thereof, are hereby repealed.

Repeal of inconsistent acts.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 255.

[S. B. 154.]

FIRE PROTECTION DISTRICTS.

AN ACT relating to Fire Protection Districts and authorizing the Board of Fire Commissioners thereof to institute actions in the Superior Court of the state in the name of the district, to have the Court examine the proceedings had to organize the district, or any proceedings had by the Board of Fire Commissioners to organize any local improvement district therein, proceedings had to authorize, issue, and sell coupon warrants either of the fire district or for a local improvement district therein, or both; proceedings had for any contract of the district involving the Fire District or any Local Improvement District therein and any other proceedings which may affect the legality of the proceedings concerned.

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

SECTION 1. The Board of Fire Commissioners of any Fire Protection District now existing or which may hereafter be organized under the laws of the State of Washington may commence a special proceeding in the Superior Court of the State of Washington in and by which the proceedings for the organization of the fire district or for the formation of any local improvement district therein, or proceedings for the authorization, issuance and sale of coupon warrants, either of the fire district or for a local improvement district therein, or both, whether

Board may cause all proceedings to be reviewed by Superior Court.

such coupon warrants, or any of them, have or have not been sold, or proceedings for any contract of the district involving the fire district or any local improvement district therein and any other proceedings which may affect the legality of the proceedings concerned or any or all of the proceedings above outlined, may be judicially examined, approved and confirmed.

Petition to be filed in Superior Court.

SEC. 2. The Board of Fire Commissioners of the Fire Protection District shall file in the Superior Court of the county in which the Fire Protection District was organized, a petition praying in effect that the proceedings aforesaid or any or all of them be examined, approved and confirmed by the Court. The petition shall state the facts showing any of the proceedings which the petition asks the Court to examine, approve and confirm, but need allege only generally that the Fire Protection District was duly organized and that the first Board of Fire Commissioners was duly elected.

Order fixing time for hearing.

SEC. 3. The Court shall by court order fix the time for the hearing of said petition and direct the Clerk of the Court to give notice of the filing of said petition and of the time and place fixed for the hearing thereof. The notice shall state the time and place fixed for the hearing of the petition and the prayer of the petition and that any person interested in any of the proceedings sought by the petition to be examined, approved and confirmed by the Court, may on or before the day fixed for the hearing of said petition, demur to or answer said petition. The petition may be referred to and described in said notice as the petition of the Board of Fire Commissioners of County Fire Protection District No. (giving the county and its number or any other name by which it is officially designated), praying that the proceedings (naming them as set out in the prayer of the petition), be

Notice of hearing.

Contents of notice.

examined, approved and confirmed by said Court, and shall be signed by the Clerk.

The notice shall be given by posting and publishing in the same manner and for the same length of time that the notice of the hearing on the petition before the Board of County Commissioners to form the District was required by law to be posted and published, and the same may be published in any legal newspaper designated in the order of the Court fixing the time and place of the hearing of the petition and directing the Clerk of the Court to give notice thereof.

Posting and
publication
of notice.

SEC. 4. Any person interested in said Fire Protection District, or in any local improvement district therein, involved in the petition or in any proceedings sought by the petition to be examined, approved and confirmed by the Court, may demur to or answer said petition. The statutes of this state respecting demurrers and answers to verified complaints shall be applicable to demurrers and answers to said petition. The person so demurring to or answering said petition shall be defendant to said special proceeding, and the Board of Fire Commissioners shall be the plaintiff. Every material statement of the petition not specifically controverted by the answer must, for the purposes of said special proceedings, be taken as true, and each person failing to answer the petition shall be deemed to admit as true all the material statements of the petition.

Demurrer
or answer.

Persons
interested.

SEC. 5. The rules of pleading and practice governing civil actions where not inconsistent with the provisions of this act, are applicable to the special proceedings herein provided for. A motion for a new trial must be made upon the minutes of the court and in case of an order granting a new trial, the same must specify the issue to be reexamined on such new trial, and the findings of the Court upon

Rules of
civil actions
applicable.

the other issues shall not be affected by such order granting a new trial.

Determina-
tion by
Court.

SEC. 6. Upon the hearing of such special proceedings, the Court shall have power and jurisdiction to examine and determine the legality and validity of, and to approve and confirm, each and all of the proceedings for the organization of the Fire Protection District and for the formation of any local improvement district therein under the provisions of the law relating to such districts from and including the petition for the organization of the Fire District and for the formation of any local improvement district therein and all other proceedings which affect the legality of said districts, or the validity and legality of any coupon warrants either of the Fire District or for a Local Improvement District therein and all proceedings had by the Fire District for any contract of the District involving the Fire District or any Local Improvement District therein, and any other proceeding which may affect the legality of any of the proceedings concerned.

Court's
authority
and juris-
diction on
questions
presented.

SEC. 7. The Court shall have full authority and jurisdiction to consider any question of laches, estoppel and other infirmities in the position and claims of the defendants to question the legality of the proceedings sought by the plaintiff to be confirmed by the Court and to pass upon and determine them. The Court, in inquiring into the regularity, legality or correctness of any of the proceedings sought by the Board of Fire Commissioners in its petition to be examined, approved and confirmed by the Court, must disregard any error, irregularity or omission which does not affect the substantial rights of the parties to said special proceedings, and the Court may approve and confirm such proceedings in part and disapprove and declare illegal or invalid other or subsequent parts of the proceedings, or it

may approve and confirm all of such proceedings, and make and enter its decree accordingly.

SEC. 8. The Court shall find and determine, in these special proceedings, whether the notice or the filing of the petition and of the time and place of hearing thereof has been duly posted and published for the time and in the manner prescribed in this act. The costs of the special proceedings may be allowed and apportioned between all the parties, in the discretion of the Court.

Findings on jurisdictional points.

Costs.

SEC. 9. An appeal from an order granting or refusing a new trial, or from the judgment, in the special proceedings must be taken by the party aggrieved within thirty days after the entry of said order or said judgment.

Appeals.

SEC. 10. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole or of any section, provision, or part thereof not adjudged to be invalid or unconstitutional.

Saving clause.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 256.

[S. B. 247.]

HABEAS CORPUS.

AN ACT relating to the remedy of habeas corpus, and amending section 677 of the Code of 1881, as last amended by section 1 of chapter XLIII of the Laws of 1891 (Sec. 1075 Rem. Rev. Stat., 58-23 PPC).

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

Persons unable to pay costs.

SECTION 1. Any person entitled to prosecute a writ of habeas corpus who, by reason of poverty is unable to pay the costs of such proceeding or give security therefor, may file in the Court having original jurisdiction of the proceeding an affidavit setting forth such facts and that he believes himself to be entitled to the redress sought. Upon the filing of such an affidavit the Court may, if satisfied that the proceeding or appeal is instituted or taken in good faith, order that such proceeding, including appeal, may be prosecuted without prepayment of fees or costs or the giving of security therefor.

Affidavit.

Order.

Federal question.

SEC. 2. In the consideration of any petition for a writ of habeas corpus by the Supreme Court, whether in an original proceeding or upon an appeal, if any Federal question shall be presented by the pleadings, it shall be the duty of the Supreme Court to determine in its opinion whether or not the petitioner has been denied a right guaranteed by the Constitution of the United States.

SEC. 3. Section 677 of the Code of 1881, as last amended by section 1 of chapter XLIII of the Laws of 1891 (Sec. 1075 Rem. Rev. Stat., 58-23 PPC) is hereby amended to read as follows:

Petition not to be considered.

Section 677. No court or judge shall inquire into the legality of any judgment or process whereby the party is in custody, or discharge him when the

term of commitment has not expired, in either of the cases following:

(1) Upon any process issued on any final ^{Final} judgment of a court of competent jurisdiction except where it is alleged in the petition that rights guaranteed the petitioner by the Constitution of the State of Washington or of the United States have been violated. ^{Judgments.}

(2) For any contempt of any court, officer or ^{Contempts.} body having authority in the premises to commit; but an order of commitment, as for a contempt upon proceedings to enforce the remedy of a party, is not included in any of the foregoing specifications.

(3) Upon a warrant issued from the Superior ^{Warrants.} Court upon an indictment or information.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 257.

[H. B. 352.]

SAVINGS AND LOAN ASSOCIATIONS.

AN ACT relating to Savings and Loan Associations and amending chapter 235, Laws of 1945 (Sections 3717-120 to 3717-239 Remington's 1945 Supplement; 1945 PPC 453-251 to 453-491).

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

SECTION 1. Section 14 of chapter 235, Laws of 1945 (Sec. 3717-133 Rem. 1945 Supp., 1945 PPC 453-277) is hereby amended to read as follows:

Section 14. The business and affairs of every ^{Board of} Association shall be managed and controlled by a ^{Directors.} Board of not less than seven (7) nor more than fifteen (15) directors, a majority of which shall not be officers or employees of the Association. The persons designated in the articles of incorporation shall be the first directors.

Vacancies.

Vacancies in the Board of Directors shall be filled by vote of the members at the annual meetings or at a special meeting called for the purpose. The Board of Directors may fill vacancies occurring on the Board, such appointees to serve until the next annual meeting of the members.

SEC. 2. Section 26 of chapter 235, Laws of 1945 (Sec. 3717-145 Rem. 1945 Supp., 1945 PPC 453-301) is hereby amended to read as follows:

Depositary.

Section 26. The Board of Directors shall designate the depositary or depositaries for funds of the Association.

SEC. 3. Section 35 of chapter 235, Laws of 1945 (Sec. 3717-154 Rem. 1945 Supp., 1945 PPC 453-319) is hereby amended to read as follows:

Dealings
with direc-
tors, officers
or employ-
ers.

Section 35. An Association shall not make any loan to or sell to or purchase any real property or securities from any director, officer, or employee of an Association or to or from any public officer or public employee whose duties have to do with the supervision, regulation, or insurance of the Association or its savings accounts or mortgages.

The foregoing provisions shall not apply to loans secured by the pledge or assignment of the savings account of the borrowing member, nor to loans made to directors, officers, or employees of the Association upon their property which is occupied principally by such director, officer or employee as a home, the amount of such loan to be based upon the appraised value of said property as established by two independent appraisers who are not officers, directors, employees or appraisers of said Association.

A loan to or a purchase or sale to or from a partnership or corporation of which such a director, officer, or employee is an owner or stockholder to the amount of fifteen per cent (15%) of the total ownership or stock, or in which he and other di-

rectors of the Association hold an ownership or stock to the amount of twenty-five per cent (25%) of the total ownership or stock, shall be deemed a loan to or a purchase or sale to or from such director within the meaning of this section except when the transaction shall have occurred without the knowledge or against the protest of such director, officer, or employee of the Association.

SEC. 4. Section 52 of chapter 235, Laws of 1945 (Sec. 3717-171 Rem. 1945 Supp., 1945 PPC 453-353) is hereby amended to read as follows:

Section 52. Any Federal insurance reserve fund of an Association may be incorporated into the contingent fund. Whenever the aggregate of the contingent fund, undivided profits account and other reserves except those allocated for losses, shall exceed ten per cent (10%) of the liability to savings members of the Association, such excess may, upon the written approval of the Supervisor, be distributed to the members as dividends.

Contingent fund.

Dividends.

SEC. 5. Section 58 of chapter 235, Laws of 1945 (Sec. 3717-177 Rem. 1945 Supp., 1945 PPC 453-365) is hereby amended to read as follows:

Section 58. An Association may invest its funds in the manners in this act provided and not otherwise.

Investments.

An Association shall not invest more than two and a half per cent (2½%) of its assets of five thousand dollars (\$5,000), whichever is the greater, in a loan or loans, or in the purchase of contracts as hereinafter provided, on the security of any one property.

Maximums.

One property.

An Association shall not loan to or purchase contracts payable by any one person in an amount in excess of two per cent (2%) of its assets, except with the prior written approval of the Supervisor. As to any such loan or contract purchase in excess of two per cent (2%) of its assets, the Association

One person.

Special reserve.

shall set up a special reserve from current earnings equal to five per cent (5%) of such loan or contract purchase price. Such special reserve may be withdrawn whenever such loan or contract balance shall be reduced to an amount not exceeding two per cent (2%) of the assets of the Association.

SEC. 6. Section 59 of chapter 235, Laws of 1945 (Sec. 3717-178 Rem. 1945 Supp., 1945 PPC 453-367) is hereby amended to read as follows:

Obligations of the United States, District of Columbia or Dominion of Canada.

Section 59. An Association may invest its funds in loans upon or purchases of the bonds or obligations of or bonds or obligations guaranteed by the United States of America, including bonds of the District of Columbia, of the Dominion of Canada, or those for which the faith of the United States or the Dominion of Canada is pledged to provide for the payment of interest and principal: *Provided*, That, in the case of bonds of the Dominion of Canada or those for which its faith is pledged, the interest and principal shall be payable in the United States or with exchange to a city in the United States and in lawful money of the United States or its equivalent.

SEC. 7. Section 68 of chapter 235, Laws of 1945 (Sec. 3717-187 Rem. 1945 Supp., 1945 PPC 453-385) is hereby amended to read as follows:

First mortgage liens.

Section 68. An Association may invest its funds in a loan secured by a first mortgage lien on real estate which is to be improved by a building or buildings to be constructed with the proceeds of such loan. Such loans shall be so arranged that the proceeds of the loan will be used for the payment of the costs of the improvements and that, when so used, the property will be improved to the extent that the appraised value, upon completion, will be as provided in this act.

Accessories considered in appraisals.

In determining the appraised valuation for the purpose of such loan, all accessories which are in-

stalled or to be installed as a part of said building, such as furnaces, oil burners, stokers, ranges, refrigerators, deep freeze units, linoleum, and blinds, which are acknowledged by the borrower to be a part of the improvements shall be considered as real estate and may be included in the appraised valuation.

SEC. 8. A new section is hereby added to chapter 235, Laws of 1945, to be known as section 74B, to read as follows:

Section 74B. Notwithstanding any provision of this act, an Association may invest its funds in any loan or purchase which is permitted to a Federal savings and loan association doing business in this state.

Any loans permitted to a Federal savings and loan association.

Passed the House March 7, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 258.

[H. B. 148.]

STATE BOARD OF EDUCATION.

AN ACT relating to education; creating a State Board of Education; providing procedures therefor; and amending section 1, subchapter 3, title I, chapter 97, Laws of 1909, as amended by section 1, chapter 65, Laws of 1925, Extraordinary Session (section 4525, Remington's Revised Statutes, also Pierce's Perpetual Code 903-1).

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

SECTION 1. Section 1, subchapter 3, title I chapter 97, Laws of 1909 as amended by section 1, chapter 65, Laws of 1925, Extraordinary Session, is amended to read as follows:

Section 1. The State Board of Education shall consist of twelve (12) members elected at conventions of representatives of boards of directors of

State Board of Education.

Membership. school districts in the six congressional districts of the state, as hereinafter provided: *Provided*, That the present members of the State Board of Education shall serve until the second Monday in January, 1948.

Convention. **SEC. 2.** During September, 1947, the State Board of Education shall call a convention to be held on the third Wednesday of October following in each of the six congressional districts of the state, shall fix the hour and the place of each such convention, and shall give written notice thereof to the board of directors of each school district. The State Board of Education shall appoint the temporary chairman of each such convention. The board of directors of each school district within a congressional district shall appoint one (1) representative to the convention to be held in the congressional district.

Temporary chairman.

Appointment of representative.

Election of members. **SEC. 3.** Each member of the State Board of Education shall be elected by a majority of all the votes cast at the convention for all candidates for the position. If no candidate receives a majority of all such votes cast, then the representatives at the convention shall vote on the two (2) candidates receiving the highest number of such votes cast. Voting shall be by ballot, and nominations shall be made from the floor of the convention: *Provided*, That at the first convention in each congressional district nominations shall be made for specific terms of membership as hereinafter provided. No person employed in any school, college, university, or other educational institution or any County School Superintendent's office or State Office of Public Instruction shall be eligible for membership on the State Board of Education and each member elected must be a resident of the congressional district from which he was elected. Within ten (10) days following the conclusion of each convention, the chairman thereof shall certify to the Secretary of State the

Nominations and voting.

Eligibility.

name or names of the persons elected at such convention to be members of the State Board of Education.

SEC. 4. The first State Board of Education to be so constituted shall be selected as follows: At the first conventions to be held on the third Wednesday in October, 1947, the first congressional district convention shall elect two (2) members of the State Board of Education, one (1) for a term of one (1) year and one (1) for a term of four (4) years; the second congressional district convention shall elect two (2) members, one (1) for a term of two (2) years and one (1) for a term of five (5) years; the third congressional district convention shall elect two (2) members, one (1) for a term of three (3) years and one (1) for a term of six (6) years; the fourth congressional district convention shall elect two (2) members, one (1) for a term of one (1) year and one (1) for a term of four (4) years; the fifth congressional district convention shall elect two (2) members, one (1) for a term of two (2) years and one (1) for a term of five (5) years; the sixth congressional district convention shall elect two (2) members, one (1) for a term of three (3) years and one (1) for a term of six (6) years.

Terms of
first board
members.

SEC. 5. In September, 1948, and in September of each third year thereafter, conventions shall be called, in the manner set forth in section 2 of this act, to be held on the third Wednesday of October following, one such convention to be held in the first congressional district and one to be held in the fourth congressional district, and at each such convention one (1) person shall be elected a member of the State Board of Education for a term of six (6) years, such election to be held in the manner set forth in section 3 of this act.

Conventions
every three
years.

First and
fourth con-
gressional
districts.

SEC. 6. In September, 1949, and in September of each third year thereafter, conventions shall be

Second
and fifth
districts.

called, in the manner set forth in section 2 of this act, to be held on the third Wednesday of October following, one such convention to be held in the second congressional district and one to be held in the fifth congressional district, and at each such convention one (1) person shall be elected a member of the State Board of Education for a term of six (6) years, such election to be held in the manner set forth in section 3 of this act.

Third
and sixth
districts.

SEC. 7. In September, 1950, and in September of each third year thereafter, conventions shall be called, in the manner set forth in section 2 of this act, to be held on the third Wednesday of October following, one such convention to be held in the third congressional district and one to be held in the sixth congressional district, and at each such convention one (1) person shall be elected a member of the State Board of Education for a term of six (6) years, such election to be held in the manner set forth in section 3 of this act.

Convention
rules.

SEC. 8. The State Board of Education shall promulgate, publish and distribute to the board of directors of each school district, rules governing the conduct of the conventions provided for by this act.

Terms to
run until
successor is
elected and
qualified.

SEC. 9. The term of office of each member of the State Board of Education shall begin on the second Monday in January next following the convention at which he was elected, and he shall hold office for the term for which he was elected and until his successor is elected and qualified.

Vacancies

SEC. 10. Whenever there shall be a vacancy upon the State Board of Education, from any cause whatever, it shall be the duty of the remaining members of the Board to fill such vacancy by appointment, and the person so appointed shall continue in office until his successor shall have been specially elected, as hereinafter provided, and shall have qualified. Whenever such vacancy shall occur, the State Board

of Education shall call, in the month of September next following the date of the occurrence of such vacancy, a special convention to be held on the third Wednesday of October following, in the congressional district from which the member whose office was vacated was elected, at which convention a successor shall be elected to hold office for the unexpired term of the member whose office was vacated. Such special convention shall be called and the election held in the manner set forth in sections 2 and 3 of this act for the regular conventions and elections.

Special
convention.

Passed the House March 7, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 259.

[S. H. B. 32 ']

PUBLIC UTILITY DISTRICTS.

AN ACT relating to Public Utility Districts; providing for the levying, collection, distribution and expenditures of a privilege tax on public utility districts engaged in the generation, distribution and sale of electric energy; amending section 2, chapter 245, Laws of 1941 (sec. 11616-2, Rem. Rev. Stat.; sec. 833-53, PPC), and providing when said act shall take effect.

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

SECTION 1. Section 2, chapter 245, Laws of 1941 (sec. 11616-2, Rem. Rev. Stat.; sec. 833-53, PPC), is amended to read as follows:

Section 2. (a) From and after May 1, 1941, there is hereby levied and there shall be collected from every district a tax for the act or privilege of engaging within this state in the business of operating works, plants or facilities for the generation, distribution and sale of electric energy. With respect to each such district, such tax shall be the

Tax levy on
privilege.

Amounts.

sum of the following amounts: (i) two per cent (2%) of the gross revenues derived by said district from the sale of all "distributed energy", i. e., electric energy which it distributes to consumers but neither generates nor purchases from generating districts; (ii) five per cent (5%) of the gross revenues derived by said district from the sale of all "self generated and distributed energy", i.e., the electric energy which it distributes to customers and also generates; and (iii) five per cent (5%) of the gross revenues derived by said district from the sale of "distributed energy purchased from another generating district", i.e., electric energy which it distributes to consumers and also purchases from another district which generated the same.

Report to
Tax Com-
mission.

(b) On or before the 15th day of March, 1942, and of each year thereafter, each district subject to this tax shall file with the Tax Commission a report verified by the affidavit of its manager or secretary on forms prescribed by the Tax Commission. Such report shall state (1) the taxing districts wherein the operating property of the district is located, (2) as to the entire property and as to each such taxing district, the reproduction cost new and less depreciation of such operating property so far as that information is available from the district's existing records without taking additional inventory or procuring an engineering report or survey, (3) actual cost and general description of operating property purchased or constructed, (4) the district's separately stated gross revenues for the preceding year derived from the sale of each of the three classes of electric energy described in section 2 (a), and (5) such other and further information as the Tax Commission reasonably may require in order to administer the provisions of this act. In case of failure by a district to file such report, the Commission may proceed to determine the information,

Contents of
report.Failure to
file report.

which determination shall be contestable by the district only for actual fraud. The Tax Commission shall proceed to determine the fair cash market value of the operating property of each and all of the districts taxable hereunder as of December 31st last past, and the percentage thereof located in each of the taxing districts wherein such operating property is located.

(c) Prior to August 15, the Tax Commission shall compute the tax imposed by this act for the last preceding calendar year and notify the district of the amount thereof, which shall be payable on or before October 1. Upon receipt of the amount of each tax imposed by this act the Tax Commission shall deposit the same with the State Treasurer, who shall deposit four per cent (4%) thereof in the General Fund of the state and shall distribute the remainder in the manner hereinafter set forth. The State Treasurer shall send a duplicate copy of each such letter of transmittal to the Tax Commission, and the Tax Commission shall instruct the County Treasurer or Treasurers as to the distribution of the money, as hereinafter provided.

Computation
of tax by Tax
Commission.

Notification
and payment.

Four per
cent to gen-
eral fund.

(d) Prior to the 15th day of January, 1942, and of each year thereafter, the County Treasurer of each county in which operating property of any district or districts is located shall transmit to the Tax Commission a statement of the tax levies made on real and personal property in each taxing district of the county. The Tax Commission shall determine the amount of money which each taxing district in which operating property of the district is located would have received if the levies made for county, city, town, school district and road district purposes, not including excess levies voted by the people, had been applied to the fair cash market value of the district's operating property in the taxing district. These amounts are referred to

"Taxing dis-
trict's tenta-
tive tax."

"Aggregate taxing district's tentative tax."

herein as the "taxing district's tentative tax", their total for all the taxing districts wherein the operating property of a given district is located is referred to herein as such district's "aggregate taxing districts' tentative tax", and their total for any county is herein referred to as the "county districts' tentative tax."

"County districts' tentative tax."

With respect to each taxing district in which is located a district's generating plants or transmission lines utilized in the generation or transmission of electric energy sold to other districts, the Tax Commission shall also determine the amount of money which each such taxing district would have received if the levies made for county, city, town, school district and road district purposes, not including excess levies voted by the people, had been applied to the fair cash market value of such generating plants and/or transmission lines in the taxing district. These amounts are referred to herein as the "taxing district's tentative tax for generation or transmission of energy sold" and their total for any county is herein referred to as the "county district's tentative tax for generation or transmission of energy sold."

"Taxing districts tentative tax for generation or transmission of energy sold."

"County district's tentative tax for generation or transmission of energy sold."

Where any district generates electric energy, the whole or any part of which it sells to other districts for distribution to consumers by them, and the remainder, if any, of which it distributes itself to consumers, in such case such selling district and each such purchasing district shall be deemed a "contributing district" and, for the purpose of distribution thereof, sixty per cent (60%) of all the taxes payable by each such contributing district with respect to such electric energy so distributed to consumers shall be pooled by the Tax Commission and distributed to each of the taxing districts in which the generating plants generating such energy or the transmission lines utilized for transmitting

"Contributing district."

Sixty per cent to be pooled.

such energy are located. Such taxes shall be distributed to each such taxing district in the proportion which its "taxing district's tentative tax for generation or transmission of energy sold" bears to the total of such tentative taxes for all the taxing districts sharing therein.

Distribution to taxing districts.

Proportion.

The remainder of the taxes collectible from each district hereunder shall be distributed by the Tax Commission to each taxing district in which the operating property of such district is located in the proportion that such "taxing district's tentative tax" bears to said district's "aggregate taxing district's tentative tax": *Provided, however,* That none of such remainder shall be distributed on the basis of any "taxing district's tentative tax for generation and transmission of energy sold."

Distribution of remainder.

Proportion.

After deduction therefrom of the state tax of four per cent (4%), the remainder of each such tax payment by any district shall be distributed by the State Treasurer to each county wherein the taxing districts entitled to any portion thereof are located, and shall in turn be distributed by the County Treasurer of each such county to such taxing districts as hereinabove provided. All money received by the county shall be used exclusively for maintenance and operation of the Superior Court and Sheriff's office of the county; all money received by a city or town shall be expended exclusively for maintenance and operation of the fire and police departments of the particular city or town to which the same is thus apportioned; all money received by a school district shall be expended exclusively for maintenance and operation of the public schools in the particular school district to which the same is thus apportioned; all money transmitted to the County Treasurer for road districts shall be expended exclusively for the maintenance and con-

Distribution of remainder after four per cent deduction.

Uses of money received. County.

Cities and towns.

School districts.

Road districts.

struction of public roads in the particular road districts to which the same is thus apportioned.

Interest
after due
date.

(e) Interest at the rate of six per cent (6%) per annum shall be added to the tax hereby imposed after the due date. The tax shall constitute a debt to the State of Washington and may be collected as such.

"Distributes
to con-
sumers."

(f) As used herein, the term "distributes to consumers" shall mean the sale of electric energy to ultimate consumers thereof, and shall not include sales of electric energy for resale by the purchaser.

Saving
clause.

SEC. 2. If any section, sub-section, clause, sentence or phrase of this act be for any reason adjudged unconstitutional, such adjudication shall not invalidate the remaining portions of this act, and the legislature hereby declares that it would have enacted this act notwithstanding the omission of the portion so adjudicated invalid.

SEC. 3. This act shall take effect July 1, 1947.

Passed the House March 4, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 260.

[H. B. 394.]

NEGLECTED CHILDREN.

AN ACT relating to the care of homeless, dependent and neglected children, and providing for plans and the expenditure of funds therefor, amending section 6, chapter 114, Laws of 1937 as amended by section 6, chapter 242, Laws of 1941 (sec. 9992-106, Rem. Rev. Stat.; sec. 919-11, PPC).

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

SECTION 1. Section 6, chapter 114, Laws of 1937 as amended by section 6, chapter 242, Laws of 1941 (sec. 9992-106, Rem. Rev. Stat.; sec. 919-11, PPC) is amended to read as follows:

Section 6. *Child Welfare Services.* The Department of Public Welfare, through and by means of the Division for Children, shall, within the policy hereinafter indicated, have the power to cooperate with the Federal government, its agencies or instrumentalities in developing, administering and supervising a plan for establishing, extending aid and strengthening services for the protection and care of homeless, dependent and neglected children, and children in danger of becoming delinquent; to accept custody of children and to provide for the care of children in need of protective services, directly or through its agents, following, in general, the policy of using properly approved private agency services for the actual care and supervision of such children insofar as they are available, paying for long term care of such dependent children as are accepted by the Department as eligible for support at a reasonable rate established by the Department; to receive and expend all funds made available through the Department of Public Welfare by the Federal government, the state or its political subdivisions for such purposes.

Child
Welfare
Services.

Powers and
duties of De-
partment of
Public Wel-
fare, Division
for Children.

Passed the House March 9, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 261.

[H. B. 484.]

DISPOSITION OF STATE PARKS LAND.

AN ACT authorizing the State Parks Committee to sell land not needed for park purposes.

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

Disposal authorized.

School lands.

Lands held under restrictive covenant.

Other lands.

Bids.

Publication.

Proceeds of sale.

Unanimous consent.

SECTION 1. Whenever the State Parks Committee shall find that any land under its control cannot advantageously be used for park purposes, it is authorized to dispose of such land. If such lands are school lands, control thereof shall be relinquished by resolution of the State Parks Committee to the proper state officials. If such lands were acquired under restrictive conveyances by which the state may hold them only so long as they were used for park purposes, the same may be returned to the donors or grantors by the State Parks Committee and the necessary conveyances may be executed by the Governor. All other such lands may be sold by the State Parks Committee to the highest bidder. Sealed bids on all sales shall be solicited at least twenty (20) days in advance of the sale date by an advertisement appearing at least in three consecutive issues of a newspaper of general circulation in the county in which the land to be sold is located. All proceeds of any sale of such park property shall be paid to the parkway fund: *Provided*, That no sale of state park lands shall be made without the unanimous consent of the State Parks Committee.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 262.

[H. B. 261.]

MOTOR VEHICLE WRECKERS.

AN ACT relating to motor vehicles; providing for the licensing, regulating and bonding of persons engaged in the dismantling and wrecking thereof; providing for the keeping of certain records and reports and providing penalties for the violations of this act.

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

SECTION 1. The words "motor vehicle wrecker", whenever used in this act, shall mean every person, firm, partnership, association or corporation engaged in the business of buying, selling or dealing in vehicles of a type required to be licensed under the laws of this state, for the purpose of wrecking, dismantling, disassembling or substantially changing the form of any motor vehicle, or who buys or sells integral second-hand parts of component material thereof, in whole or in part, and deals in second-hand motor vehicle parts. The words "established place of business", whenever used in this act, shall mean a building or enclosure which the owner occupies either continuously or at regular periods and where his books and records are kept and business is transacted and which must conform with the zoning regulation of municipalities.

SEC. 2. On and after July 1, 1947, any motor vehicle wrecker, as defined herein, who shall engage in the business of wrecking motor vehicles or trailers without having first applied for and received a license from the Director of Licenses authorizing him so to do shall be guilty of a gross misdemeanor, and upon conviction shall be punished by imprisonment for not less than thirty (30) days or more than one year in jail or by a fine of one thousand dollars (\$1,000).

"Motor vehicle wrecker."

"Established place of business."

License required.

Penalty.

Application
for license.

SEC. 3. Application for a Motor Vehicle Wrecker's license shall be made on a form for this purpose, furnished by the Director of Licenses, and shall be signed by the Motor Vehicle Wrecker or his authorized agent and shall include the following information:

Contents of
application.

(a) Name and address of the person, firm, partnership, association or corporation under which name the business is to be conducted;

(b) Names and residence address of all persons having an interest in the business or, if the owner is a corporation, the names and addresses of the officers thereof;

(c) Certificate of approval of the Chief of Police of any city or town having a population of over five thousand (5,000) persons or a member of the Washington State Patrol certifying that the applicant has an established place of business at the address shown on the application;

(d) Any other information that the Director of Licenses may require.

License
fee.Issuance
of license.Display of
license.Annual
license.

Renewal fee.

SEC. 4. Such application, together with a fee of twenty-five dollars (\$25), and a surety bond as hereinafter provided, shall be forwarded to the Director of Licenses. Upon receipt of the application the Director shall, if the application be in order, issue a Motor Vehicle Wrecker's license authorizing him to do business as such and forward the fee, together with an itemized and detailed report, to the State Treasurer, to be deposited in the Motor Vehicle Fund. Upon receiving the certificate the owner shall cause it to be prominently displayed in his place of business, where it may be inspected by an investigating officer at any time.

SEC. 5. A license issued on this application shall remain in force until June 30, 1948, or until suspended or revoked and may be renewed annually upon payment of a renewal fee of ten dollars (\$10).

Any Motor Vehicle Wrecker who fails or neglects to renew his license prior to July 1, shall be required to pay the fee for an original Motor Vehicle Wrecker license as provided in this act.

Whenever a Motor Vehicle Wrecker shall cease to do business as such or his license has been suspended or revoked, he shall immediately surrender such license to the Director of Licenses.

Surrender
of license.

SEC. 6. The Motor Vehicle Wrecker may obtain a special set of license plates to be displayed on vehicles owned by him and used in the conduct of his business. The fee for these plates shall be five dollars (\$5) for the original plates and two dollars (\$2) for each additional set of plates bearing the same license number.

License
plates.

Fees.

SEC. 7. Before issuing a Motor Vehicle Wrecker's license, the Director of Licenses shall require the applicant to file with said Director a surety bond in the amount of one thousand dollars (\$1,000), running to the State of Washington and executed by a surety company authorized to do business in the State of Washington. Such bond shall be approved as to form by the Attorney General and conditioned that such wrecker shall conduct his business in conformity with the provisions of this act. Any person who shall have suffered any loss or damage by reason of fraud, carelessness, neglect or misrepresentation on the part of the wrecking company, shall have the right to institute an action for recovery against such Motor Vehicle Wrecker and surety upon such bond: *Provided, however,* That the aggregate liability of the surety to all persons shall in no event exceed the amount of the bond.

Surety bond.

Approval.

Liability
of bond.

SEC. 8. Every Motor Vehicle Wrecker shall maintain books or files in which he shall keep a record and a description of every vehicle wrecked, dismantled, disassembled or substantially altered by him, together with the name of the person, firm or

Records to
be kept.

corporation from whom he purchased the vehicle. Such record shall also contain:

Contents of records.

- (a) The certificate of title number (if previously titled in this or any other state);
- (b) Name of state where last registered;
- (c) Number of the last license number plate issued;
- (d) Name of vehicle;
- (e) Motor or identification number and serial number of the vehicle;
- (f) Date purchased;
- (g) Disposition of the motor and chassis, and such other information as the Director of Licenses may require. Such record shall be subject to inspection at all times by members of the police department, sheriff's office and members of the Washington State Patrol. A Motor Vehicle Wrecker shall also maintain a similar record of all disabled vehicles that have been towed or transported to the Motor Vehicle Wrecker's place of business or to other places designated by the owner of the vehicle or his representative. This record shall specify the name and description of the vehicle, name of owner, number of license plate, condition of the vehicle and place to which it was towed or transported.

Record of titles to wrecked motor vehicles to be forwarded to Director of Licenses.

SEC. 9. Within thirty (30) days after a vehicle has been acquired by the Motor Vehicle Wrecker it shall be the duty of such Motor Vehicle Wrecker to furnish a written report to the Director of Licenses on forms furnished by him. This report shall be in such form as the Director of Licenses shall prescribe and shall be accompanied by the certificate of title, if the vehicle has been last registered in a state which issues a certificate, or a record of registration if registered in a state which does not issue a certificate of title. No Motor Vehicle Wrecker shall acquire a vehicle without first obtaining such record or title. It shall be the duty of the Motor Vehicle Wrecker to

furnish a monthly report of all vehicles wrecked, dismantled, disassembled, or substantially changed in form by him. This report shall be made on forms prescribed by the Director of Licenses and contain such information as the Director of Licenses may require. This statement shall be signed by the Motor Vehicle Wrecker or his authorized representative and the facts therein sworn to before a notary public. Any Motor Vehicle Wrecker who fails, neglects or refuses to furnish these monthly reports shall be guilty of a gross misdemeanor and shall be punished by a fine of not more than five hundred dollars (\$500) or by imprisonment of not more than six (6) months or by both fine and imprisonment.

Monthly report.

Penalty.

SEC. 10. If, after issuing a Motor Vehicle Wrecker's license, the bond is cancelled by the surety in a method provided by law, the Director of Licenses shall immediately notify the principal covered by such bond by registered mail and afford him the opportunity of obtaining another bond before the termination of the original and should such principal fail, neglect or refuse to obtain such replacement, the Director may cancel or suspend the Motor Vehicle Wrecker's license which has been issued to him under the provisions of the act.

Securing second bond to replace first one.

SEC. 11. If for a good and sufficient cause the Director has reason to believe that the application for Motor Vehicle Wrecker's license should be denied, he may refuse to issue such license and shall notify the applicant to that effect. The Director may suspend or revoke a Motor Vehicle Wrecker's license whenever he shall have reason to believe that such Motor Vehicle Wrecker has:

Denial of license.

Suspension and revocation.

(a) Willfully misrepresented the physical condition of any motor or integral part of a motor vehicle;

Grounds.

(b) Sold or disposed of a motor vehicle or trailer or any part thereof when he knows that such vehicle

or part has been stolen, or appropriated without the consent of the owner;

(c) Forgery on a certificate of title covering a vehicle that has been reassembled from parts obtained from the disassembling of other vehicles;

(d) Any dishonest act or omission which the Director of Licenses has reason to believe has caused loss or serious inconvenience as a result of a sale of a motor vehicle, trailer or part thereof. Notice of the intent of the Director to refuse, suspend or cancel a license shall be given in writing, by registered mail, to the holder of or applicant for such license, and shall designate a time and place for the hearing before the Director of Licenses, which shall be not less than ten (10) days from the date of said notice. Should the Director decide that the applicant is not entitled to a license or that an existing license should be revoked, the applicant or holder may, within thirty (30) days from the date of the decision of the Director, appeal to the Superior Court of Thurston County for a review of such decision, filing a notice of such appeal with the clerk of said Superior Court and a copy of said notice in the office of the Director of Licenses. Said Court shall set the matter down for hearing with the least possible delay.

Notice of intent to refuse, suspend or cancel.

Hearing.

Appeal.

Unlawful to traffic in vehicles if identification has been destroyed.

Penalties.

SEC. 12. Any Motor Vehicle Wrecker who shall knowingly buy, sell, receive, dispose of, conceal or have in his possession any motor vehicle or integral part thereof whose manufacturer's serial number, motor number or other identification mark has been removed, defaced, covered, altered or destroyed for the purpose of concealing or misrepresenting the identity of such motor vehicle or trailer, shall be deemed guilty of a gross misdemeanor and shall be punished by a fine of not more than five hundred dollars (\$500) or by imprisonment for not more than six (6) months, or by both. Any Motor Vehicle Wrecker who shall fail, neglect or refuse to comply with all of the provisions of this act before offering

for sale and selling used parts, shall be guilty of a gross misdemeanor and shall be punished by a fine of not more than five hundred dollars (\$500) or by imprisonment for not more than six (6) months, or by both.

SEC. 13. It shall be unlawful for any Motor Vehicle Wrecker to keep any motor vehicle or any integral part thereof in any place other than the established place of business, designated in the certificate issued by the Director of Licenses, without permission of the Director, and all premises containing such motor vehicles or parts thereof shall be enclosed by a wall, fence or wire enclosure.

Vehicles to be kept in established business.

Permission for removal.

SEC. 14. The Director of Licenses is hereby authorized to promulgate and adopt reasonable rules and regulations not in conflict with provisions hereof for the proper operation and enforcement of this act.

Director of Licenses may make regulations.

SEC. 15. It shall be the duty of the chiefs of police in cities having a population of over five thousand (5,000) persons, and members of the Washington State Patrol, to make periodic inspection of the Motor Vehicle Wrecker's records provided for in this act, and furnish a certificate of inspection to the Director of Licenses in such manner as may be determined by the Director of Licenses.

Inspection of records.

SEC. 16. Any municipality or political subdivision of this state which now has or subsequently makes provision for the regulation of automobile wreckers shall comply strictly with the provisions of this act.

Municipalities to regulate in accordance with this act.

SEC. 17. In case any provision of this act shall be adjudged unconstitutional or void for any other reason, such adjudication shall not affect the validity of any other provision of this act.

Severability of act.

Repeals.

SEC. 18. All acts or parts of acts in conflict with the provisions hereof are hereby repealed as of the date upon which this act shall become effective.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 29, 1947.

CHAPTER 263.

[H. B. 166.]

TAX STUDY.

AN ACT providing for a Commission to study the tax structure of this state and to report to the 1949 Legislature thereon.

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

Commission created.

SECTION 1. A Commission to study the tax structure of this state and to devise and recommend to the 1949 Legislature means of improving or bettering said tax structure is hereby established. Said Commission shall consist of the Chairman of the Committees on Revenue and Taxation, respectively, of the Senate and the House of Representatives and three members of the Senate to be appointed by the President thereof and three members of the House of Representatives to be appointed by the Speaker. Members of the Commission shall elect a chairman from their own number.

Membership.

Chairman.

Report.

Recommendations.

SEC. 2. The Commission may employ such assistants and experts as shall be needed and shall prepare a report, a copy of which shall be mailed to each person who shall be a member of the 1949 Legislature not later than December 1, 1948. Said report shall contain specific recommendations and shall include drafts of proposed bills for the accomplishment of any recommended statutory changes or enactments.

SEC. 3. Members of the Commission shall receive fifteen dollars (\$15) per day in the performance of their duties, including five cents (5¢) per mile going to and coming from his legal residence to official meetings of the Commission, the same to be paid upon their individual vouchers, approved by the chairman of the committee. The salaries and expenses of assistants and experts shall be paid upon vouchers approved by the chairman of the committee.

Compensation and travel expenses.

SEC. 4. There is hereby appropriated from the Legislative Expense Fund the sum of twenty-five thousand dollars (\$25,000), or so much thereof as may be necessary, for carrying out the purposes of this act.

Appropriation.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 264.

[H. B. 401.]

TRANSPORTATION OF PROPERTY BY MOTOR VEHICLE.

AN ACT relating to the transportation of property by motor vehicle over the public highways of the State of Washington, providing for additional regulation thereof, amending sections 3, 5, 9, 11-a, 14, 27, 28, and 30, chapter 184, Laws of 1935, as amended by chapter 166, Laws of 1937, chapter 163, Laws of 1941, and chapter 104, Laws of 1943 (secs. 6382-3, -5, -9, -11-a, -14, -27, -28, and -30, Rem. Rev. Stat.; secs. 281-11, -13, -21, -27, -33, -59, -61, and -65, PPC), adding a new section thereto after section 19 to be designated section 19-a, defining unlawful practices of motor carriers and other persons, and providing penalties.

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

SECTION 1. Section 3, chapter 184, Laws of 1935, as amended by section 4, chapter 166, Laws of 1937 (sec. 6382-3, Rem. Rev. Stat.; sec. 281-11, PPC) is amended to read as follows:

Act not
applicable
to certain
motor
vehicles.

Section 3. The provisions of this act, except where specifically otherwise provided, and except the provisions providing for licenses, shall not apply to:

(a) Motor vehicles operated exclusively within the corporate limits of any city or town of less than 10,000 population or within the confines of contiguous cities or towns;

(b) Motor vehicles operated exclusively in the transportation of the United States mail or in the transportation of newspapers or periodicals;

(c) Motor vehicles owned and operated by the United States, the State of Washington, or any county, city, town or municipality therein, or by any department of them, or either of them;

(d) Vehicles specially constructed for towing or wrecking, and not otherwise used in transporting goods for compensation.

(e) Motor vehicles owned and operated by farmers in the transportation of their own farm, orchard or dairy products from point of production to market, or in the infrequent or seasonal transportation by one farmer for another in his immediate neighborhood of products of the farm, orchard or dairy, or of supplies or commodities to be used on the farm, orchard or dairy.

SEC. 2. Section 5, chapter 184, Laws of 1935, as last amended by section 1, chapter 163, Laws of 1941 (sec. 6382-5, Rem. Rev. Stat.; sec. 281-13, PPC) is amended to read as follows:

Permit
required of
"common,"
"contract,"
and
"temporary
carriers."

Section 5. No "common carrier," "contract carrier," or "temporary carrier" shall hereafter operate for the transportation of property for compensation in this state without first obtaining from the Department a permit so to do under the provisions of this act. Applications for common or contract carrier permits or extensions thereof shall be on file for a period of at least thirty days prior to the granting

thereof unless the Department finds that special conditions require the earlier granting thereof.

No permit or extension thereof shall be granted if the Department finds that the applicant is not financially able, properly and adequately equipped and capable of conducting the transportation service applied for in compliance with the law and rules and regulations of the Department and the Department may deny an application if the applicant or any of its principal officers or stockholders fails, or has failed, to comply with the laws of the State of Washington.

Financial responsibility required.

Violation of laws.

Nothing contained in this act shall be construed to confer upon any person or persons the exclusive right or privilege of transporting property for compensation over the public highways of the State of Washington, but the Department may deny an application when it appears clearly, after public hearing, that the additional service would unreasonably congest the highways or unreasonably endanger the stability and dependability of the service essential to the public needs.

No exclusive rights conferred.

Grounds for denial of application.

The Department shall also consider the amount and type of service rendered in any area by any class of service and may deny an application for permit or extension if it appears that the grant of such permit or extension would not be in the interest of the shipping public or would tend to impair the stability or dependability of existing service essential to the public needs or requirements.

SEC. 3. Section 9, chapter 184, Laws of 1935 (sec. 6382-9, Rem. Rev. Stat.; sec. 281-21, PPC) is amended to read as follows:

Section 9. No person whose application for a permit has been denied after hearing under any of the provisions of this act shall be eligible to renew the application for a period of six months from the date of the order denying such application.

Waiting period before renewal of application.

SEC. 4. Section 11-a, chapter 184, Laws of 1935, as added by section 10, chapter 166, Laws of 1937, as amended by section 3, chapter 163, Laws of 1941 (sec. 6382-11-a, Rem. Rev. Stat.; sec. 281-27, PPC) is amended to read as follows:

Tariffs for common carriers.

Classification.

Amendments.

Temporary tariffs.

Carriers to make tariffs available to public.

Department to sell compilations.

Maintenance fee.

Section 11-a. The Department is hereby vested with power and authority and it is hereby made its duty, to make, fix, construct, compile, promulgate, publish and distribute tariffs containing compilations of rates, charges, classifications, rules and regulations to be used by all common carriers, as defined in this act, in this state. The Department, in compiling such tariffs, shall include within any given tariff compilation such carriers, groups of carriers, commodities, or geographical areas as it determines shall be in the public interest. Such compilations and publications may be made by the Department by compiling the rates, charges, classifications, rules and regulations now in effect, and may be amended and altered from time to time after notice and hearing, by issuing and distributing revised pages or supplements to such tariffs or reissues thereof in accordance with the orders of the Department: *Provided*, That the Department, upon good cause shown, may establish temporary rates, charges or classification changes to be made permanent, however, only after notice and hearing. The proper tariff, or tariffs, applicable to a carrier's operations shall be available to the public at each agency and office of all common carriers, as defined in this act, operating within this state. Such compilations and publications shall be sold by the Department for not to exceed five dollars (\$5) for each tariff. Corrections to such publications shall be furnished to all subscribers to tariffs in the form of corrected pages to the tariffs, supplements or reissues thereof. In addition to the initial charge for each tariff, as above stated, the Department shall charge an annual maintenance fee of not to exceed five dollars (\$5) per tariff to cover

the cost of issuing corrections or supplements and mailing same to subscriber: *Provided, however,* That copies may be furnished free to other regulatory bodies and departments of government and to colleges, schools and libraries. All copies of the compilations, whether sold or given free, shall be issued and distributed under rules and regulations to be fixed by the Department.

Free copies
to regulation
bodies.

SEC. 5. Section 14, chapter 184, Laws of 1935, as amended by section 12, chapter 166, Laws of 1937 (sec. 6382-14, Rem. Rev. Stat.; sec. 281-33, PPC) is amended to read as follows:

Section 14. The Department shall have power and authority to issue temporary permits to temporary "common carriers" or "contract carriers" for a period not to exceed ninety (90) days, but only after the Department finds that an emergency exists because existing transportation agencies cannot supply the needed and necessary service, and may prescribe such special rules and regulations and impose such special terms and conditions with reference thereto as in its judgment are reasonable and necessary in carrying out the provisions of this act.

Temporary
permits.

Emergency
must exist.

SEC. 6. Chapter 184, Laws of 1935, as last amended by chapter 104, Laws of 1943, is amended by adding a new section thereto after section 19 to be designated as section 19-a, reading as follows:

Rebates
and under
charging
unlawful.

Section 19-a. Any person, whether carrier subject to the provisions of this act, shipper, or consignee, or any officer, employee, agent, or representative thereof, who shall knowingly offer, grant, or give, or solicit, accept, or receive any rebate, concession, or discrimination in violation of any provision of this act, or who by means of any false statement or representation, or by the use of any false or fictitious bill, bill of lading, receipt, voucher, roll, account, claim, certificate, affidavit, deposition, lease, or bill of sale, or by any other means or device shall

knowingly and wilfully assist, suffer or permit any person or persons, natural or artificial, to obtain transportation of property subject to this act for less than the applicable rate, fare, or charge, or who shall knowingly and wilfully by any such means or otherwise fraudulently seek to evade or defeat regulation as in this act provided for motor carriers shall be deemed guilty of a gross misdemeanor.

Penalty.

SEC. 7. Section 27, chapter 184, Laws of 1935, as amended by section 19, chapter 166, Laws of 1937 (sec. 6382-27, Rem. Rev. Stat.; sec. 281-59, PPC) is amended to read as follows:

Identification plates.

Section 27. It shall be unlawful for any "common carrier," or "contract carrier" to operate any motor vehicle within this state unless there shall be displayed and firmly fixed upon the front and rear of such vehicle an identification plate to be furnished by the Department. Such plates shall be different in design for the different classes of carriers, shall bear the number given to the vehicle by the Department, and such other marks of identification as may be required, and, subject to the qualification hereinafter contained, shall be in addition to the regular license plates required by law. Such plates shall be issued annually under rules and regulations of the Department, and shall be attached to each motor vehicle operated subject to this act not later than January first of each year: *Provided*, That such plates may be issued for the ensuing calendar year on and after the first day of December preceding and may be used and displayed from the date of issue until December 31 of the succeeding calendar year for which the same are issued. In case an applicant receives a permit after January first of any year such plates shall be obtained and attached to each motor vehicle subject to this act before operation of any such vehicle is commenced.

Issued annually.

The Department shall collect from each such carrier a fee of three dollars (\$3) for each pair of identification plates so issued, and all fees for such plates shall be deposited in the state treasury to the credit of the transportation revolving fund.

Fee for plates.

SEC. 8. Section 28, chapter 184, Laws of 1935, as last amended by section 1, chapter 104, Laws of 1943 (sec. 6382-28, Rem. Rev. Stat.; sec. 281-61, PPC) is amended to read as follows:

Section 28. In addition to all other fees to be paid by them every "common carrier" and "contract carrier" shall pay to the Department each year at the time of, in connection with, and before receiving his identification plate, for each motor truck, trailer or semi-trailer owned or operated by him, based upon the maximum gross weight thereof as set by the carrier in his application for his regular license plates, the following fees:

Less than 4,000 pounds.....	\$11
4,000 pounds or more and less than 6,000 pounds....	\$12
6,000 pounds or more and less than 8,000 pounds....	\$14
8,000 pounds or more and less than 10,000 pounds....	\$15
10,000 pounds or more and less than 12,000 pounds....	\$17
12,000 pounds or more and less than 14,000 pounds....	\$18
14,000 pounds or more and less than 16,000 pounds....	\$20
16,000 pounds or more and less than 18,000 pounds....	\$21
18,000 pounds or more and less than 20,000 pounds....	\$23
20,000 pounds or more and less than 22,000 pounds....	\$24
22,000 pounds or more and less than 24,000 pounds....	\$26
24,000 pounds or more and less than 26,000 pounds....	\$27
26,000 pounds or more and less than 28,000 pounds....	\$29
28,000 pounds or more and less than 30,000 pounds....	\$30
30,000 pounds or more and less than 32,000 pounds....	\$32
32,000 pounds or more and less than 34,000 pounds....	\$33
34,000 pounds or more.....	\$35

Vetoed.

All fees collected under this section or any other provision of this Act shall be paid to the Department and shall be by it transmitted to the state treasury within thirty days to the credit of the transportation revolving fund.

SEC. 9. Section 30, chapter 184, Laws of 1935 (sec. 6382-30, Rem. Rev. Stat.; sec. 281-65, PPC) is amended to read as follows:

Public service commission law applies to hearings, orders, etc.

Section 30. In all respects in which the Department has power and authority under this act applications and complaints may be made and filed with it, process issued, hearings held, opinions, orders and decisions made and filed, petitions for rehearing filed and acted upon, and petitions for writs of review to the superior court filed therewith, appeals or mandate filed with the supreme court of this state, considered and disposed of by said courts in the manner, under the conditions and subject to the limitations and with the effect specified in the public service commission law of this state. The right of review and appeal hereby conferred shall be available to any motor carrier, complainant, protestant or other person adversely affected by any decision or order of the Department.

Appeal.

Passed the House March 9, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 21, 1947, with the exception section 8, which is vetoed.

CHAPTER 265.

[H. B. 389.]

IRRIGATION DISTRICTS.

AN ACT relating to irrigation district property and funds; authorizing sales of property; prescribing means for the disbursement of funds; and amending sections 4 and 7, chapter 163, Laws of 1945 (sec. 7525-43 and 7525-46, Rem. Rev. Stat.; secs. 679-42(9) and 679-42 (15), PPC).

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

SECTION 1. Section 4, chapter 163, Laws of 1945 (sec. 7525-43, Rem. Rev. Stat.; sec. 679-42(9), PPC) is amended to read as follows:

Section 4. Each irrigation district which has or hereafter may enter into a contract with the United States of America providing for the operation and maintenance, by means of a board of control, of irrigation works used in common with other districts, shall include in the annual levy of assessments a sufficient amount to pay the annual estimated pro rata proportion of the costs chargeable to such district and also such reserve fund as may be fixed by the contract: *Provided*, That any district may appropriate monies from other funds to pay said costs.

When assessments are paid to the County Treasurer for the Board of Control Fund, they shall be deposited in a special fund, known as the "Board of Control Fund," and when assessments are paid to the County Treasurer for the Board of Control Reserve Fund they shall be deposited in a special fund known as the "Board of Control Reserve Fund," and said funds may be disbursed only upon vouchers approved by a majority of the voting power of the members of the Board of Control, and the County Auditor shall issue warrants for the payments of such claims which shall be payable out of the funds on which the same are drawn.

Tax levy for pro rata share of expenses under contracts with United States.

Other funds may be used.

Board of Control Fund.

"Board of Control Reserve Fund."

Disbursal.

SEC. 2. Section 7, chapter 163, Laws of 1945 (sec. 7525-46, Rem. Rev. Stat.; sec. 679-42(15), PPC) is amended to read as follows:

Sale of property by Board of Control.

Section 7. Any such Board of Control shall have authority to be exercised by a majority of the voting power of the Board to sell at such price and upon such terms as may be fixed by said Board and any real or personal property owned by the Board of Control and to authorize the execution by the president and secretary of said Board of a good and sufficient conveyance therefor, and said Board may sue or be sued in any of the Courts of this state without joining the person, corporation or district for whose benefit the suit may be prosecuted or defended.

Conveyance.

Board of Control may sue and be sued.

Passed the House March 4, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 266.

[S. H. B. 105.]

SCHOOL DISTRICTS.

AN ACT relating to education; defining terms; providing for changes in the organization and extent of school districts; creating county agencies and prescribing procedures therefor; providing for adjustments of assets and liabilities of school districts; providing for classification of and for boards of directors of school districts; prescribing powers and duties of school district, county, and state officers in certain cases; providing for tax levies in certain cases; providing for appeals; repealing certain acts and parts of acts and all acts and parts of acts in conflict herewith; and declaring an emergency.

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

Purpose of act.

SECTION 1. It is the intent and purpose of this act (a) to incorporate into a single, permanent, school district organization law all essential provisions governing the formation and establishment of

new school districts, the alteration of the boundaries of existing districts, and the adjustment of the assets and liabilities of school districts when changes are made as aforesaid, and in so doing to replace the inadequate and restrictive old acts and parts of acts governing such changes and adjustments; and (b) to establish methods and procedures whereby the aforesaid changes in the school district system may be brought about by the people concerned and affected, all to the end that the territorial organization of school districts may be more readily adapted to the needs of the changing economic pattern and educational program in the state; that existing disparities among school districts in ability to provide current and capital outlay funds may be reduced and the educational opportunities of children thereby enhanced; and that a wiser use of public funds may be secured through improvement in the school district system.

To provide one act pertaining to district re-organization.

Changes to be effected by people concerned.

Educational opportunities to be enhanced.

Wiser use of public funds.

SEC. 2. The following terms, wherever used in this act, shall have the meaning as in this section ascribed to them, unless where used the context thereof shall clearly indicate to the contrary:

Definitions.

(a) "Change in the organization and extent of school districts" shall mean the formation and establishment of new school districts and/or the dissolution of existing school districts and/or the alteration of the boundaries of existing school districts.

"Change in the organization and extent of school districts."

(b) "State Board" and "County Committee" shall mean respectively the State Board of Education and the County Committee on school district organization, respectively, created by this act.

"State Board."

"County Committee."

(c) "School district" shall mean the territory under the jurisdiction of a single governing board hereinafter in this act designated and referred to as the board of directors.

"School district."

(d) "Heretofore" and "hereafter" shall mean, respectively, prior to and subsequent to the date this act takes effect.

"Heretofore."

"Hereafter."

Name of District.

SEC. 3. A school district shall be organized in form and manner as hereinafter provided, and shall be known as (insert here the name of the district) School District No.,County, State of Washington: *Provided*, That all school districts now existing as shown by the records of the County Superintendent are hereby recognized as legally organized districts.

Formation of new districts.

SEC. 4. A new school district may be formed comprising contiguous territory lying in a single county or in two (2) or more counties. Such new district may comprise two (2) or more whole school districts and/or a part of one (1) or more school districts and/or territory which is not a part of any school district. The boundaries of existing school districts

Alteration of boundaries.

may be altered (a) by the transfer of territory from one district to another district, or (b) by the annexation to a district of a part or all of one (1) or more other districts or of territory which is not a part of any school district: *Provided*, That such territory shall be contiguous to the district to which it is transferred or annexed. Territory may be transferred or annexed to an existing school district without regard to county boundaries.

Cities within school districts.

SEC. 5. Each incorporated city in the state shall be comprised in one (1) school district: *Provided*, That nothing in this section shall be so construed as (a) to prevent the extension of the boundaries of a school district beyond the limits of the city contained therein, or (b) to prevent the inclusion of two (2) or more incorporated cities in a single school district, or (c) to change or disturb the boundaries of any school district organized prior to the incorporation of any city, except in case of the extension of the limits of a city beyond the boundaries of the school district in which it is situated, or the incorporation of a city containing territory lying in two (2) or more school districts organized prior to the incor-

poration of such city, or the uniting of two (2) or more cities not located in the same school district. In case all or any part of a school district is included in an incorporated city through the extension of the limits of such city in the manner provided by law, the County Superintendent (a) shall declare the territory so included to be a part of the school district containing the city, and (b) shall, whenever a part of a district so included contains the school house of the district, present to the County Committee hereinafter in this act provided for a proposal for the disposition of the remaining territory of the district; and in case of the incorporation of a city containing territory lying in two (2) or more school districts or of the uniting of two (2) or more cities not located in the same school district in the manner provided by law, the County Superintendent (a) shall order and declare to be established in each such case a single school district comprising all of the school districts involved, and (b) shall designate each such district by name and by a number different from that of any component thereof or of any other district in existence in the county: *Provided*, That the County Superintendent may, if he deems such action advisable, fix as the effective date of the aforesaid declaration or order the first day of July next succeeding the date of the extension of the limits of the city or of the incorporation of the city or of the uniting of the two cities, as the case may be.

Effect of inclusion of another district in city by extension of city boundaries.

Effect of incorporation of new city.

Consolidation of cities.

Establishment of new district.

Date of establishment.

SEC. 6. A school district shall constitute a body corporate and shall possess all the usual powers of a corporation for public purposes, and in that name and style may sue and be sued, may purchase, hold, and sell personal property and real estate, and enter into such obligations as are authorized by law. The Board of Directors of the school district shall have exclusive control of all school buildings and other property, real or personal, owned by the district.

District is body corporate.

Directors control property.

Outstanding bonds do not prevent re-organization.

Adjustment of bonded indebtedness.

Adjustment of other assets and liabilities.

When entire old district is included in new district.

Corporate entity remains until bonds paid.

County commissioners to levy taxes.

SEC. 7. The fact of the issuance of bonds by a school district, heretofore or hereafter, shall not prevent changes in the organization and extent of school districts, regardless of whether or not such bonds or any part thereof are outstanding at the time. In case of any such change (a) the bonded indebtedness outstanding against any school district involved in or affected by such change shall be adjusted equitably among the old school districts and the new district or districts, if any, involved or affected; and (b) the property and other assets and the liabilities other than bonded indebtedness of any school district involved in or affected by any such change shall also be adjusted in the manner and to the effect hereinbefore in this section provided for, except when all the territory of an old school district is included in a single new district or is annexed to a single existing district, in which event the title to the property and other assets and the liabilities other than bonded indebtedness of such old district shall vest in and become the assets and liabilities of the new district or of the existing district as the case may be.

SEC. 8. Each school district involved in or affected by any change heretofore or hereafter made in the organization and extent of school districts shall retain its corporate existence in so far as is necessary for the purpose until the bonded indebtedness outstanding against it on and after the effective date of said change has been paid in full: *Provided*, That nothing in this section shall be so construed as to prevent, after the aforesaid effective date, such adjustments of bonded indebtedness as are provided for in this act. The County Commissioners shall have the power and it shall be their duty to provide by appropriate levies on the taxable property of each school district for the payment of the bonded indebtedness outstanding against it after any of the aforesaid changes and/or adjustments have

been effected. In case any such changes or adjustments involve a joint school district, the tax levy for the payment of any bonded indebtedness outstanding against such joint district after said changes or adjustments are effected shall be made and the proceeds thereof shall be transmitted, credited, and paid out in conformity with the provisions of law applicable to the payment of the bonded indebtedness of joint school districts heretofore established.

SEC. 9. Any school district in the state having a population in excess of ten thousand (10,000), as shown by any regular or special census or by any other evidence acceptable to the County Superintendent, shall be a school district of the first class. Any other school district maintaining a fully accredited high school or containing a city of the third class or of the fourth class or an area of one (1) square mile having a population of at least three hundred (300) shall be a school district of the second class. All other school districts shall be school districts of the third class. Whenever the County Superintendent finds that the classification of a school district should be changed, he shall make an order in conformity with his findings and alter the records of his office accordingly. Thereafter the board of directors of the district shall organize in the manner provided by law for the organization of the board of a district of the class to which said district then belongs.

First class districts.

Second class districts.

Third class districts.

Change of classification.

SEC. 10. The governing board of a school district shall be known as the Board of Directors of the district. Unless otherwise specifically provided by this act or by other provisions of law, members of a Board of Directors shall be elected by ballot by the qualified electors of the school district and shall hold office for a term of three (3) years and until their successors are elected and qualified. In case a member or members of a Board of Directors are to be

Directors.

Election.

Term.

Unexpired term.

elected to fill an unexpired term or terms, the ballot shall specify the term for which each such member is to be elected. The Board of Directors of a school district of the first class or of a school district of the second class shall consist of five (5) members. The Board of Directors of a school district of the third class shall consist of three (3) members.

Number of directors.

County Committee on school district organization.

SEC. 11. There is hereby created in each county a committee which shall be known as the County Committee on school district organization, which committee shall be composed of not less than five (5) nor more than nine (9) representative citizens of the county, the number in each county to be determined by the persons hereinafter charged with the duty of electing the members of the committee. Neither the County Superintendent nor an employee of a school district shall be a member of the County Committee. The members of the County Committee shall be elected by the County Superintendent and the members of the Board of Directors of the school districts of the county at a meeting which the County Superintendent shall call for the purpose. At least one (1) member of the County Committee shall be elected from among the residents of each County Commissioner's district in the county; and, as nearly as possible, an equal number of members shall be elected from among the residents of each class of school district (first, second, or third class) in the county. No member of a County Committee shall continue to serve thereon if he ceases to be a resident of the county or if he is absent from three (3) consecutive meetings of the Committee without an excuse acceptable to the Committee. Vacancies in the membership of the County Committee shall be filled by the persons charged with the duty of electing the members of the Committee: *Provided*, That the Committee may fill vacancies in its membership pending the calling of a meeting of said persons for

Number of members.

Election of members.

Residential requirements.

Vacancies.

this purpose by the County Superintendent. The terms of members of the County Committee shall be for five (5) years and until their successors are elected: *Provided*, That the terms of the members first elected shall be determined by lot to the end that as nearly as possible thereafter one-fifth ($\frac{1}{5}$) of the members shall be elected annually. Members of the County Committee shall serve without compensation but shall be reimbursed for expenses necessarily incurred in the performance of their duties.

Five-year terms.

Staggered terms.

SEC. 12. The County Committee shall organize by electing from its membership a chairman and a vice chairman. The County Superintendent shall be the secretary of the Committee. Meetings of the Committee shall be held upon call of the chairman or of a majority of the members thereof. A majority of the Committee shall constitute a quorum.

Officers.

Quorum.

SEC. 13. The powers and duties of the County Committee shall be:

Powers and duties of the County Committee.

(1) To initiate, on its own motion and whenever it deems such action advisable, proposals for changes in the organization and extent of school districts in the county; and to receive, consider, and revise, whenever in its judgment revision is advisable, proposals initiated by petition or presented to the Committee by the County Superintendent as provided for in this act; and to prepare and submit to the State Board any of the aforesaid proposals that are found by the County Committee to provide for satisfactory improvement in the school district system of the county and the state.

Initiate proposals.

Receive proposals.

Recommend to State Board.

(2) (a) To make among the old school districts and the new district or districts, if any, involved in or affected by a proposed change in the organization and extent of school districts an equitable adjustment of the property and other assets and of the liabilities, including bonded indebtedness, of all districts involved or affected; and (b) to make among all of the

Make adjustments of assets and liabilities between districts.

Submit proposed adjustments to State Board.

Matters to be considered in making adjustments.

Hold hearings.

Part of committee may hold hearings.

Notice of hearing.

school districts involved in or affected by any change heretofore or hereafter effected, an equitable adjustment of the bonded indebtedness outstanding against any of the aforesaid districts whenever in its judgment such adjustment is advisable; and (c) to submit to the State Board the proposed terms of adjustment and a statement of the reasons therefor in each of the aforesaid cases. In making the adjustments herein provided for, the County Committee shall consider the number of children of school age resident in and the assessed valuation of the property located in each district and in each part of a district involved or affected; the purpose for which the bonded indebtedness of any district was incurred; the value, location, and disposition of all improvements located in the districts involved or affected; and any other matters which, in the judgment of the Committee are of importance or essential to the making of the aforesaid equitable adjustment.

(3) To hold and keep a record of a public hearing or public hearings (a) on every proposal for the formation of a new district or for the transfer from one existing district to another of any territory in which children of school age reside or for annexation of territory when the conditions set forth in section 17 of this act prevail; and (b) on every proposal for adjustment of the assets and of the liabilities of school districts provided for in this act. Three (3) members of the County Committee or two (2) members of the Committee and the County Superintendent may be designated by the Committee to hold any public hearing that the Committee is required to hold. The County Committee shall cause to be posted, at least twenty (20) days prior to the date appointed for any such hearing, a written or printed notice thereof (a) in at least three (3) of the most public places in the territory of each proposed new district or of each established district

when such district is involved in a question of adjustment of bonded indebtedness, and (b) in at least one (1) public place in territory proposed to be transferred or annexed to an existing school district, and (c) on the school house door of each district involved in or affected by any proposed change or adjustment upon which a public hearing is required, and (d) at the place or places of holding the hearing.

(4) To give due consideration in the preparation of the aforesaid proposals (a) to the equalization of the educational opportunities of pupils, (b) to the educational needs of local communities, (c) to economies in the administration and operation of schools and in transportation costs, (d) to the convenience and welfare of pupils, (e) to a reduction in disparities in per-pupil valuation among school districts, (f) to equalization of the burden of financing the cost of high school facilities through an extension of the boundaries of high school districts to include within each such district all of the territory served by the high school located therein, (g) to the future use of existing satisfactory school buildings, sites, and playfields, and (h) to any other matters which in its judgment are of importance.

Matters to be considered in preparing proposals.

(5) To prepare and submit, along with the submission of the proposals designated in subsection one (1) of this section, a map showing the boundaries of existing districts affected by any proposed change and the boundaries, including a description thereof, of each proposed new district and/or of each existing district as enlarged or diminished by any proposed change; a summary of the reasons for the proposed change; and such other reports, records, and materials as the State Board may request.

Prepare and submit maps.

(6) To divide into five (5) school director's districts (a) all new school districts established pursuant to the provisions of this act, and (b) all existing districts the boundaries of which are hereafter extended by the annexation thereto of the whole of

Define director's districts.

Third class districts and districts containing city of 7,000 or more.

another district, and (c) all existing districts not heretofore so divided in conformity with the requirements of law in effect prior to the date this act takes effect: *Provided*, That no school district shall be so divided if it contains a city having a population in excess of seven thousand (7,000) or is a school district of the third class. The boundaries of each director's district shall be so established that each such district shall comprise as nearly as practicable an equal portion of the population of the school district.

Rearrange director's districts.

(7) To rearrange at any time the Committee deem such action advisable in order to correct inequalities caused by changes in population, the boundaries of any of the director's districts of any school district heretofore so divided except a district of the third class, and of any district hereafter so divided:

Petition required.

Provided, A petition therefor, signed by at least five (5) heads of families residing in the aforesaid school district, is presented to the County Superintendent and a public hearing thereon is held by the County Committee, which hearing shall be called and conducted in the manner prescribed herein for calling and conducting other public hearings, except that notice thereof shall be posted in some public place in each director's district of the school district and on the school house door of the district and at the place of holding the hearing.

Hearing.

Notice.

Report to Superintendent of Public Instruction.

(8) To prepare and submit to the Superintendent of Public Instruction, upon request of said officer, a report and recommendations respecting the urgency of need for school plant facilities, the kind and extent of the facilities required, and the development of improved local school administrative units and attendance areas in the case of school districts that seek state assistance in providing school plant facilities.

Powers and duties of the State Board.

SEC. 14. The powers and duties of the State Board with respect to this act shall be: (1) To aid County

Committees in the performance of their duties by furnishing them with plans of procedure, standards, data, maps, forms, and other necessary materials and with services essential to a study and understanding of the problems of school district organization in the county.

Aid County Committees.

(2) To receive, file, and examine the proposals and the maps, reports, records, and other materials relating thereto submitted by County Committees in the discharge of their duties as prescribed in this act; to advise County Committees in writing on the question of whether or not such proposals provide for satisfactory improvement in the school district system of the counties and the state and for an equitable adjustment of the assets and liabilities of the districts involved or affected; and to assist County Committees in the revision of the aforesaid proposals when so requested by such Committees.

Receive data from County Committees.

Advise County Committees, etc.

SEC. 15. For the purpose of forming a new school district, a petition in writing may be presented to the County Superintendent, in his capacity as secretary of the County Committee, signed either by five (5) heads of families or by a majority of the heads of families residing (a) in each whole district and in each part of a district proposed to be included in any single new district, or (b) in the territory of a proposed new district which comprises a part only of one (1) or more districts. The aforesaid petition shall state the name and number of each district involved in or affected by the proposal to form the new district and shall describe the boundaries of the proposed new district.

Petition for formation of new school district.

Contents.

SEC. 16. For the purpose of transferring territory from one school district to another district, a petition in writing may be presented to the County Superintendent, in his capacity as secretary of the County Committee, signed by a majority of the heads of families residing in the territory proposed to be trans-

Petition to transfer territory from one district to another.

Contents.

Power of County Superintendent.

When district with no high school is bounded on three sides by districts with high schools.

When district has average daily attendance of less than five.

Minimum term not maintained.

Territory not a part of any district

ferred, or by the board of directors of one (1) of the districts affected by a proposed transfer of territory if there be no family resident in the territory, which petition shall state the name and number of each district affected, describe the boundaries of the territory proposed to be transferred, and state the reasons for desiring said change and the number of children of school age, if any, residing in the territory: *Provided*, That the County Superintendent may, without being petitioned to do so, present to the County Committee a proposal for the transfer from one school district to another of any territory in which no children of school age reside.

SEC. 17. Whenever all or any part of a school district in which no accredited high school is maintained is bounded on three (3) or more sides by a school district in which an accredited high school is situated and maintained, the County Superintendent shall report said fact to the County Committee, which Committee shall consider the question of the annexation to the aforesaid high school district of the territory so bounded.

SEC. 18. In case any school district shall have an average daily attendance of fewer than five (5) pupils or shall not have maintained, during the last preceding school year at least the minimum term of school required by law, the County Superintendent shall report said fact to the County Committee, which Committee shall give consideration to the question of the dissolution of the school district and the annexation of the territory thereof to some other district or districts. In case any territory is not a part of any school district, the County Superintendent shall present to the County Committee a proposal for the annexation of said territory to some contiguous district or districts.

SEC. 19. Upon receipt and consideration by the County Committee of such statement from the State

Board as is required in section 14, subsection 2, of this act, the committee shall take action respecting the disposition of the proposed changes and proposed terms of adjustment dealt with therein. Upon approval by the County Committee of any proposed changes or terms of adjustment, the County Superintendent shall make an order establishing such approved changes and terms of adjustment as do not concern a proposal to form a new school district and/or a proposal for adjustment of bonded indebtedness, and shall certify his action to the County Auditor for the Board of County Commissioners, and to the County Treasurer, the County Assessor, and the clerks of all school districts affected by said action. Upon receipt of such certification the clerk of each school district which is annexed to another district by the aforesaid action shall deliver to the proper school district officer of said district all books, papers, documents, records, and other materials pertaining to his office. In case the aforesaid approval by the County Committee concerns a proposal to form a new school district and/or a proposal for adjustment of bonded indebtedness, a special election of the voters residing within the territory of the proposed new district or of an established district involved in a proposal for adjustment of bonded indebtedness shall be held for the purpose of affording said voters an opportunity to approve or reject such proposals as concern or affect them. In a case involving both the question of the formation of a new district and the question of adjustment of bonded indebtedness, said questions may be submitted to the voters either in the form of a single proposition or as separate propositions, whichever to the County Superintendent seems expedient. The County Superintendent is hereby empowered and required to perform in connection with the calling and conducting of the special elections provided for in this act all duties that are required by law to be performed

Action
by County
Committee
after advice
from State
Board.

When plan
does not pro-
pose a new
district or
adjustment
of bonded in-
debtedness.

When plan
does include
formation
of new
district or
adjustment
of bonded in-
debtedness.

When both
questions
involved.

Duty of
County
Superinten-
dent.

by a board of directors and/or the clerk or secretary of a school district in connection with the calling and conducting of school district elections.

Posting notice of special election.

SEC. 20. Such written or printed notice of the aforesaid special election as is required by law shall be posted (a) in at least three (3) of the most public places in the territory of a proposed new district or of an established district involved in a proposal for adjustment of bonded indebtedness, and (b) on the school house door of each district included in the proposed new district, and (c) in some public place in the territory of each part of a district included in the proposed new district, and (d) at the place or places of holding the election. The aforesaid notice shall state the purpose for which the election has been called and shall contain a description of the boundaries of the proposed new district and a statement of any terms of adjustment of bonded indebtedness to be voted on.

Contents of notice.

Each district must approve formation of new district.

SEC. 21. Whenever a special election is held, pursuant to the provisions of this act, to vote on the formation of a proposed new school district, the votes cast by the voters in each component district shall be tabulated separately and the proposition shall be considered approved only if it receives a majority of the votes cast in each separate district voting thereon. Whenever a special election is held pursuant to the provisions of this act, for purposes other than formation of a new school district, the entire vote of the established district shall be tabulated and the proposition shall be considered approved if a majority of all votes cast on the proposition or propositions, are in the affirmative. In the event of approval of a proposition or propositions voted on at a special election, the County Superintendent shall (a) make an order establishing such new district and/or such terms of adjustment of bonded indebtedness as were approved by the voters

Total majority vote governs on other issues.

Order establishing new district.

and shall also order effected such other terms of adjustment, if there be any, of property and other assets and of liabilities other than bonded indebtedness as have been approved by the County Committee; (b) certify his action to the county and school district officers specified in section 19 of this act; and (c) designate the new district by name and by a number different from that of any component thereof or of any other district in existence in the county: *Provided*, That the County Superintendent may, if he deems such action advisable, fix, as the effective date of any order or orders that he is required by this act to make, the first day of July next succeeding the date of final approval of any change in the organization and extent of school districts and/or of any terms of adjustment of the assets and liabilities of school district made pursuant to the provisions of this act. Upon receipt of the aforesaid certification, the clerk of each school district which is included in the new district shall deliver to the proper school district officer of the new district all books, papers, documents, records, and other materials pertaining to his office.

Provide terms of adjustments.

Certification.

Name and number of new district.

Effective date of order.

Transfer of books and records.

SEC. 22. If a proposal for the formation of a new school district and/or for adjustment of bonded indebtedness is rejected by the voters at the aforesaid election, the County Committee may make such revisions therein as it deems advisable and submit the revised proposal or proposals to the State Board. Thereafter such revised proposal or proposals shall be subject to the provisions and procedural requirements of this act applicable to original proposals submitted to said Board.

Rejection of proposal by voters.

SEC. 23. Upon the establishment of a new school district which contains a city having a population of more than seven thousand (7,000), the board of directors of the old district comprising such city shall become the board of the new district and each

Directors of new district containing city of 7,000 or more.

When two new directors appointed.

member thereof shall serve for the term for which he was elected: *Provided*, That if three (3) directors constitute the board of any such old district, two (2) additional directors shall be appointed for the new district in the manner provided by law for filling a vacancy on the board of a district of the class to which such new district belongs. The additional directors so appointed shall serve until the next annual school election in the district and until their successors are elected and qualified, at which election three (3) directors shall be elected, one

Term of new directors.

(1) for a term of one (1) year, one (1) for two (2) years, and one (1) for three (3) years. Upon the establishment of a new school district which includes two (2) or more old districts each of which contains a city having a population of more than seven thousand (7,000), all of the directors of the aforesaid old districts shall constitute the board of directors of the new district until the next annual school election in said district and until their successors are elected and qualified, at which election

Directors of new district comprising 2 or more old districts each containing city of 7,000 or more.

there shall be elected five (5) directors, one (1) for a term of one (1) year, two (2) for two (2) years, and two (2) for three (3) years. In case

Election and terms of new directors.

Directors of new district established through incorporation of a city or union of cities.

any new school district established through the incorporation of a city or through the uniting of two or more cities, pursuant to the provisions of section five (5) of this act, contains a city having a population of more than seven thousand (7,000), all of the directors of the old districts included in the new district so established shall constitute the board of directors of the new district and shall serve until the next annual school election in the district and until their successors are elected and qualified. At

Election and terms of new directors.

such election there shall be elected five (5) directors, one (1) for a term of one (1) year, two (2) for two (2) years, and two (2) for three (3) years.

SEC. 24. The directors of the old school districts who reside within the limits of a new school district that is divided into directors' districts in conformity with the provisions of this act shall meet at the call of the County Superintendent and elect from among their number five (5) directors for the new district, no two (2) of whom shall be residents of the same school director's district: *Provided*, That if one (1) or more of the directors' districts of said new school district has no such director residing therein, the County Superintendent shall appoint the number of additional directors required to constitute a board of five (5) directors for the school district, no two (2) of whom shall be residents of the same school director's district. Upon the establishment of a new school district of the third class, the directors of the old school districts who reside within the limits of the new district shall meet at the call of the County Superintendent and elect from among their number three (3) directors for said new district: *Provided*, That if fewer than three (3) such directors reside in such new school district, they shall become directors of said district, and the County Superintendent shall appoint the number of additional directors required to constitute a board of three (3) directors for the district. Each board of directors constituted as provided for in this section shall proceed at once to organize in the manner prescribed by law and thereafter shall have all of the powers and authority conferred by law upon boards of directors of other districts of the same class until the next annual school election in the district and until their successors are elected and qualified. At such election there shall be elected the number of directors (either five (5) directors or three (3) directors) heretofore in this section required to constitute the board of the district. When five (5) directors constitute the board, one (1) shall be elected from among the

Election of new directors by directors of old district who reside in new district.

When County Superintendent appoints.

Procedure in new district of third class.

When County Superintendent appoints.

Powers and duties of boards.

Election and terms of new directors.

residents of each of the five (5) directors' districts of the school district by the electors of the entire school district, one (1) such director for a term of one (1) year, two (2) for two (2) years, and two (2) for three (3) years; when three (3) directors constitute the board, they shall be elected at large by the electors of the school district, one (1) for a term of one (1) year, one (1) for two (2) years, and one (1) for three (3) years.

Joint school district.

SEC. 25. Any school district composed of territory lying in more than one (1) county shall be known as a joint school district, and shall be designated by a separate number for each county in which any part of its territory may lie.

Joint action by county committees and county superintendents when territory in more than one county is involved.

SEC. 26. The duties herein imposed upon and required to be performed by a County Committee or by a County Superintendent in connection with a change in the organization and extent of school districts and/or with the adjustment of the assets and liabilities of school districts and with all matters related to such change or adjustment whenever territory lying in a single county is involved shall be performed jointly by the County Committees or by the County Superintendents of the several counties whenever territory lying in more than one (1) county is involved: *Provided*, That a County Committee may designate three (3) of its members, or two (2) of its members and the County Superintendent, as a subcommittee to serve in lieu of the whole committee, but action by a subcommittee shall not be binding unless approved by the whole committee of the county. Proposals for changes in the organization and extent of school districts and proposed terms of adjustment of assets and liabilities thus prepared and approved shall be submitted to the State Board (a) by the County Committee of the county in which is situated the high school of the proposed new district or of the established dis-

Sub-committees authorized.

Submission of proposals to State Board.

trict proposed to be enlarged, or (b) in case no high school district is involved in the proposed change, by the County Committee of the county in which the school house of the district is situated, or (c) if there be no school house in the district or more than one (1) school house, by the County Committee of the county in which is located the part of the district having the largest number of children of school age residing therein.

Which county submits proposals.

SEC. 27. For all purposes essential to the maintenance, operation, and administration of the schools of a district, including the apportionment of current state and county school funds, a joint school district shall be considered as belonging to the county in which the high school of said district is situated, or in case no high school is operated by the district, to the county in which is situated the school house of the district or the school with the largest attendance, if there be more than one (1) school house. If there is no school house in the joint district, said district shall then be considered as belonging to the county in which is located that part of the district having the largest number of children of school age residing therein.

Joint school district deemed to belong to particular county for administrative purposes.

How county determined.

SEC. 28. Every director or clerk of a joint school district shall, on assuming the duties of his office, file his certificate of election or appointment, his oath of office or certified copies thereof, and his signature with the County Superintendent of the county to which said district belongs, which signature shall be placed on file with the County Auditor of said county by the County Superintendent. A vacancy in the office of director of a joint district of the second or third class shall be filled by joint action of the County Superintendents of the counties in which the territory of said joint district lies. In a joint district of the first class, such vacancy

How directors and clerks of joint districts qualify.

Vacancies.

shall be filled in the manner provided by law for filling vacancies in districts of the first class.

Powers and duties of joint districts.

SEC. 29. A joint school district and the officers thereof shall, unless otherwise provided by law, possess all the powers and be subject to all of the duties vested in or imposed upon other school districts of the same class and upon the officers thereof. Whenever the laws relating to school districts shall provide for any action by a county officer, such action, if required to be performed in behalf of a joint school district, shall, unless otherwise provided by law, be performed by the proper officer of the county to which the joint district belongs.

Duties of county to which district belongs.

Duties of county assessors.

SEC. 30. It shall be the duty of the Assessor of each county a part of which is included within a joint school district to certify annually to the Auditor of his county and to the Auditor of the county to which the joint district belongs, for the Board of County Commissioners thereof, the aggregate assessed valuation of all taxable property in his county situated in such joint school district, as the same appears from the last assessment roll of his county.

Amount of tax to be in ratio to assessed valuation.

SEC. 31. The amount of tax to be levied upon the taxable property of that part of a joint school district lying in one county shall be in such ratio to the whole amount levied upon the property in the entire joint district as the assessed valuation of the property lying in such county bears to the assessed valuation of the property in the entire joint district. After the budget of a joint school district has been prepared in the manner provided by law, the County Superintendent of the county to which the joint district belongs shall, after deducting estimated receipts from sources other than district taxation, apportion to each county in which the territory of the joint district lies its proportionate share of the estimated expenditures of such joint district, which

Apportionment of estimated expenditures.

apportionment shall be made upon the same basis as is herein provided for the apportionment of tax levies. He shall then forward to the County Auditor of his county and to the County Superintendent and the County Auditor of each other county, for the Board of County Commissioners thereof, a certificate setting forth the sum apportioned to that county, together with copies of the certificates forwarded by him to the aforesaid officers of other counties.

Certificate
of apportion-
ment.

SEC. 32. Upon receipt of the aforesaid certificate, it shall be the duty of the Board of County Commissioners of each county to levy on all taxable property of that part of the joint school district which lies within the county a tax sufficient to raise the amount necessary to meet the county's proportionate share of the estimated expenditures of the joint district, as shown by the aforesaid certificate of the County Superintendent. Such taxes shall be levied and collected in the same manner as other taxes are levied and collected, and the proceeds thereof shall be forwarded quarterly by the Treasurer of each county, other than the county to which the joint district belongs, to the Treasurer of the county to which such district belongs and shall be placed to the credit of said district. The Treasurer of the county to which a joint school district belongs is hereby declared to be the treasurer of such district.

County Com-
missioners
to levy tax.

Forwarding
tax proceeds

Treasurer
of district.

SEC. 33. If, on the date this act takes effect or at any time thereafter, three (3) directors constitute the board of directors of any school district for which a board of five (5) directors is required by law, except a district required by this act to be divided into school directors' districts, the three (3) directors of such school district shall continue to serve for the terms for which they were elected; two (2) additional directors shall be appointed for the district in the manner provided by law for filling a vacancy on the board of other districts of the same

Apoinment
of additional
directors in
districts not
divided into
director's
districts.

class; and the aforesaid five (5) directors shall thereafter constitute the board of directors of the district. The additional directors so appointed shall serve until the next annual school election in the district and until their successors are elected and qualified, at which election three (3) directors shall be elected, one (1) for a term of one (1) year, one (1) for two (2) years, and one (1) for three (3) years.

Terms.

When old director's district divided into districts.

SEC. 34. Whenever any school district in existence on the date this act takes effect is divided into school directors' districts by the County Committee in the discharge of its duties under said act, the directors thereof shall continue to serve for the terms for which they were elected, unless two (2) or more such directors reside in the same directors' district, in which event the director who shall continue to serve shall be determined by lot. The County Superintendent shall then appoint the number of additional directors required to constitute a board of five (5) directors for the school district, no two (2) of whom shall be residents of the same directors' district. The additional directors so appointed shall serve until the next annual school election in the district and until their successors are elected and qualified, at which election three (3) directors shall be elected for one (1), two (2), and three (3) years, respectively, and, if necessary, additional directors for the unexpired terms, if any, of directors who were removed as such by virtue of the determination by lot provided for in this section.

Terms.

When two or more directors in same district.

Terms of appointed directors.

Terms of elected directors.

District previously divided into directors' districts.

SEC. 35. In case a school district has heretofore been divided into five (5) school directors' districts in conformity with the requirements of law in effect prior to the date this act takes effect, one (1) director therefor shall be elected from among the residents of each such directors' district by the electors of the entire school district, as the terms of the present incumbents expire, except in case such

How elected.

school district is a district of the third class, in which event (a) three (3) of the incumbent directors, selected by lot in such manner that the terms of no two (2) of them will expire simultaneously, shall constitute the board of district and shall continue to serve for the terms for which they were elected; (b) school directors' districts shall cease to exist; and (c) at the next annual school election in said district and annually thereafter, one (1) director shall be elected at large by the electors of the district.

Third class districts.

Terms.

SEC. 36. The boards of directors of the several school districts that have heretofore been united to form a union high school district shall constitute the board of directors of such union high school district: *Provided*, That in a union high school district comprising three (3) or more school districts, the board of directors thereof shall be composed of the chairmen of the several boards of directors of the districts comprised in such union high school district. The board of directors of a union high school district shall organize annually on the second Saturday next succeeding the date on which the newly elected directors of the several component districts enter upon the discharge of their duties, and shall, unless otherwise provided by law, possess the same powers and authority as are conferred by law upon a board of school directors of a district of the second class.

Directors of union high school district.

When they are to organize.

SEC. 37. The tax levy for the General Fund of any union high school district shall not be in excess of four (4) mills for any one (1) school year nor shall the General Fund levy for any component district within a union high school district be in excess of six (6) mills for any one (1) school year, unless a levy in excess thereof is authorized by the electors of the union high school district or of the component district in conformity with the requirements of law.

Tax levy in union high school district.

Levy in component district.

SEC. 38. The County Superintendent shall prepare and keep in his office (a) a map showing the

County Superintendent to keep maps.

boundaries of the directors' districts of all school districts in or belonging to his county that are so divided, and (b) a record of the action taken by the County Committee in establishing such boundaries.

Superintendent of Public Instruction to assist and pay expenses of State Board and County Committees.

SEC. 39. The Superintendent of Public Instruction shall furnish to the State Board and to County Committees the services of employed personnel and the materials and supplies necessary to enable them to perform the duties imposed upon them by this act and shall reimburse the members thereof for expenses necessarily incurred by them in the performance of their duties.

Appeals to Superior Court.

SEC. 40. An appeal may be taken, as provided for in sections 5064 and 5065 of Remington's Revised Statutes (PPC 865-1 and -3), to the Superior Court of the county in which a school district is situated on any question of adjustment of property and other assets and of liabilities provided for in this act. If the court finds the terms of the adjustment in question not be equitable, the court shall make an adjustment that is equitable.

Repealed statutes.

SEC. 41. The following statutes and parts of statutes are hereby repealed: Sections 2, 4, and 6 of article I, subchapter 2, title III, chapter 97, Laws of 1909 (sections 4695, 4697, and 4699, Remington's Revised Statutes; also PPC 883-65, -69, and -73); section 3, article I, subchapter 2, title III, chapter 97, Laws of 1909, as amended by section 1, chapter 170, Laws of 1937 (section 4696, Remington's Revised Statutes; also PPC 883-67); section 5, article I, subchapter 2, title III, chapter 97, Laws of 1909, as last amended by section 1, chapter 52, Laws of Extraordinary Session of 1933 (section 4698, Remington's Revised Statutes; also PPC 883-71); sections 1 and 2, article II, subchapter 2, title III, chapter 97, Laws of 1909 (sections 4701 and 4702, Remington's Revised Statutes; also PPC 883-77 and -79); section 3, article II, subchapter 2, title III,

chapter 97, Laws of 1909, as last amended by section 1, chapter 31, Laws of 1923 (section 4703, Remington's Revised Statutes; also PPC 883-81); sections 1 to 9, both inclusive, and sections 11 to 19, both inclusive, chapter 248, Laws of 1941, (sections, 4709-1 to -19, both inclusive, Remington's Supplement 1941; also PPC 900-1, to -39, both inclusive); chapter 21, Laws of 1945 (section 4709-10 Remington Supplement 1945; also PPC 900-19); chapter 187, Laws of 1929 (sections 4720-1 to 4720-10, both inclusive, Remington's Revised Statutes; also PPC 871-19 to -37 both inclusive); sections 1, 2, 3, and 4, article I, subchapter 3, title III, chapter 97, Laws of 1909 (sections 4721, 4722, 4723, and 4724, Remington's Revised Statutes; also PPC 897-1, -3, -5, and -7); sections 5 and 6, article I, subchapter 3, title III, chapter 97, Laws of 1909, as amended by sections 1 and 2, chapter 95, Laws of 1927 (sections 4725 and 4726, Remington's Revised Statutes; also PPC 897-9 and -11); section 1, article II, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 1, chapter 50, Laws of 1915 (section 4727, Remington's Revised Statutes; also PPC 864-1); sections 2 and 3, article II, subchapter 3, title III, chapter 97, Laws of 1909, as amended by sections 3 and 4, chapter 95, Laws of 1927 (sections 4728 and 4729, Remington's Revised Statutes; also PPC 864-3 and -5); sections 1, 2, and 4, article III, subchapter 3, title III, chapter 97, Laws of 1909 (sections 4730, 4731, and 4733, Remington's Revised Statutes; also PPC 864-7, -9, and -13); section 3, article III, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 5, chapter 95, Laws of 1927 (section 4732, Remington's Revised Statutes; also PPC 864-11); section 1, article IV, subchapter 3, title III, chapter 97, Laws of 1909, as last amended by section 2, chapter 52, Laws of Extraordinary Session of 1933 (section 4734, Remington's Revised Statutes; also PPC 871-1); section 2, article IV, sub-

chapter 3, title III, chapter 97, Laws of 1909, as amended by section 4, chapter 75, Laws of 1933 (section 4735, Remington's Revised Statutes; also PPC 871-3); sections 3 and 7, article IV, subchapter 3, title III, chapter 97, Laws of 1909 (sections 4736 and 4740, Remington's Revised Statutes; also PPC 871-5 and -13); section 4, article IV, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 6, chapter 75, Laws of 1933 (section 4737, Remington's Revised Statutes; also PPC 871-7); section 5, article IV, subchapter 3, title III, chapter 97, Laws of 1909, as last amended by section 3, chapter 75, Laws of 1933 (section 4738, Remington's Revised Statutes; also PPC 871-9); section 6, article IV, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 1, chapter 90, Laws of 1919 (section 4739, Remington's Revised Statutes; also PPC 871-11); section 8, article IV, subchapter 3, title III, chapter 97, Laws of 1909, as last amended by section 5, chapter 75, Laws of 1933 (section 4741, Remington's Revised Statutes; also PPC 871-15); sections 1 to 12, both inclusive, article V, subchapter 3, title III, chapter 97, Laws of 1909 (sections 4742 to 4753, both inclusive, Remington's Revised Statutes; also PPC 893-1 to -23, both inclusive); sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 12, 13, and 14, chapter 77, Laws of Extraordinary Session of 1925 (sections 4753-1 to 4753-7, both inclusive, and sections 4753-9, 4753-10, 4753-12, 4753-13, and 4753-14, Remington's Revised Statutes; also PPC 893-25, -27, -29, -31, -33, -35, 37, -41, -43, -47, -49, and -51); sections 8 and 11, chapter 77, Laws of Extraordinary Session of 1925, as amended by sections 1 and 2, chapter 286, Laws of 1927 (sections 4753-8 and 4753-11, Remington's Revised Statutes; also PPC 893-39 and -45); sections 1, 2, 3, 4, 5, 8, and 9, article VI, subchapter 3, title III, chapter 97, Laws of 1909 (section 4754,

4755, 4756, 4757, 4758, 4761, and 4762, Remington's Revised Statutes; also PPC 910-1, -13, -15, -17, -19, -27, and -29); section 1, chapter 52, Laws of Extraordinary Session of 1925 (section 4758-1, Remington's Revised Statutes; also PPC 910-3); section 7, article VI, subchapter 3, title III, chapter 97, Laws of 1909, as last amended by section 3, chapter 52, Laws of Extraordinary Session of 1933 (section 4760, Remington's Revised Statutes; also PPC 910-23); section 8, chapter 75, Laws of 1933, as amended by section 4, chapter 52, Laws of Extraordinary Session of 1933 (section 4760-1, Remington's Revised Statutes; also PPC 910-25); section 10, article VI, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 1, chapter 178, Laws of 1913 (section 4763, Remington's Revised Statutes; also PPC 910-31); chapter 130, Laws of 1933 (sections 4763-1 to 4763-4, both inclusive, Remington's Revised Statutes; also PPC 910-5, -7, -9, and -11); section 1, article VII, subchapter 3, title III, chapter 97, Laws of 1909, as amended by section 2, chapter 90, Laws of 1919 (section 4764, Remington's Revised Statutes; also PPC 881-1); sections 2 and 3, article VII, subchapter 3, title III, chapter 97, Laws of 1909 (sections 4765 and 4766, Remington's Revised Statutes; also PPC 881-3 and -5); section 1, article III, subchapter 4, title III, chapter 97, Laws of 1909 (section 4790, Remington's Revised Statutes; also PPC 887-1); section 1, article IV, subchapter 4, title III, chapter 97, Laws of 1909 (section 4811, Remington's Revised Statutes; also PPC 902-1); section 1, article V, subchapter 4, title III, chapter 97, Laws of 1909 (section 4823, Remington's Revised Statutes; also PPC 908-1); section 6, subchapter 10, title III, chapter 97, Laws of 1909 (section 4946, Remington's Revised Statutes; also PPC 879-11); section 16, subchapter 14, title III, chapter 97, Laws of 1909 (section 5059, Remington's Revised Statutes; also PPC

889-43). All other acts or parts of acts inconsistent with or in conflict with this act or with any part thereof are hereby repealed in so far as they are inconsistent with this act or with any part thereof.

Act is
severable.

SEC. 42. If any part of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity or constitutionality of the act as a whole, or of any part thereof not adjudged invalid or unconstitutional.

Effective
April 1, 1947.

SEC. 43. This act is necessary for the immediate preservation of the public peace, health and safety, and support of the state government and its existing institutions, and shall take effect on April 1, 1947.

Passed the House March 12, 1947.

Passed the Senate March 12, 1947.

Approved by the Governor March 20, 1947.

CHAPTER 267.

[H. B. 503.]

MOTOR VEHICLES.

AN ACT relating to motor vehicles and the operation thereof upon the public highways; prescribing vehicle equipment, devices, lighting, and the inspection thereof; amending sections 7, 16, 17, 23, 29, and 85, chapter 189, Laws of 1937 (secs. 6360-7, -16, -17, -23, -29, and -85, Rem. Rev. Stat.; secs. 288-3, 291-5, -7, -19, -31, and 295-21, PPC), and amending said chapter 189, Laws of 1937, by adding four new sections to be designated sections 22, 26, 33 and 59.

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

SECTION 1. Section 7, chapter 189, Laws of 1937, as amended by section 1, chapter 44, Laws of 1945 (sec. 6360-7, Rem. Rev. Stat.; sec. 288-3, PPC), is amended to read as follows:

Section 7. The Chief of Washington State Patrol is hereby empowered to constitute, erect, operate

and maintain, throughout the State of Washington, stations for the inspection of vehicle equipment, and to set a date, at a reasonable time subsequent to the installation of such stations, when inspection of vehicles shall commence, and it shall be unlawful for any vehicle to be operated over the public highways of this state unless and until it has been approved periodically as to equipment. The Chief of Washington State Patrol shall establish periods of vehicle equipment inspection. In the event of any such inspection, the same shall be in charge of a responsible employee of the Chief of Washington State Patrol, who shall be duly authorized as a peace officer and who shall have authority to secure and withhold, with written notice to the Director of Licenses, the certificate of license registration and license plates of any vehicle found to be defective in equipment so as to be unsafe or unfit to be operated upon the highways of this state, and it shall be unlawful for any person to operate such vehicle unless and until the same has been placed in a condition satisfactory to subsequent equipment inspection; the peace officer in charge of such vehicle equipment inspection station shall grant to the operator of such defective vehicle the privilege to move such vehicle to a place for repair under such restrictions as may be reasonably necessary.

State Patrol
to maintain
inspection
stations.

Periods of
inspection.

Patrol may
take license
of vehicles
with defec-
tive equip-
ment.

In the event any insignia, sticker or other marker should be adopted to be displayed upon vehicles in connection with the inspection of vehicle equipment, the same shall be displayed as required by the rules and regulations of the Chief of Washington State Patrol and it shall be a gross misdemeanor for any person to mutilate, destroy, remove or otherwise interfere with the display thereof.

Display of
insignia.

Any person who refuses to have his motor vehicle examined, or, after having had it examined, refuses to place a certificate of approval, or a certificate of condemnation, if issued, upon his windshield, or who

Refusal to
permit ve-
hicle to be
examined.

Refusal to get vehicle repaired.

fraudulently obtains a certificate of approval, or who refuses to place his motor vehicle in proper condition after having had the same examined, or who, in any manner, fails to conform to the provisions of this act, shall be guilty of a gross misdemeanor.

Improper repairs.

Any person who performs false or improvised repairs, or repairs in any manner not in accordance with acceptable and customary repair practices, upon a motor vehicle, shall be guilty of a gross misdemeanor.

SEC. 2. Section 16, chapter 189, Laws of 1937 (sec. 6360-16, Rem. Rev. Stat.; sec. 291-5, PPC) is amended to read as follows:

Red rear lamps.

Section 16. Every motor vehicle operated not in combination and every trailer and semi-trailer shall be equipped with a rear lamp capable of exhibiting a continuous red light plainly visible from a distance of five hundred (500) feet to the rear, except that every new motor vehicle not to be used in combination and every trailer or semi-trailer sold in this state after January 1, 1939, shall be equipped with two rear lamps, one located near each side, each capable of exhibiting a continuous red light plainly visible from a distance of five hundred (500) feet to the rear.

Rear lamp to illuminate license plate.

Either such rear lamp or a separate lamp shall be so constructed and placed as to illuminate with a white light the rear vehicle license plate and render it clearly legible from a distance of fifty (50) feet to the rear. When the rear license plate is illuminated by an electric lamp, other than the required rear lamp, said two lamps shall be turned on or off only by the same control switch at all times whenever head lamps are lighted.

Red reflectors.

Every new motor vehicle hereafter sold and operated upon a highway other than a truck tractor, shall carry on the rear, either as a part of the tail lamps or separately, two red reflectors meeting the

requirements of this section, except that vehicles of the type mentioned in section 17 shall be equipped with reflectors as required in those sections applicable thereto.

Every such reflector shall be mounted on the motor vehicle at a height not less than twenty-four (24) inches nor more than sixty (60) inches above the ground on which the vehicle stands and shall be of such size and characteristics and so maintained as to be visible at night from all distances within three hundred (300) feet to fifty (50) feet from such vehicle except that visibility from a greater distance is hereinafter required of reflectors on certain types of vehicles.

How red reflectors mounted and maintained.

Except as provided for a stop lamp, a back-up lamp in proper use and the white light illuminating the rear vehicle license number plate, it shall be unlawful for any person to operate a vehicle with any light, lamp or reflector visible from the rear thereof showing any color other than red.

Red rear light only color permitted.

Exceptions.

SEC. 3. Section 17, chapter 189, Laws of 1937 (sec. 6360-17, Rem. Rev. Stat.; sec. 291-7, PPC), is amended to read as follows:

Section 17. Within thirty (30) days after the effective date of this act, every motor vehicle, trailer and semi-trailer designed or used for the transportation of commodities, property or animals, or for the transportation of passengers, or otherwise a commercial vehicle, except for hire vehicles operated entirely within municipalities when their interiors are illuminated, shall display lighted lamps during hours of darkness as required in this section, except such lamps may be, but are not required to be, lighted when any such vehicle is upon a public highway which is sufficiently illuminated by street lamps to render any person or vehicle clearly discernible at a distance of five hundred (500) feet.

Display of lighted lamps after darkness.

Every such vehicle having a width of any part

Equipment required of vehicles 80 inches wide.

in excess of eighty (80) inches shall in addition to other equipment required in this act be equipped as hereinafter stated.

All busses and trucks.

A. (1) On every bus or truck, whatever its size, there shall be the following: On the rear, two reflectors, one at each side, and one stop light.

Busses and trucks 80 inches wide.

(2) On every bus or truck eighty (80) inches or more in overall width, in addition to the requirements in sub-paragraph (1):

On the front, two clearance lamps, one at each side.

On the rear, two clearance lamps, one at each side.

On each side, two side marker lamps, one at or near the front and one at or near the rear.

On each side, two reflectors, one at or near the front and one at or near the rear.

Truck tractors.

(3) On every truck tractor:

On the front, two clearance lamps, one at each side.

On the rear, one stop light.

Trailers and semi-trailers.

(4) On every trailer or semi-trailer:

On the front, two clearance lamps, one at each side.

On each side, two side marker lamps, one at or near the front and one at or near the rear.

On each side, two reflectors, one at or near the front and one at or near the rear.

On the rear, two clearance lamps, one at each side, also two reflectors, one at each side, and one stop light.

Trailers and semi-trailers 3000 pounds or less.

(5) On every trailer and semi-trailer weighing three thousand (3,000) pounds gross or less:

On the rear, two reflectors, one on each side. If any trailer or semi-trailer is so loaded or is of such dimensions as to obscure the stop light on the towing vehicle, then such vehicle shall also be equipped with one stop light.

B. (1) Front clearance lamps and those marker lamps and reflectors mounted on the front or on the side near the front of a vehicle shall display or reflect an amber color, and motor coaches and motor transports may carry on the front thereof amber three-in-line identification lamps and red three-in-line identification lamps on the rear.

Front clearance lamps.

(2) Rear clearance lamps and those marker lamps and reflectors mounted on the rear or on the sides near the rear of a vehicle shall display or reflect a red color.

Rear clearance lamps.

(3) All lighting devices and reflectors mounted on the rear of any vehicle shall display or reflect a red color, except the stop light or other signal device, which may be red, amber, or yellow, and except that the light illuminating the license plate or the light emitted by a back-up lamp shall be white.

Rear lighting devices and reflectors.

C. (1) Reflectors shall be mounted at a height not less than twenty-four (24) inches and not higher than sixty (60) inches above the ground on which the vehicle stands, except that if the highest part of the permanent structure of the vehicle is less than twenty-four (24) inches the reflector at such point shall be mounted as high as that part of the permanent structure will permit.

Reflectors—how mounted.

Any required red reflector on the rear of a vehicle may be incorporated with the tail lamps, but such reflector shall meet all the other reflector requirements of this act.

(2) Clearance lamps shall be mounted on the permanent structure of the vehicle in such a manner as to indicate its extreme width and as near the top thereof as practicable. Clearance lamps and side marker lamps may be mounted in combination provided illumination is given as required herein with reference to both.

Clearance lamps—how mounted.

D. (1) Every reflector upon any vehicle referred to in paragraph A, shall be of such size and characteristics and so maintained as to be readily visible

Visibility of reflectors.

at nighttime from all distances within five hundred (500) feet to fifty (50) feet from the vehicle when directly in front of lawful upper beams of head lamps. Reflectors required to be mounted on the sides of the vehicle shall reflect the required color of light to the sides, and those mounted on the rear shall reflect a red color to the rear.

Visibility of clearance lamps.

(2) Front and rear clearance lamps shall be capable of being seen and distinguished under normal atmospheric conditions at the times lights are required at a distance of five hundred (500) feet from the front and rear, respectively, of the vehicle.

Side marker lamps.

(3) Side marker lamps shall be capable of being seen and distinguished under normal atmospheric conditions at the times lights are required at a distance of five hundred (500) feet from the side of the vehicle on which mounted: *Provided*, That the state commission on equipment shall devise such rules and regulations with respect to various vehicle construction in order to attain substantial compliance with the provisions of this section.

Visibility.

SEC. 3A. Chapter 189, Laws of 1937, is amended by adding thereto after section 21, a new section to be known as section 22, reading as follows:

Section 22. Any motor vehicle may be equipped with not to exceed one spot lamp and every lighted spot lamp shall be so aimed and used that no part of the high intensity portion of the beam will be directed to the left of the prolongation of the extreme left side of the vehicle nor more than one hundred (100) feet ahead of the vehicle.

Vetoed.

Any motor vehicle may be equipped with not to exceed two auxiliary driving lamps mounted on the front at a height no higher than the head lamps of such vehicle to which such auxiliary driving lamps are attached.

SEC. 4. Section 23, chapter 189, Laws of 1937 (sec. 6360-23, Rem. Rev. Stat.; sec. 291-19, PPC) is amended to read as follows:

Section 23. Any motor vehicle may be equipped, and when required under this act, shall be equipped with the following signal lamps and devices:

Signal lamps and devices.

A. (1) A stop lamp on the rear which shall emit a red or yellow light and which shall be actuated upon application of the service (foot) brake and which may but need not be incorporated with a tail lamp.

Stop lamp.

(2) A lamp or lamps or mechanical signal device capable of clearly indicating any intention to turn either to the right or to the left and which shall be visible both from the front and rear from a distance of one hundred (100) feet.

Device to indicate intention to turn.

B. A stop lamp shall be plainly visible and understandable from a distance of one hundred (100) feet to the rear both during normal sunlight and at nighttime and a signal lamp or lamps indicating an intention to turn shall be visible and understandable during daytime and nighttime from a distance of one hundred (100) feet both to the front and rear. When a vehicle is equipped with a stop lamp or other signal lamps, such lamp or lamps shall at all times be maintained in good working condition. No stop lamp or signal lamp shall project a glaring or dazzling light.

Visibility of stop lamps.

Must be in good working condition.

C. On or after January 1, 1948, all mechanical signal devices shall be self illuminated when permitted or required under the provisions of this act.

Self illuminated.

D. No signal lamp or signal device shall be used to give signal of intention to stop or of intention to turn to the right or left unless and until the same has been approved by the State Commission on Equipment.

Approval by Commission on Equipment.

SEC. 5. Chapter 189, Laws of 1937, is amended by adding thereto after section 25, a new section to be known as section 26, reading as follows:

Head lamps.

Section 26. A. Except as hereinafter provided, the head lamps, or combinations of head lamps and auxiliary driving lamps on motor vehicles shall be so arranged that the driver may select at will between distribution of light projected to different elevations, subject to the following requirements and limitations:

Distribution of light.

Uppermost distribution.

(1) There shall be an uppermost distribution of light, or composite beam, so aimed and of such intensity as to reveal persons and vehicles at a distance of at least three hundred and fifty (350) feet ahead for all conditions of loading. The maximum intensity of this uppermost distribution of light or composite beam one degree of arc or more above the horizontal level or the lamps when the vehicle is not loaded shall not exceed eight thousand (8000) apparent candlepower, and at no other point of the distribution of light or composite beam shall there be an intensity of more than seventy-five thousand (75,000) apparent candlepower.

Lowermost distribution.

(2) There shall be a lowermost distribution of light, or composite beam, so aimed that:

Beam directed to the left.

(a) When the vehicle is not loaded, none of the high-intensity portion of the light which is directed to the left of the prolongation of the extreme left side of the vehicle shall, at a distance of twenty-five (25) feet ahead, project higher than a level of eight (8) inches below the level of the center of the lamp from which it comes.

Beam directed to the right.

(b) When the vehicle is not loaded, none of the high-intensity portion of the light which is directed to the right of the prolongation of the extreme left side of the vehicle shall, at a distance of twenty-five (25) feet ahead, project higher than a level of three (3) inches below the level of the center of the lamp from which it comes.

Height of beam.

(c) In no event shall any of the high intensity of such lowermost distribution of light or composite beam project higher than a level of forty-two (42)

inches above the level on which the vehicle stands at a distance of seventy-five (75) feet ahead.

(3) Where one intermediate beam is provided, the beam on the left side of the road shall be in conformity with (2a) of this section except when arranged in accordance with the practice specified in (5).

Intermedi-
ate beam.

(4) All road-lighting beams shall be so aimed and of sufficient intensity to reveal a person or vehicle at a distance of at least one hundred (100) feet ahead.

Aim and
intensity of
beams.

(5) Every new motor vehicle registered in this state after January 1, 1948, which has multiple-beam road-lighting equipment shall be equipped with a beam indicator, which shall be lighted whenever the uppermost distribution of light from the head lamps is in use, and shall not otherwise be lighted. Said indicator shall be so designed and located that when lighted it will be readily visible without glare to the driver of the vehicle so equipped.

Beam in-
dicator.

B. (1) Whenever a motor vehicle is being operated on a roadway during such times as lighted lamps are required, the driver shall use a distribution of light, or composite beam directed high enough and of sufficient intensity to reveal persons and vehicles at a safe distance in advance of the vehicle, subject to the following requirements and limitations:

Distribution
and intensity
of light.

(2) Whenever the driver of a vehicle approaches an oncoming vehicle within five hundred (500) feet, such driver shall use a distribution of light or composite beam so aimed that the glaring rays are not projected into the eyes of the oncoming driver, and in no case shall the high intensity portion which is projected to the left of the prolongation of the extreme left side of the vehicle be aimed higher than the center of the lamp from which it comes at a distance of twenty-five (25) feet ahead, and in no case higher than a level of forty-two (42) inches above

When
meeting
oncoming
vehicles.

the level upon which the vehicle stands at a distance of seventy-five (75) feet ahead.

Head lamp providing single distribution permitted for one year after effective date.

C. Head lamps arranged to provide a single distribution of light not supplemented by auxiliary driving lamps shall be permitted on motor vehicles manufactured and sold prior to one year after the effective date of this act in lieu of multiple-beam road-lighting equipment herein specified if the single distribution of light complies with the following requirements and limitations:

Aiming of head lamps.

(1) The head lamps shall be so aimed that when the vehicle not loaded none of the high-intensity portion of the light shall at a distance of twenty-five (25) feet ahead project higher than a level of five (5) inches below the level of the center of the lamp from which it comes, and in no case higher than forty-two (42) inches above the level on which the vehicle stands at a distance of seventy-five (75) feet ahead.

Intensity.

(2) The intensity shall be sufficient to reveal persons and vehicles at a distance of at least two hundred (200) feet.

SEC. 6. Section 29, chapter 189, Laws of 1937, (sec. 6360-29, Rem. Rev. Stat.; sec. 291-31, PPC) is amended to read as follows:

Red light not to be visible from directly in front.

Section 29. No person shall drive or move any vehicle or equipment upon any public highway with any lamp or device thereon displaying a red light visible from directly in front thereof. This section shall not apply to authorized emergency vehicles or vehicles of the department of highways of the State of Washington which present a danger by the nature of their necessary operation.

Exceptions.

Flashing lights.

Flashing lights are prohibited on motor vehicles, except on an authorized emergency vehicle or school bus or on any vehicle as a means for indicating a right or left turn.

SEC. 7. Chapter 189, Laws of 1937, is amended by adding thereto after section 32, a new section to be known as section 33, reading as follows:

Section 33. A. (1) No person shall operate any motor truck, passenger bus, or truck tractor upon any highway outside the corporate limits of municipalities at any time unless there shall be carried in such vehicle the following equipment except as provided in subparagraph 2:

Equipment for trucks, busses and truck tractors.

(a) At least three flares or three red electric lanterns each of which shall be capable of being seen and distinguished at a distance of five hundred (500) feet under normal atmospheric conditions at night-time.

Flares or lanterns.

Each flare (liquid-burning pot torch) shall be capable of burning for not less than twelve hours in five miles per hour wind velocity and capable of burning in any air velocity from zero to forty miles per hour. Every such flare shall be substantially constructed so as to withstand reasonable shocks without leaking. Every such flare shall be carried in the vehicle in a metal rack or box. Every such red electric lantern shall be capable of operating continuously for not less than twelve hours and shall be substantially constructed so as to withstand reasonable shock without breakage.

Types.

(b) At least three red-burning fusees unless red electric lanterns are carried.

Fusees.

Every fusee shall be made in accordance with specifications of the Bureau of Explosives, New York, and so marked and shall be capable of burning at least fifteen minutes.

Type.

(c) At least two red cloth flags, not less than twelve (12) inches square, with standards to support same.

Flags.

(2) No person shall operate at the time and under the conditions stated in section 33, paragraph A. (1), any motor vehicle used in transportation of inflammable liquids in bulk, or transporting com-

Vehicles transporting inflammable liquids or gases.

Red electric lanterns.

pressed inflammable gases unless there shall be carried in such vehicle red electric lanterns meeting the requirements above stated and there shall not be carried in any said vehicle any flares, fusees, or signal produced by a flame.

Portable reflector units.

(3) In the alternative it shall be deemed a compliance with this section in the event the person operating any motor vehicle described in this section shall carry in such vehicle three portable reflector units on standards of a type approved by the state commission on equipment. No portable reflector unit shall be approved unless it is so designed and constructed that it will reflect red light clearly visible for a distance of at least three hundred (300) feet under normal atmospheric conditions at nighttime when directly in front of lawful upper beams of head lamps.

Approval by commission on equipment.

When certain vehicles are disabled warning devices are to be placed on highway.

B. (1) Whenever any motor truck, passenger bus, truck tractor, trailer or semi-trailer is disabled upon the traveled portion of any highway or the shoulder thereof outside of any municipality at any time when lighted lamps are required on vehicles the driver of such vehicle shall display the following warning devices upon the highway during the time the vehicle is so disabled on the highway except as provided in subparagraph 2.

Fusees.

(a) A lighted fusee shall be immediately placed on the roadway at the traffic side of the motor vehicle unless electric lanterns are displayed.

Flares or electric lanterns.

(b) Within the burning period of the fusee and as promptly as possible three lighted flares (pot torches) or three electric lanterns shall be placed on the roadway as follows:

Distances.

One at a distance of approximately one hundred (100) feet in advance of the vehicle, one at a distance of approximately one hundred (100) feet to the rear of the vehicle each in the center of the lane of traffic occupied by the disabled vehicle, and one at the

traffic side of the vehicle approximately ten (10) feet rearward or forward thereof.

(2) Whenever any vehicle used in the transportation of inflammable liquids in bulk, or transporting compressed inflammable gases is disabled upon a highway at any time or place mentioned in paragraph A. (1) of this section, the driver of such vehicle shall display upon the roadway the following lighted warning devices:

Vehicles transporting inflammable liquids or gases.

(a) One red electric lantern shall be immediately placed on the roadway at the traffic side of the vehicle and two other red electric lanterns shall be placed to the front and rear of the vehicle in the same manner prescribed in subparagraph A. (1) above for flares.

Electric lanterns only.

When a vehicle of a type specified in this subparagraph is disabled, the use of flares, fusees, or any signal produced by flame as warning signals is prohibited.

Flame signals prohibited.

(3) Whenever any vehicle of a type referred to in this section is disabled upon the traveled portion of a highway or the shoulder thereof, outside of any municipality at any time when the display of fusees, flares, or electric lanterns is not required, the driver of such vehicle shall display two red flags upon the roadway in the lane of traffic occupied by the disabled vehicle, one at a distance of approximately one hundred (100) feet in advance of the vehicle, and one at a distance of approximately one hundred (100) feet to the rear of the vehicle.

Flags.

Distance.

(4) In the alternative it shall be deemed a compliance with this section in the event three portable reflector units on standards of a type approved by the state commission on equipment are displayed at the times and under the conditions specified in this section either during the daytime or at nighttime and such portable reflector units shall be placed on the roadway in the locations as described with refer-

Reflector units.

ence to the placing of electric lanterns and lighted flares.

(5) The flares, fusees, lanterns, and flags to be displayed as required in this section shall conform with the requirements of subparagraph A. applicable thereto.

SEC. 8. Chapter 189, Laws of 1937, is amended by adding thereto after section 58, a new section to be known as section 59, reading as follows:

Transportation of explosives.

Section 59. Explosives shall not be transported in any trailer, nor shall any trailer be attached to any vehicle transporting explosives, except as provided in this section. Explosives may be transported by truck tractor and semi-trailer, when such semi-trailer has been approved by the state commission on equipment. No metal, metal tools, carbides, oils, matches, firearms, inflammable liquids, acids, corrosive or oxidizing combinations shall be carried on any motor vehicle transporting explosives. No blasting caps or electric blasting caps shall be carried on any motor vehicle transporting explosives unless the following conditions are complied with:

Articles prohibited in same vehicle.

Blasting caps.

The blasting caps and electric blasting caps must be packed in authorized Interstate Commerce Commission specification outside shipping containers, or in prescribed inside Interstate Commerce Commission packages in an outside box made of one (1) inch lumber lined with suitable padding material not less than one-half ($\frac{1}{2}$) inch thick or a box made of not less than twelve (12) gage sheet metal lined with plywood or other suitable material not less than three-eighths ($\frac{3}{8}$) inch thick so that no metal is exposed. Hinged cover and fastening device are required on boxes. These containers, packages or boxes must be loaded in the motor vehicle so that they will be immediately accessible for removal.

Method of packing and loading.

Military or naval explosives.

Military or naval explosives may be loaded and transported in motor combination units of truck and trailer when said transportation is performed to,

from, or on behalf of the government of the United States.

The floor of any such motor vehicle shall be tight to prevent any sifting through of materials and the inside of the body shall be free from any exposed metal likely to come in contact with explosives.

Floors of vehicle.

The body shall be so constructed and explosives so loaded as to insure against any explosives falling or otherwise escaping from the vehicle. No vehicle

Body.

transporting explosives shall be loaded in excess of the manufacturer's rated carrying capacity thereof. For the purpose of this provision, the "manufacturer's rated carrying capacity" is hereby defined as and shall be the manufacturer's gross weight rating of such vehicle. In the event that any vehicle

Loading.

"Manufacturer's rated carrying capacity."

is converted or strengthened in such a manner as to increase its manufacturer's gross weight rating, such vehicle shall be entitled to the increased manufacturer's gross weight rating prescribed, provided the same has been inspected and a permit therefor granted by the state commission on equipment, or its duly authorized representative. No explosive shall be carried in any open body unless the same is completely covered with a tarpaulin or other equally protective material.

Increase of loading.

Load must be covered.

No vehicle transporting explosives shall carry flares or other flame producing illuminators to be used in case of an emergency, but shall carry in lieu thereof not less than three (3) electric lamps, each capable of producing red light for a continuous period of not less than twelve (12) hours. And such lamps shall be capable of continuously producing three (3) warning lights each visible from a distance of at least five hundred (500) feet for the time as specified herein: *Provided, however,* That in the event and only when said lamps cannot be secured or used because of shortages of vital materials employed in their manufacture or use said vehicles are permitted and must use two (2) re-

Electric lamps to be carried.

Type.

Flares prohibited.

Alternative articles.

Reflectors.

flectorized warning signs of a type approved by the state commission on equipment which shall be placed at least one hundred (100) feet in front and one hundred (100) feet to the rear of such vehicle.

Type.

Method of filling with gasoline.

The gasoline service tank of any vehicle used in the transportation of explosives shall not be filled while such vehicle is loaded with explosives, except in cases of absolute necessity and in no case when the motor is running and said service tank shall not then be filled unless some electric conductor is provided between the gasoline service tank and the ground.

SEC. 9. Section 85, chapter 189, Laws of 1937 (sec. 6360-85, Rem. Rev. Stat.; sec. 295-21, PPC), is amended to read as follows:

Operator's signals while in vehicle, stopping, turning, starting, etc.

Section 85. It shall be the duty of every person operating a vehicle upon any public highway and intending to turn from a standstill or while in motion intending to turn or stop, to give a timely signal from the left-hand side of such vehicle indicating the direction in which he intends to turn or that he intends to stop, as follows: If he intends to turn to the left he shall extend his arm in a horizontal position from the left side of such vehicle continuously for a reasonable length of time; if he intends to turn to the right he shall extend his arm from the left side of the vehicle with his forearm raised vertically continuously for a reasonable length of time; if he intends to stop he shall extend his arm from the left side of such vehicle with his forearm lowered vertically continuously for a reasonable length of time. For the purpose of this section, a reasonable length of time shall be that time required to traverse a distance in feet equal to five times the maximum speed in miles per hour allowed by law during the approach to the point of turning or stopping.

Signals to be given by hand and arm or other signal devices.

The signals herein required shall be given either by means of the hand and arm or by a signal lamp or signal device of a type approved by the state com-

mission on equipment, but when a vehicle is so constructed or loaded that a hand and arm signal would not be visible both to the front and rear of such vehicle then said signals must be given by such a lamp or device. All vehicles whose body or load extends or protrudes twenty-four (24) inches or more to the left of the steering post of the said vehicle shall be equipped with mechanical or electrical signal devices capable of displaying such signals.

Devices
required
on certain
vehicles.

Passed the House March 3, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 21, 1947, with the exception of section 3A, which is vetoed.

CHAPTER 268.

[S. B. 177.]

HEALTH CARE SERVICES AND AGREEMENTS.

AN ACT relating to health care services and agreements pertaining thereto; requiring certain persons, corporations and associations to register with the Insurance Commissioner; prescribing duties of the Insurance Commissioner; providing penalties and declaring an emergency.

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

SECTION 1. For the purposes of this act,

a. "Health Care Services" means and includes medical, surgical, hospital and other therapeutic services.

Definitions.
"Health care
services."

b. "Doctor" means any person lawfully licensed or authorized to render any health care services.

"Doctor."

c. "Health care service contractor" means any corporation, cooperative group or association, doctor, or group of doctors who or which, not otherwise being engaged in the insurance business, accepts prepayment for health care services from persons or groups of persons as consideration for providing such persons with any health care services.

"Health care
service
contractor."

“Participant.”

d. “Participant” means a doctor or hospital who or which has contracted in writing with a health care service contractor to accept payment from such contractor for any health care services rendered to a person who has previously paid such contractor for such services.

Agreements authorized.

SEC. 2. Any health care service contractor may enter into agreements with persons or groups of persons which require prepayment for health care services by such persons in consideration of such health care service contractor providing one or more health care services to such persons and such activity shall not be subject to the laws relating to insurance if the health care services are rendered by the health care service contractor or by a participant, or by a doctor or hospital designated by such health care service contractor or participant.

Not subject to insurance laws.

When agreements to provide for reimbursement or indemnity.

SEC. 3. If any of the health care services which are promised in any such agreement are not to be performed by the health care service contractor, or a participant, or a doctor or hospital designated by either of them, such activity shall not be subject to the laws relating to insurance, but such agreement shall contain provision for reimbursement or indemnity of the persons paying for such services which agreement shall either be underwritten by an insurance company authorized to write accident, health and disability insurance in the State of Washington or guaranteed by a surety company authorized to do business in this state, or guaranteed by a deposit of cash with the Insurance Commissioner, as hereinafter provided. If the agreement is underwritten by an insurance company, the contract or policy of insurance may designate the health care service contractor as the named insured, but shall be for the benefit of the persons who have paid for or contracted for such health care services. If the agreement is guaranteed by a surety company, the

To be underwritten by insurance company or guaranteed by surety company.

surety bond shall designate the State of Washington as the named obligee, but shall be for the benefit of the persons who have paid for or contracted for such health care services, and shall be in such amount as the Insurance Commissioner shall direct, but in no event in a sum greater than one-twelfth of the total sum of money received by the health care service contractor during the preceding twelve months as prepayment for health care services. A copy of such insurance policy or surety bond, as the case may be, and any modification thereof, shall be filed with the Insurance Commissioner. If the agreement is guaranteed by a deposit of cash, such deposit shall be in such amount as the Insurance Commissioner shall direct, but in no event in a sum greater than one-twelfth of the total sum of money received by the health care service contractor during the preceding twelve (12) months, as prepayment for health care services. Such cash deposit shall be held in trust by the Insurance Commissioner and shall be for the benefit of the persons who have paid for or contracted for such health care services. Upon receipt of satisfactory proof of the entry of a final judgment against any health care service contractor, based on the failure of such contractor to provide health care services according to the terms of the prepayment contract, the Insurance Commissioner shall immediately deposit the amount of said judgment, including costs and accrued interest in the registry of the Court for the benefit of the judgment creditor and shall notify the judgment creditor or his attorney of such deposit.

Conditions
of contract
or bond.

Copy to be
filed with
Insurance
Commis-
sioner.

Cash deposit.

Deposit into
registry of
court on
proof of
judgment.

SEC. 4. Every health care service contractor who or which enters into agreements which require prepayment for health care services shall within (60) days after the effective date of this act register with the Insurance Commissioner on forms to be prescribed and provided by him. Such registrants shall

Registration
with Insur-
ance Com-
missioner.

Information to be furnished.
 Copy of contract to be filed.
 Changes in rates, contract, etc.
 Fee for registration.

state their name, address, type of organization, area of operation, type or types of health care services provided, and such other information as may reasonably be required by the Insurance Commissioner and shall file with such registration a copy of all contracts being offered and a schedule of all rates charged. No registrant shall change any rates, modify any contract, or offer any new contract, until he has filed a copy of the changed rate schedule, modified contract, or new contract with the Insurance Commissioner. The Insurance Commissioner shall charge a fee of ten dollars (\$10) for the filing of each original registration statement and may require each registrant to file a current re-registration statement annually thereafter.

Regulations by Insurance Commissioner.

SEC. 5. The Insurance Commissioner shall make reasonable regulations in aid of the administration of this act which may include, but shall not be limited to regulations concerning the maintenance of adequate insurance, bonds, or cash deposits, information required of registrants, and methods of expediting speedy and fair payments to claimants.

Violations.

SEC. 6. Any person who violates any of the provisions of this act shall be guilty of a gross misdemeanor.

Effective immediately.

SEC. 7. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect immediately.

Passed the Senate March 3, 1947.
 Passed the House March 8, 1947.
 Approved by the Governor March 21, 1947.

CHAPTER 269.

[S. B. 236.]

SALES OF TAX TITLE LANDS.

AN ACT relating to previously consummated sales of tax title lands, making all sales of such to cities and towns for public use transfer title in fee and providing for the termination of existing reversionary interests.

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

SECTION 1. All sales of tax title lands heretofore consummated by any county, to a city or town, for municipal purposes, or public use, shall be absolute and final, and transfer title in fee, notwithstanding any reversionary provision in the tax deed to the contrary; and all tax title deeds containing any such reversionary provision shall upon application of grantee in interest, be revised to conform with the provisions herein.

Tax title
sales transfer
title in fee.

Passed the Senate March 3, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 270.

[S. B. 239.]

PROPERTY TAXATION.

AN ACT relating to property taxation and the constitutional limitations thereon; prescribing certain powers and duties of County Assessors with respect to the consolidated tax levy on any property as affected by the limitations of section 2, Article VII of the State Constitution, and amending section 74, chapter 130, Laws Ex. Ses. 1925 (sec. 11235, Rem. Rev. Stat.; sec. 979-481, PPC).

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

SECTION 1. Section 74, chapter 130, Laws Ex. Ses. 1925 (sec. 11235, Rem. Rev. Stat.; sec. 979-481, PPC) is amended to read as follows:

Determina-
tion, calcula-
tion and
fixing by
County
Assessor
upon
assessed
valuation.

Section 74. All taxes shall be levied or voted in specific amounts, and the rate per centum of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, shall be determined, calculated and fixed by the County Assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate per centum of all taxes levied for purposes of taxing districts within any county shall be determined, calculated and fixed by the County Assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively: *Provided*, That when any such County Assessor shall find that the aggregate rate of levy on any property will exceed the limitation fixed by section 2, Article VII of the State Constitution, as enacted by the 17th amendment, he shall recompute and establish a consolidated levy in the following manner:

When aggregate rate exceeds constitutional limit.

Full rates for certain purposes.

(1) He shall include for extension on the tax rolls the full rates of levy certified to him for state, county, county road districts, city and school district purposes in amounts not exceeding the limitations established by law, and

Reduction in uniform percentages for other purposes.

(2) He shall include for extension on the tax rolls the rates per centum of the tax levies certified to him by all other taxing districts imposing taxes on such property, other than port districts and public utility districts, reduced by him in such uniform percentages as will bring the consolidated tax levy on such property within the provisions of the constitutional limitation.

Passed the Senate February 25, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 271.

[S. B. 327.]

WASHINGTON STATE PARKS AND RECREATION
COMMISSION.

AN ACT relating to parks and recreation; establishing the Washington State Parks and Recreation Commission; defining the purposes, powers and duties of said commission; creating the office of director of parks and recreation; and amending section 10, chapter 7, Laws of 1921, as amended by section 1, chapter 36, Laws of 1945 (sec. 10768, Rem. Rev. Stat.; sec. 228-15, PPC).

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

SECTION 1. Section 10, chapter 7, Laws of 1921, as amended by section 1, chapter 36, Laws of 1945 (sec. 10768, Rem. Rev. Stat.; sec. 228-15, PPC), is amended to read as follows:

Section 10. There is hereby created a "State Parks and Recreation Commission" consisting of seven electors of the state which shall exercise all the powers and perform all the duties now vested in and required to be performed by the State Board of Park Commissioners or the State Parks Committee. The members of the Commission except three shall be appointed by the Governor by and with the advice and consent of the Senate and shall serve for a term of six years, expiring on December 31 of even numbered years: *Provided*, That of the members first appointed one shall be appointed for a term of two years, one for a term of four years, and two for a term of six years. Three members may be elected state officials and shall be appointed by the Governor and serve during the term for which they were elected.

In making the appointments to the Commission, the Governor shall choose electors who understand park and recreation needs and interests. No person, except the three elected state officials mentioned herein shall be appointed if he holds any elective

"State Parks and Recreation Commission." Members.

Appointment.

Terms.

First appointees.

Qualifications.

or appointive state, county or municipal office. Members of the Commission shall be entitled to be paid a per diem of fifteen dollars (\$15), except that no public official shall receive a per diem, for each day actually spent on duties pertaining to the Commission, and in addition shall be allowed their expenses incurred while absent from their usual places of residence upon the same basis as expenses are payable to state officials and employees.

Payment on vouchers. Payment of per diem and expenses, and all other expenses pertaining to the operation of the State Parks Commission, shall be made upon vouchers certified to by such persons as shall be designated by the Commission.

Definitions. "Recreation." SEC. 2. For purposes of this act, "recreation" is defined to mean those activities of a voluntary and leisure time nature which aid in promoting entertainment, pleasure, play, relaxation, or instruction.

"Commission." "Commission" means the Washington State Parks and Recreation Commission.

Chairman, meetings and quorum. SEC. 3. The Commission shall elect one of its members as chairman. The Commission may be convened at such times as the chairman deems necessary, and a majority shall constitute a quorum for the transaction of business.

Powers. Study and appraise park needs. SEC. 4. The Commission may: (a) Study and appraise parks and recreational needs of the state and assemble and disseminate information relative to parks and recreation;

Coordinate activities. (b) Coordinate the parks and recreational functions of the various state departments at state level; cooperate with state and federal agencies in the promotion of parks and recreational opportunity; and

Submit report to Governor. (c) Submit an annual report of its activities to the Governor.

SEC. 5. The Commission may: (a) Make rules and regulations for the proper administration of its duties;

Make rules and regulations.

(b) Accept any grants of funds made with or without a matching requirement by the United States, or any agency thereof for purposes in keeping with the purposes of this Commission; accept gifts, bequests, devises and endowments for purposes in keeping with the purposes of this Commission;

Accept grants and funds.

(c) All parks and recreation workers employed in state aided or state controlled programs shall require certification by the Commission.

Certify employees of parks.

(d) Act jointly, when advisable, with the United States, any other state agencies, institutions, departments, boards or commissions in order to carry out the objectives and responsibilities of the Commission; and

Act jointly with U. S. and other state agencies.

(e) Determine the qualifications and salary of and employ a Director of Parks and Recreation, and, upon his recommendation, a Supervisor of Recreation and such other persons as may be needed to carry out the provisions of this act;

Employ Director and Supervisor.

(f) Without being limited to the powers hereinbefore enumerated, the Commission shall have such other powers as in the judgment of a majority of its members are deemed necessary to effectuate the purposes of this act: *Provided*, That the State Parks and Recreation Commission shall not have power to supervise directly any local park or recreation district, and no funds shall be made available for such purposes.

Other powers.

SEC. 6. If any section of this act or any portion thereof shall be held to be unconstitutional, such sections or portions of this act shall be held to be severable, and shall not affect the validity of the remaining portions.

Saving clause.

Passed the Senate March 3, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 272.

[S. B. 85.]

COUNTY FERRY DISTRICTS.

AN ACT relating to the establishment of a County Ferry District as a municipal corporation, granting right of eminent domain and exempting it from operation of the public service law of the State of Washington.

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

Establishment authorized.

Application.

Filing.

Certification.

Election.

Votes necessary.

Area of district.

SECTION 1. The establishment of a Ferry District is hereby authorized. Written application for the formation of such a district signed by at least twenty-five per cent (25%) of the registered voters, who reside and own real estate in the proposed district, shall be filed with the Board of County Commissioners. The Board shall immediately transmit the application to the proper registrar of voters for the proposed district who shall check the names, residence and registration of the signers with the records of his office and shall, as soon as possible, certify to said Board the number of qualified signers. If the requisite number of signers is so certified, the Board shall thereupon place the proposition, "Shall a Ferry District be established in the following area to operate ferries between the following termini: (describing the proposed district and ferry routes)?" upon the ballot for vote of the people of the proposed district at the next election, general or special. If sixty per cent (60%) of the voters on such proposition shall vote in favor of the proposition, the Board shall, by resolution, declare the district established. If the requisite number of qualified persons have not signed the application, further signatures may be added and certified until the requisite number have signed and the above procedure shall be thereafter followed.

The area of such district shall be the area within any island or group of islands outside incorporated

cities and towns, or such portion or portions thereof as specifically defined in said application. When established, a Ferry District shall be a municipality as defined by the statutes of the State of Washington and entitled to all the powers conferred by law and exercised by municipal corporations in this state. The Ferry District is hereby empowered to levy not more than five mills against the assessed valuation of the property lying within the said Ferry District.

District a municipal corporation.

May levy up to five mills.

Said Ferry District shall have the right of eminent domain according to the laws of the State of Washington.

Eminent domain.

Said Ferry District is hereby exempt and excepted from the provisions of the public service act and is not subject to the control, rules and regulations of the Department of Transportation; and it shall not be necessary for a Ferry District to apply for or obtain a certificate of public convenience and necessity.

Exempt from regulation by Department of Transportation.

Said Ferry District may operate any vessel over its authorized routes upon any of the waters of the state of Washington that touch any of the area of said district.

May operate vessels.

SEC. 2. The governing body of such Ferry District shall be a Board of Ferry Commissioners consisting of three members. The first three commissioners shall be elected at the same election at which the proposition is submitted to the voters as to whether the Ferry District shall be formed, and shall be elected to hold office respectively for the terms of one, two, and three years and until their respective successors are elected. The terms for each nominee for Ferry Commissioner to be expressed on the ballot. Thereafter there shall be held each year an election for a Ferry Commissioner to hold office for three years and until his successor is elected and qualified. No person shall be eligible to hold office as Ferry Commissioner unless he shall be a qualified

Board of Ferry Commissioners.

First three commissioners.

Terms.

Annual election.

Term of three years.

Qualification. voter and landowner in said Ferry District. After the first election the time of the election shall be fixed by the Ferry Commissioners. Vacancies occurring may be filled by the remaining Commissioners for the remainder of the unexpired term. Each Commissioner shall take and file his oath in writing that he will honestly and to the best of his ability carry on the affairs of the Ferry District.

Time of election.

Vacancies.

Oath.

Liberal construction. SEC. 3. This act shall be construed liberally, so far as may be necessary for the purpose of carrying out its general intent, which is, the creation of a ferry district for the purpose of owning and operating vessels for the public benefit and convenience of the district.

Saving clause. SEC. 4. In the event that any part of this act shall be found to be unconstitutional, the remaining portion shall remain in full force and effect.

Landing facilities on mainland. SEC. 5. Nothing contained in this act shall abridge or deny the right of a Ferry District to acquire or maintain suitable landing facilities on the mainland.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 273.

[S. B. 179.]

SEXUAL PSYCHOPATHIC PERSONS.

AN ACT providing for a civil proceeding concerning sexual psychopathic persons and relating to psychiatrist's examination, treatment, commitment and detention of criminal sexual psychopathic persons, and dealing with the supervision of sex criminals upon parole or after termination of sentence to prevent recidivism.

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

SECTION 1. (a) All persons suffering from a mental disorder and not insane or feeble-minded, which mental disorder has existed for a period of not less than one year immediately prior to the filing of the petition hereinafter provided for, and having been convicted at least once as a sex offender, are hereby declared to be criminal sexual psychopathic persons.

Criminal sexual psychopathic persons.

(b) A sex offender within the meaning of this act is a person who has pleaded guilty or has been convicted of any one or more of the following crimes: abduction, incest, rape, assault with intent to commit rape, indecent assault, contributing to the delinquency of minors where sex offenses are involved, sodomy, indecent exposure, indecent liberties with children, carnal knowledge of children, soliciting or enticing a child for immoral purposes, and any disorderly conduct involving a sex offense.

A sex offender.

(c) A psychiatrist within the meaning of this act is a physician and surgeon licensed to practice in the State of Washington who has exclusively limited his professional practice to the diagnosis and treatment of mental and nervous disorders for a period of not less than three (3) years.

A psychiatrist.

SEC. 2. Jurisdiction over criminal sexual psychopathic persons is vested in the Superior Courts of the State of Washington for the purpose of conducting

Jurisdiction in superior courts.

hearings for commitment for purposes of observation and detention of such persons as hereinafter provided.

Prosecutor may file petition in superior court.

SEC. 3. When any person is charged with a sex offense in any Justice Court, or Superior Court of the State of Washington, and it shall appear to the Prosecuting Attorney of the county wherein such person is so charged that such person is a criminal sexual psychopathic person, then the Prosecuting Attorney of such county may file in the Superior Court a petition in writing, under oath, setting forth facts tending to show that the person named in such petition is a criminal sexual psychopathic person and is, by reason thereof, unsafe to be at large. Said petition shall be served upon the person so charged at least twenty (20) days prior to the hearing hereinafter provided.

Service.

Appointment of psychiatrist.

SEC. 4. (a) After the filing of the petition, the Superior Court shall appoint one or more psychiatrists for the purpose of making an examination of such alleged criminal sexual psychopathic person, directed toward ascertaining whether such person is a criminally sexual psychopathic person and said psychiatrist or psychiatrists shall file with the Court a report in writing stating the result of their examination, together with their conclusions and recommendations.

Report to be filed.

Fees for examination, report and testimony.

(b) Such psychiatrist or psychiatrists shall be paid by order of the Court a fee of not less than twenty-five dollars (\$25) and not more than fifty dollars (\$50) for examination and report and twenty-five dollars (\$25) for each and every day such psychiatrist is required to testify in Court.

Hearing on petition.

SEC. 5. (a) After having been tried and a verdict of guilty having been found, or after the person charged with a sex offense has pleaded guilty to such sex offense, a hearing on said petition shall be had.

(b) Such hearing shall be before a Judge of the Superior Court, sitting without a jury, unless a jury is demanded by written request within ten (10) days after service of petition upon the person charged with being a criminal sexual psychopath. The Court shall summon to said hearing the psychiatrist or psychiatrists having previously examined the person charged with being a criminal sexual psychopath.

With or
without
a jury.

(c) The Judge before whom such hearing is held shall examine the person so charged and shall examine, under oath, the psychiatrist or psychiatrists having filed with the Court a report on such person.

Examina-
tion of
witnesses.

(d) At such hearing, there shall be admitted in evidence any and all properly certified judgments and sentences of prior convictions of sex offenses of the person charged with being a criminal sexual psychopath. Such documents shall be proof of both conviction and the nature of the offense for which the person shall have been convicted.

Prior con-
victions.

(e) The person charged with being a criminal sexual psychopath shall be represented by counsel and may introduce in his behalf testimony of a psychiatrist or psychiatrists of his own choosing. If the person charged is, by reason of poverty, unable to procure counsel, the Court shall appoint such counsel upon the request of the person so charged. Such counsel is to be paid, upon the order of the Court by the county in which the proceeding is had, twenty-five dollars (\$25) for each and every day actually spent in Court upon the hearing of such cause.

Counsel for
accused.

May be at
expense of
county.

(f) If the Court shall determine that the person so charged is a criminal sexual psychopath and unsafe to be at large, then the Court shall commit such person, if such person has been convicted of the crime with which he has been charged imme-

On conviction court to order treatment.

diately prior to the filing of the petition in this proceeding, to serve his sentence in accordance with the laws relating to the sentencing of criminal offenders. But in such event, the Court shall order that such person be certified for treatment by a psychiatrist to be provided by the institution to which he has been sentenced on the criminal charge.

After serving sentence may be committed to hospital.

(g) A person charged with being a criminal sexual psychopath, if found to be afflicted with such criminal sexual psychopathy and found not to be safe at large, after having served his sentence or after having been paroled, shall be committed to the nearest state or county hospital having established facilities for the detention, care and treatment of criminal sexual psychopathic persons.

Prisons to provide psychiatrist.

Every Washington State Penitentiary and Reformatory shall engage on a full or part time basis the services of a psychiatrist and such psychiatrist shall, *inter alia*, examine and treat all persons confined in such State Penitentiary or Reformatory who have been certified as criminal sexual psychopathic persons.

State and county institutions to provide facilities.

The Board of County Commissioners of every county of the State of Washington wherein there is situated a state or county institution having established facilities for the treatment of criminal sexual psychopathic persons shall engage the full or part time services of a psychiatrist who shall, *inter alia*, examine and treat all persons confined in a county prison or jail who have been found to be criminal sexual psychopathic persons.

Prisoner may be confined in nearest state or county institution having facilities.

In counties which do not have available hospital facilities for observation and treatment of criminal sexual psychopathic persons, or do not have a psychiatrist available, the Court shall order such criminal sexual psychopathic persons to be transferred to the nearest state or county institution having established facilities for such treatment and such county.

shall be liable for payment to the receiving county for services rendered in connection with the observation, examination, care and treatment of such criminal sexual psychopathic persons.

Counties
liable to
receiving
county.

Every county hospital of a Class A county, a county of the first class, or a county of the second class, shall employ the full or part time services of a psychiatrist, who shall perform such duties as the superintendent of such hospital shall prescribe. Every such county shall establish at such hospital facilities for examination, detention and treatment of criminal sexual psychopathic persons.

County
hospitals
of Class A
and first
class
counties.

Criminal sexual psychopathic persons having been committed to a county or state hospital pursuant to this act shall be liable for payment of such hospitalization under the same rules and conditions as are now established by law with reference to insane persons committed to such hospital.

Persons
liable for
hospital-
ization.

SEC. 6. (a) In cases where the Board of Prison Terms and Paroles authorizes a convict to leave the Penitentiary or the Reformatory on parole, the Board of Prison Terms and Paroles shall cause such convict to be brought before the committing Court if such convict has been found to be a criminal sexual psychopath. A hearing for discharge as a criminal sexual psychopath shall then be held before the committing Court.

Hearings for
paroled
convict.

(b) In cases where a convict shall have completed his sentence at a state or county prison or reformatory, such convict, if he has been found to be a criminal sexual psychopath, shall, before being set at liberty, be brought before the committing Court and a hearing for discharge as a criminal sexual psychopath, as hereinafter provided, shall be had.

Hearings
before
releases.

(c) If at such hearing, in the cases outlined under the two (2) preceding paragraphs of this section, the Judge shall find that such person has been cured and is safe to be at large, he shall release

May be com-
mitted or
released de-
pending upon
court's
finding.

such convict on parole conditioned upon his continued treatment by a psychiatrist, or unconditionally, as the case may be; if, at such hearing, the Judge shall find that such convict has not been cured and is unsafe to be at large, he shall commit such person as provided in section 5, subsection (g) of this act.

Prisoner
may apply
for dis-
charge.

(d) After commitment as provided in section 5, subsection (g) herein, a criminal sexual psychopathic person may file, or may have filed in his behalf, an application for discharge before the committing Court, setting forth facts showing that such criminal sexual psychopath has recovered and is safe to be at large.

Hearing
within
thirty days.

(e) The Court shall then set a date for such hearing, not later than thirty (30) days after the filing of such petition for discharge and shall order the person committed to be brought before it and shall order the psychiatrist or psychiatrists having treated such person to be examined on oath at such hearing with reference to the condition of such criminal sexual psychopath.

Examination
and testi-
mony.

Counsel and
witnesses.

(f) At such hearing, the applicant shall have the right to be represented by counsel and to introduce testimony of a psychiatrist or psychiatrists of his own choosing.

Finding and
disposal
by court.

(g) If the Court finds that such person has fully recovered from such psychopathy and is safe to be at large, such person shall be released unconditionally. If the Court finds that such person has not fully recovered from such psychopathy and is not safe to be at large, it shall recommit such person to the institution which has custody of such person, for further treatment.

(h) If, at any time while the criminal sexual psychopath is being institutionalized as herein provided, a psychiatrist having treated such person concludes that such criminal sexual psychopath has

been cured and is safe to be at large, he shall immediately apply through the office of the Prosecuting Attorney to the Court of commitment and cause to be filed an application in writing, under oath, stating his reasons for such conclusions and, upon such application having been made, the Court shall order such criminal sexual psychopath to be brought before it and shall discharge him if, upon an oral examination of the criminal sexual psychopath, the Court is satisfied that such person has been cured and is safe to be at large.

Psychiatrist to apply to Prosecutor if he believes prisoner cured.

(i) Every criminal sexual psychopath being in the custody of an institution treating such person has the right, once every year after the date of such commitment or after the date of filing of any prior application for discharge, to file on his own motion, or have filed in his behalf by any relative or friend or interested person, an application for discharge as hereinabove provided.

Prisoner may apply once a year.

SEC. 7. If any section, provision or part of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole or any section, provision or part thereof not having been adjudged to be invalid or unconstitutional.

Saving clause.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Effective immediately.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 274.

[S. B. 16.]

STATE EMPLOYEES' RETIREMENT SYSTEM.

AN Act providing for a State Employees' Retirement System; creating a State Employees' Retirement Board, and prescribing its powers and duties; making an appropriation therefor; establishing certain funds in connection therewith; requiring contributions thereto by state employees and by the state; incorporating an enabling clause providing for the participation in the Retirement System of all political subdivisions of the state; and declaring penalties for violations of the act.

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

Definitions. SECTION 1. *Definitions.* The following words and phrases as used in this act, unless a different meaning is plainly required by the context, shall have the following meanings:

"Retirement System." (a) "Retirement System" shall mean the State Employees' Retirement System provided for in this act.

"Retirement Board." (b) "Retirement Board" shall mean the board provided for in this act to administer said Retirement System.

"State Treasurer." (c) "State Treasurer" shall mean the Treasurer of the State of Washington.

"Employer." (d) "Employer" for the purpose of this act shall mean the State of Washington.

"Member." (e) "Member" shall mean any state employee included in the membership of the Retirement System, as provided for in section 13 of this act.

"Original member." (f) "Original member" of this Retirement System shall mean a person who became a member of this Retirement System prior to April 1, 1949.

"New member." (g) "New member" of this Retirement System shall mean a person who becomes a member of this Retirement System on or after April 1, 1949.

"Appointing authority." (h) "Appointing authority" shall mean the departmental officer charged with the responsibility

of making appointments and handling all other personnel transactions affecting the employees in the agency which he represents.

(i) "Service" shall be defined by appropriate rules and regulations of the Retirement Board, but in no case shall less than ten (10) days' service in a calendar month constitute a month of service; nor shall less than six (6) months' service in a calendar year constitute one (1) year of service; nor shall more than one (1) year of service be creditable for all service in one (1) calendar year. The Retirement Board shall not allow credit as service for any period of more than one (1) month's duration, in any one (1) calendar year, during which the employee was absent without pay. "Service."

(j) "Prior service" shall mean all service as a state employee rendered prior to October 1, 1947. Service by a state employee officially assigned by the state on a temporary basis to assist another public agency, shall be considered as service as a state employee. "Prior service."

(k) "Membership service" shall mean all service, as a member, rendered after October 1, 1947. "Membership service."

(l) "Beneficiary" shall mean any person in receipt of a retirement allowance, pension or other benefit provided by this act. "Beneficiary."

(m) "Regular interest" shall mean such rate as the Retirement Board may determine, such rate not to be lower than one per cent (1%) per annum nor more than four per cent (4%) per annum compounded annually. "Regular interest."

(n) "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the Employees' Savings Fund, together with regular interest thereon. "Accumulated contributions."

(o) "Average final compensation" shall mean the average annual pay, salary, or compensation received by a member during his last five (5) years "Average final compensation."

of service as a state employee, or for any consecutive five (5) year period of service, whichever is the greater; or if he has less than five (5) years of service, then the average annual pay, salary, or compensation received by him during his total years of service. In cases where compensation is not all paid in money, the Retirement Board shall employ the maintenance compensation schedules established by the Retirement Board.

"Final compensation."

(p) "Final compensation" shall mean the annual rate of compensation, pay, or salary, earned by a member at the time of termination of his employment.

"Annuity."

(q) "Annuity" shall mean annual payments for life derived from accumulated contributions of a member and paid from the Annuity Reserve Fund as provided in this act. All annuities shall be paid in twelve (12) monthly installments.

"Pension."

(r) "Pension" shall mean annual payments for life derived from appropriations made by the employer and paid from the Employer's Accumulation Fund or the Pension Reserve Fund as provided in this act. All pensions shall be paid in twelve (12) monthly installments.

"Retirement allowance."

(s) "Retirement allowance" shall mean the sum of the annuity and the pension.

"Annuity reserve."

(t) "Annuity reserve" shall mean the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the Retirement Board, of all payments to be made on account of any annuity or benefits in lieu of any annuity, granted to a member under the provisions of this act.

"Pension reserve."

(u) "Pension reserve" shall mean the present value, computed upon the basis of such mortality, and other tables, as shall be adopted by the Retirement Board, of all payments to be made on account of any pension, or benefits in lieu of any pension,

granted to a member under the provisions of this act.

(v) "Employee" shall mean any person who may become eligible for membership under this act as set forth in section 13 hereof. "Employee."

SEC. 2. *Administration.* A State Employees' Retirement System is hereby created for the employees of the State of Washington. The administration and management of the Retirement System, the responsibility for making effective the provisions of this act, and the authority to make all rules and regulations necessary therefor are hereby vested in a Retirement Board. Administration. Retirement system created.

SEC. 3. *Retirement Board.* The Retirement Board shall consist of seven (7) members, as follows: The Insurance Commissioner, the Attorney General, the State Treasurer, the State Auditor, and three (3) state employees who shall be members of the Retirement System, and who shall be appointed by the other members of the Retirement Board in the following fashion: The original appointments shall be one (1) for a term of one (1) year, one (1) for a term of two (2) years, and one (1) for a term of three (3) years; and thereafter as the respective terms expire, each appointment shall be for a term of three (3) years: *Provided*, That not more than one (1) employee member of the Retirement Board shall be an employee of the same state department, bureau or agency. Retirement Board. Terms of first appointees. Terms at three years.

SEC. 4. (a) *Vacancy on Board—How Filled.* Any vacancy occurring ninety (90) days or more before the expiration of the term of any employee member of the Retirement Board shall be filled by appointment by the other members of the Retirement Board. The person thus appointed shall serve for the balance of the unexpired term. Vacancy on Board—how filled.

(b) *Failure of Board Members to Attend Meetings.* Any employee member of the Retirement Failure of Board members to attend meetings.

Board who fails to attend the scheduled meetings of the Retirement Board for three (3) consecutive months or longer, without valid excuse, shall be considered as having resigned from board membership and the Retirement Board shall declare his office vacated as of the adoption of a proper resolution, and proceed to fill the vacancy as herein provided.

Board—
oath of
office—
quorum.

SEC. 5. (a) *Board—Oath of Office—Quorum.* Each member of the Retirement Board, created by this act, upon his election or appointment, shall take an oath of office which shall be immediately filed in the office of the Secretary of State. A majority of the Retirement Board shall constitute a quorum for the transaction of any business at any meetings of the Board.

Board
members
serve with-
out compen-
sation.

(b) *Board Members Serve Without Compensation.* The members of the Retirement Board shall serve without compensation, but shall suffer no loss because of absence from their regular employment, and shall be reimbursed for all actual necessary expense incurred in performance of their duties in accordance with the statutes of the State of Washington.

Expenses.

Board
Chairman,
Secretary,
Actuary,
Medical
Adviser.

SEC. 6. *Board Chairman, Secretary, Actuary, Medical Adviser.* The Retirement Board shall elect from its membership a chairman and a vice-chairman, and shall appoint an executive secretary, and shall employ such other actuarial, medical, clerical, technical, and administrative employees as may be necessary for the proper operation of the Retirement System. The compensation of all persons so appointed and employed shall be fixed in accordance with the official compensation schedules.

Compensation.

Mortality,
service,
and other
tables.

SEC. 7. *Mortality, Service, and Other Tables.* The Retirement Board shall collect and keep in convenient form such data as shall be necessary for an actuarial valuation of the assets and liabilities of the Retirement System; and for making an actuarial

investigation into the mortality, service, compensation, and other experience of the members and beneficiaries of the Retirement System. At least once in each five (5) year period, the Retirement Board shall cause an actuarial investigation to be made into the mortality, service, compensation, and other experience of the members and beneficiaries of the Retirement System. Upon the basis of such actuarial investigation the Retirement Board shall adopt such tables as are deemed necessary for the proper operation of the Retirement System and for making effective the provisions of this act.

Actuarial investigation.

SEC. 8. (a) *Investment of Funds.* The members of the Retirement Board shall be the trustees of the several funds created by this act and the Retirement Board shall have full power to invest same in bonds or other obligations of the United States, the State of Washington or of any county, city, village, or school district of the state, or of any other legally constituted taxing subdivision within the state, or in revenue bonds secured by property within the State of Washington, or in mortgage bonds or notes insured by the Federal Housing Administrator, or debentures issued by such administrator or in bonds, notes, debentures, or other obligations in which both principal and interest are insured or guaranteed by the Federal government, or obligations of national mortgage associations created under the National Housing Act, or amendments thereto. All such bonds, or other obligations, shall be purchased at current market price and all such purchases shall be authorized by a resolution adopted by the Retirement Board. The Retirement Board may purchase out of the several funds hereinbefore created, appropriate contracts of life insurance or annuity from insurers duly authorized to do business in the State of Washington, if and when such purchase or purchases shall in the judgment of said Retirement

Investment of funds.

Bonds, obligations, mortgages, notes, etc.

Contracts of life insurance or annuities.

Board be appropriate or necessary to carry out the purposes of this act.

Bank deposits.

(b) *Bank Deposits.* For the purpose of meeting disbursements for annuities and other payments in excess of the receipts, there shall be kept available by the Retirement Board an amount, not exceeding ten per cent (10%) of the total amount in the funds provided for by this act, on deposit in the State Treasury.

State Treasurer custodian of funds.

SEC. 9. (a) *State Treasurer Custodian of Funds.* All bonds or other obligations purchased according to section 8 shall be forthwith placed in the hands of the State Treasurer, who is hereby designated as custodian thereof, and it shall be his duty to collect the principal thereof and the interest thereon as the same becomes due and payable, and place the same when so collected into the Retirement System's Funds herein provided for bonds or other obligations. The Retirement Board may sell any of said bonds, or other obligations upon like resolution, and the proceeds thereof shall be paid by the purchaser to the State Treasurer upon delivery to him of such bonds or other obligations by the State Treasurer.

Board may sell bonds or obligations.

Disbursements on voucher.

(b) The State Treasurer shall be the custodian of all other funds of the Retirement System and all disbursements therefrom shall be paid by the State Auditor upon vouchers duly authorized by the Retirement Board and bearing the signature of the duly authorized officer of the Retirement Board.

Deposit by Treasurer in accordance with law for state deposits.

(c) The State Treasurer is hereby authorized and directed to deposit any portion of the funds of the Retirement System not needed for immediate use in the same manner and subject to all the provisions of law with respect to the deposit of state funds by such Treasurer, and all interest earned by such portion of the said Retirement System's funds as may be deposited by the State Treasurer in pursuance of

authority herewith given shall be collected by him and placed to the credit of the Retirement Fund.

Interest credited to Retirement Fund.

SEC. 10. *No Employee Shall Gain From Investments.* Except as provided herein, no member or employee of the Retirement Board shall have any interest direct or indirect in the gains or profits of any investment made by the Retirement Board nor as such directly or indirectly receive any pay or emolument for his services. And no member or person connected with the said Retirement Board, directly or indirectly, for himself or as an agent or partner of others, shall borrow any of its funds or deposits or in any manner use the same except to make such current and necessary payments as are authorized by the Retirement Board; nor shall any member or employee of the Retirement Board become an endorser or surety or become in any manner an obligor for moneys loaned or borrowed of the Retirement Board.

No employee shall gain from investments.

Not to borrow funds or become endorser or surety.

SEC. 11. *Funds of Retirement System.* The funds hereby created are the Employees' Savings Fund, the Employer's Accumulation Fund, the Annuity Reserve Fund, the Pension Reserve Fund, the Income Fund, and the Expense Fund.

Funds of retirement system.

(a) *Employees' Savings Fund.* The Employees' Savings Fund shall be the fund in which shall be accumulated the contributions from the compensation of members for the purchase of annuities. The Retirement Board shall provide for the maintenance of an individual account with each member of the Retirement System showing the amount of the member's contributions together with interest accumulations thereon. The contributions of a member returned to him upon his withdrawal from service, or paid to his estate, or designated beneficiary in event of his death, as provided in this act, shall be paid from the Employees' Savings Fund. Any accumulated contributions forfeited by failure of a

Employees' savings fund.

Individual accounts to be kept.

Contributions paid from fund.

Transfers to
Income and
Annuity Re-
serve Funds.

member, or his estate, to claim the same as provided for in this act shall be transferred from the Employees' Savings Fund to the Income Fund. The accumulated contributions of a member, upon his retirement, shall be transferred from the Employees' Savings Fund to the Annuity Reserve Fund.

Employer's
Accumula-
tion Fund.

Accumulated
reserves
for payment
of pensions.

Employers'
contribu-
tions.

Transfers.

(b) *Employer's Accumulation Fund.* The Employer's Accumulation Fund shall be the fund in which shall be accumulated the reserves for the payment of all pensions payable as provided in this act. The amounts paid by the state because of its normal contributions and deficiency contributions shall be credited to the Employer's Accumulation Fund. The pension reserves covering pensions payable to a new member, upon his retirement, or to the beneficiaries of a new member, shall be transferred from the Employer's Accumulation Fund to the Pension Reserve Fund. Until the deficiency contributions shall have been discontinued, upon retirement of an original member, pension benefits shall be paid from the Employer's Accumulation Fund as provided in section 39. After the deficiency contributions have been paid in full, upon retirement of an original member, an amount equal to his pension reserve shall be transferred from the Employer's Accumulation Fund to the Pension Reserve Fund.

Annuity re-
serve fund.

(c) *Annuity Reserve Fund.* The Annuity Reserve Fund shall be the fund from which shall be paid all annuities, or benefits in lieu thereof, because of which reserves have been transferred from the Employees' Savings Fund to the Annuity Reserve Fund.

Pension re-
serve fund.

(d) *Pension Reserve Fund.* The Pension Reserve Fund shall be the fund from which shall be paid all pensions for new members, and benefits in lieu thereof; and when the deficiency contributions have been paid in full, all pensions for original members, and benefits in lieu thereof, shall be paid from the Pension Reserve Fund.

(e) *Income Fund.* An Income Fund is hereby created for the purpose of crediting regular interest on the amounts in the various other funds with the exception of the Expense Fund, and to provide a contingent fund out of which special requirements of any of the other funds may be covered. Transfers for such special requirements shall be made only when the amount in the Income Fund exceeds the ordinary requirements of such fund as evidenced by a resolution of the Retirement Board recorded in its minutes. The Retirement Board shall annually allow regular interest for the preceding year to each of the funds enumerated in subsection (a), (b), (c) and (d) of this section, and the amount so allowed shall be due and payable to said funds and shall be annually credited thereto by the Retirement Board and paid from the Income Fund: *Provided, however,* That interest on contributions from members within any one (1) calendar year shall begin on the first day of the calendar year next following, and shall be computed at the end of the calendar year. All income, interest, and dividends derived from the deposits and investments authorized by this act shall be paid into the Income Fund. The Retirement Board is hereby authorized to accept gifts and bequests. Any funds that may come into the possession of the Retirement System in such manner, or any funds which may be transferred from the Employees' Savings Fund by reason of lack of claimant, or because of a surplus in any fund created by this act, or any other moneys the disposition of which is not otherwise provided for herein, shall be credited to the Income Fund.

Income fund.
Interest on other funds.

Contingencies.

Transfers.

Interest to be credited annually to other funds.

Income, interest and dividends.

Gifts and unclaimed funds.

(f) *Expense Fund.* The Expense Fund shall be the fund from which shall be paid the expenses of the administration of this act, exclusive of amounts payable as retirement allowances and other benefits provided for in this act. The Retirement Board shall ascertain and shall request from the Legislature

Expense fund.

Expenses of administration of the act.

Board to request appropriation.

an appropriation equal to the amount necessary to defray and cover the expenses of administering this act during the ensuing biennium. The description of the various funds in this section shall be interpreted to refer to accounting records and not to the segregation of moneys in the State Treasury.

Report of the State Treasurer.

Statement of account in employees' savings fund furnished member.

SEC. 12. *Report of the State Treasurer—Statement of Account in Employees' Savings Fund Furnished Member.* The State Treasurer shall furnish annually to the Retirement Board a statement of the amount of the funds in his custody belonging to the Retirement System. Copies of this annual report shall be available to members upon request. The records of the Retirement Board shall be open to public inspection. Any member of the Retirement System shall be furnished with a statement of the amount to the credit of his individual account in the Employees' Savings Fund upon his written request, *provided* that the Retirement Board shall not be required to answer more than one (1) such request of any member in any one (1) year.

Membership of retirement system.

SEC. 13. *Membership of Retirement System.* Membership in the Retirement System shall consist of all monthly salaried employees and appointed and elective officials of the various departments, commissions, institutions and other agencies of the state, with the following exceptions:

Exceptions.

1. Persons in positions requiring less than one thousand (1,000) hours service a year;
2. Members of the State Legislature;
3. Persons appointed by the Governor: *Provided*, That such persons shall have the option of applying for membership and to be accepted by action of the Retirement Board;
4. Employees eligible for retirement under any existing retirement plans;

5. No employee shall be eligible for membership until he has served at least six (6) months in the employ of the state.

Qualifica-
tion.

SEC. 14. *Information Furnished By Members.* Within three (3) months after this act becomes effective, each original member, and within thirty (30) days after his employment each new member, shall submit to the Retirement Board a statement showing his name, sex, title, compensation, duties, date of birth, and length of service as a state employee, and such other information as the Retirement Board shall require. Each state employee, upon becoming a member, shall file a detailed statement of all his prior service as an employee and shall furnish such other facts as the Retirement Board may require for the proper operation of the Retirement System.

Information
furnished
by members.

SEC. 15. *Prior Service Certificate.* Subject to such rules and regulations as the Retirement Board shall adopt, the Retirement Board shall issue to each original member of the Retirement System a certificate certifying to the aggregate length of all his prior service as defined in this act. Such certificate shall be final and conclusive for retirement purposes as to such service, unless modified by the Retirement Board upon application made by the member.

Prior ser-
vice cer-
tificate.

Certificate
conclusive.

SEC. 16. *Membership Ceases.* Should any member become a beneficiary, or die, or should he separate or be separated from state service without leave of absence before attaining age sixty (60) years, except as provided in section 18, he shall thereupon cease to be a member: *Provided*, That any member who would have attained sixty (60) years or more by April 1, 1949, who shall be involuntarily separated from the state service prior to that date, with ten (10) years or more state service, shall not thereby lose his right to benefits under this act. Should he again become employed by the state he shall enter the Retirement System as a new member and his

Membership
ceases.

Reemploy-
ment.

membership service shall be computed from the date he last became a member.

Service creditable.

SEC. 17. *Service Creditable.* At retirement the total service credited to a member shall consist of all his service as such employee since he last became a member, and, if he has a prior service certificate which is in full force and effect, all service certified on such prior service certificate.

Credit for war service.

SEC. 18. *Credit for War Service.* A member of the Retirement System who has served or shall serve on active Federal service in the military or naval forces of the United States in time of war or emergency, declared by competent Federal authority, who within one (1) year from termination of such active Federal service, shall resume employment as a state employee, shall have his service in such armed forces credited to him as a member of the Retirement System. During the period of such service of a member, his contributions to the employees' savings fund shall be suspended and the balance in the employees' savings fund standing to his credit as of the last payroll date preceding his leave of absence from the service of his department shall be accumulated at regular interest.

Resumption of service.

Contributions suspended during service.

Optional retirement.

SEC. 19. (a) *Optional Retirement.* On and after April 1, 1949, any member who has attained age sixty (60) or over may retire upon his written application to the Retirement Board, setting forth at what time, not less than thirty (30) days, nor more than ninety (90) days subsequent to the execution and filing thereof, he desires to be retired: *Provided*, That in the national interest, during time of war engaged in by the United States, the Retirement Board may extend beyond age sixty (60), subject to the provisions of subsection (b) of this section, the age at which any member may be eligible to retire.

Time of war.

Compulsory retirement.

(b) *Compulsory Retirement.* On and after April 1, 1949, any member who has attained age sixty-five

(65) shall be retired forthwith or on the first day of the calendar month next succeeding that in which the said member shall have attained the age of sixty-five (65): *Provided*, That upon application of a member who has attained age sixty-five (65), the retirement board may continue such member in service for such periods as the Retirement Board may determine to be necessary.

May be continued in service by Board.

(c) *Service Retirement*. Includes prior service and membership service. On and after April 1, 1949, any member who has completed thirty-five (35) years of service may retire on his written application to the Retirement Board, if he so desires, subject to war measures.

Service retirement.

May retire after thirty-five years' service.

SEC. 20. *Service Retirement Allowance*. Upon retirement from service, as provided for in section 19, a member shall receive a service retirement allowance which shall consist of:

Service retirement allowance.

(a) *Annuity*. An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and

Annuity.

(b) *Basic Service Pension*. A basic service pension, subject to the provisions of paragraph (e) of this section, of one hundred dollars (\$100) per annum; and

Basic service pension.

(c) *Membership Service Pension*. A membership service pension, subject to the provisions of paragraph (e) of this section, which shall be equal to one one-hundred fortieth of his average final compensation for each year of membership service credited to his service account, not to exceed thirty-five (35) years: *Provided*, That the membership service pension when added to the basic service pension, provided for in paragraph (b) of this section, shall not exceed nine hundred dollars (\$900) per annum; and

Membership service pension.

Maximum.

(d) *Prior Service Pension*. A prior service pension which shall be equal to one-seventieth of his average final compensation for each year of prior

Prior service pension.

Total service not to exceed thirty-five years.

service not to exceed fifteen (15) years credited to his service accounts: *Provided*, That if the membership service when added to the prior service exceeds thirty-five (35) years, then the membership service shall be reduced so that the total of membership service and prior service is not greater than thirty-five (35) years: *Provided further*, That the total pension portions, provided by the employer under paragraphs (a), (b), (c) and (d) of this section, shall not exceed eighteen hundred dollars (\$1800) per annum.

Total pension portions not to exceed \$1800.00 annually.

Minimum years service of new member for pension.

(e) *Minimum Years Service of New Member for Pension.* To be eligible to receive the pension portions provided by the employer under paragraphs (b) and (c) of this section, a new member must have at least ten (10) years of membership service credited to his service account, unless he, or his dependents as defined in this act, becomes eligible for benefits provided for herein under sections 21, 22 and 23.

Duty disability.

SEC. 21. *Duty Disability.* Subject to the provisions of sections 33 and 34, upon application of a member, or his department head, a member who becomes totally incapacitated for duty as the natural and proximate result of the actual performance of duty, while in the service of the State of Washington, without wilful negligence on his part, shall be retired: *Provided*, The Medical Adviser after a medical examination of such member shall certify in writing that such member is mentally or physically totally incapacitated for the further performance of his duty to the state and that such member should be retired: *And Provided Further*, That the Retirement Board concurs in the recommendation of the Medical Adviser.

Certification by medical examiner.

Board to concur.

Duty disability retirement allowance for disability after age sixty (60).

SEC. 22. *Duty Disability Retirement Allowance for Disability After Age Sixty (60).* Upon retirement for disability, as provided in section 21, a member

who has attained age sixty (60) shall receive a service retirement allowance as provided for in section 20.

SEC. 23. *Duty Disability Pension for Disability Before Age Sixty (60)*. Upon retirement for disability, as provided in section 21, a member who has not attained age sixty (60) shall receive the following benefits, subject to the provisions of sections 32 and 33.

Duty disability pension for disability before age sixty (60).

(a) *Benefits to Age Sixty (60)*. A disability retirement pension of two-thirds of his average final compensation from the date of his application for disability benefits to his attainment of age sixty (60), subject to the provisions of section 32. The disability retirement pension provided by the employer shall not exceed eighteen hundred dollars (\$1800) per annum; and

Benefits to age sixty (60).

Maximum.

(b) *Benefits After Age Sixty (60)*. Upon attaining age sixty (60), the disabled member shall receive a pension, as provided for in section 20, paragraphs (b), (c), (d) and (e), together with an annuity which shall be the equivalent of the annuity he would have received had he continued contributions to the Employees' Savings Fund; said contribution to be based upon his final compensation at the time of his disability.

Benefits after age sixty (60).

(c) *Contributions to and Balance in Employees' Savings Fund*. During the period a disabled member is receiving a disability pension, as provided for in paragraph (a) of this section, his contributions to the Employees' Savings Fund shall be suspended and his balance in the Employees' Fund, standing to his credit as of the date his disability pension is to begin, shall remain in the Employees' Savings Fund: *Provided*, That if the disabled member should die before attaining age sixty (60), while a disability beneficiary, his accumulated contributions standing to his credit in the Employees' Savings Fund, shall be paid

Contributions to and balance in employees' savings fund.

Contribution suspended during disability.

Accumulated contributions paid on death.

to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Board, or if there be no such designated person or persons, then to his legal representative.

Non-duty disability.

SEC. 24. *Non-Duty Disability.* Subject to the provisions of sections 33 and 34, upon application of a member, or his department head, a member who has been a state employee at least fifteen (15) years becomes totally and permanently incapacitated for duty as the result of causes occurring not in the performance of duty to the state, may be retired by the Retirement Board: *Provided*, The Medical Adviser, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty, and such incapacity is likely to be permanent and that such member should be retired.

Fifteen years service.

Certification by medical examiner.

Non-duty disability retirement allowance for disability after age sixty (60).

SEC. 25. *Non-Duty Disability Retirement Allowance for Disability After Age Sixty (60).* Upon retirement for disability, as provided in section 24, a member who has attained age sixty (60) shall receive a service retirement allowance as provided in section 20.

Non-duty disability retirement allowance for disability before age sixty (60).

SEC. 26. *Non-Duty Disability Retirement Allowance for Disability Before Age Sixty (60).* Upon retirement for disability, as provided in section 24, a member who has not attained age sixty (60) shall receive a disability retirement allowance, subject to the provisions of sections 32 and 33, from the date of his application for disability benefits to his attainment of age sixty (60). Upon attaining age sixty (60) he shall receive a service retirement allowance as provided for in section 20. His disability retirement allowance prior to age sixty (60) shall consist of:

Before reaching 60 years of age.

After reaching 60 years of age.

(a) *Annuity.* An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and Annuity.

(b) *Pension.* A pension, in addition to the annuity, equal to one one-hundred fortieth of his average final compensation for each year of service as a state employee not to exceed thirty-five (35) years. The pension provided by the employer under this paragraph shall not exceed fifteen hundred dollars Pension.

(\$1500) per annum; and the total disability retirement allowance, consisting of paragraphs (a) and (b) of this section, shall not exceed eighteen hundred dollars (\$1800) per annum, or one-half of the retiring member's average final compensation whichever is the smaller. Maximums.

SEC. 27. Refund of Contributions on Withdrawal from Service Before Retirement. Should a member cease to be an employee before attaining age sixty (60), or after such age but before becoming eligible for benefits, for reasons other than his disability or death as provided in sections 21, 22, 23, 24, 25, 26 and 28, he shall be paid all or part of the contributions standing to his credit in the Employees' Savings Fund, with regular interest additions, as he shall demand in writing upon forms furnished by the Retirement Board, subject to the provisions of section 30. Any person who has withdrawn his contributions from the Employees' Savings Fund, as provided for in this section, and who again becomes a member, may restore to the Employees' Savings Fund all or part of such contributions previously withdrawn by him. Refund of contributions on withdrawal from service before retirement.

SEC. 28. Refund of Contributions on Death Before Retirement. Subject to the provisions of sections 21, 22, 23, 24, 25 and 26, should a member die before his service retirement becomes effective, as provided in sections 19, 20 and 21, the amount of the accumulated contributions standing to his credit in the Employees' To be paid all or part on demand.

Savings Fund, at the time of his death, shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Board, or if there be no such designated person or persons, then to his legal representatives.

Board may withhold refunds of contributions.

Not over six months.

Optional allowances.

SEC. 29. *Board May Withhold Refunds of Contributions.* The Retirement Board may, in its discretion, withhold payment of all or part of a member's contributions for not more than six (6) months after a member has ceased to be an employee.

SEC. 30. *Optional Allowances.* No option election shall be effective in case a member dies within thirty (30) days after the date his retirement becomes effective; such a member shall be considered an active member at the time of his death. Prior to the effective date of his retirement, any member may elect to receive his benefit in a retirement allowance payable throughout life (to be known as a regular retirement allowance); or he may elect to receive the actuarial equivalent at the time of his regular retirement allowance in reduced retirement allowance payable throughout life in accordance with the provisions of options I, II, and III, as hereinafter set forth:

Option I. Cash refund annuity.

Option I. *Cash Refund Annuity.* If he dies before the total of the annuity portions of the retirement allowance paid to him equals the amount of his accumulated contributions at the time of retirement, then the balance shall be paid to such person or persons having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Board, or if there be no such designated person or persons, then to his legal representatives; or

Option II. Joint and last survivorship allowance.

Option II. *Joint and Last Survivorship Allowance.* Upon his death his reduced retirement allowance shall be continued throughout the life of

and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Board at the time of his retirement; or

Option III. *Modified Joint and Last Survivorship Allowance.* Upon his death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Board at the time of his retirement.

Option III.
Modified
joint and
last surviv-
orship al-
lowance.

SEC. 31. *Benefits Offset by Workmen's Compensation or Similar Benefits.* Any amounts which may be paid or payable under the provisions of any workmen's compensation, or pension, or similar law to a member, or to the dependents of a member on account of any disability or death, shall be offset against and payable in lieu of any benefits payable from funds provided by the employer under the provisions of this act on account of the same disability or death. In case the present value of the total benefits under said workmen's compensation, pension, or similar law, is less than the pension reserve for the benefit otherwise payable from funds provided by the employer under the provisions of this act, then the present value of such payments shall be deducted from the pension reserve and such benefits as may be provided by the pension reserve so reduced, shall be payable under the provisions of this act.

Benefits off-
set by work-
men's com-
pensation or
similar
benefits.

Deductions
from pension
reserve.

SEC. 32. (a) *Reexamination of Disability Beneficiaries.* Once each year during the first five (5) years following the retirement of a member on a disability pension or retirement allowance, and at least once in every three (3) year period thereafter the Retirement Board may, and upon the member's

Reexamina-
tion of dis-
ability bene-
ficiaries.

Periodic
medical
examination.

Discontinu-
ance of pen-
sion on re-
fusal to
submit.

If capable of
resuming
employment
member to
be restored
to service
and allow-
ances cease.

Benefits off-
set by earn-
ings of dis-
ability
beneficiary.

Dependent
upon
amount
earned.

Disability
beneficiary
restored to
service
again
becomes
member.

application shall, require any disability beneficiary, who has not attained age sixty (60) years, to undergo a medical examination; such examination to be made by or under the direction of the medical adviser at the place of residence of said beneficiary, or other place mutually agreed upon. Should any disability beneficiary, who has not attained age sixty (60) years, refuse to submit to such medical examination in any such period, his disability pension or retirement allowance may be discontinued until his withdrawal of such refusal, and should such refusal continue for one (1) year, all his rights in and to his disability pension, or retirement allowance, may be revoked by the Retirement Board. If upon such medical examination of a disability beneficiary, the medical adviser reports and his report is concurred in by the Retirement Board, that the disability beneficiary is physically able and capable of resuming employment, he shall be restored to active service with the state and his disability pension or retirement allowance shall cease.

(b) *Benefits Offset by Earnings of Disability Beneficiary.* Should the secretary report and certify to the Retirement Board that such disability beneficiary is engaged in a gainful occupation paying more than the difference between his disability retirement allowance and his final compensation, and should the Retirement Board concur in such report, then the amount of his pension shall be reduced to an amount which, together with his annuity, if he has an annuity, and the amount earned by him shall equal the amount of his final compensation. Should the earnings of such disability beneficiary be later changed, the amount of his pension shall be further modified in like manner.

SEC. 33. *Disability Beneficiary Restored to Service Again Becomes Member.* A disability beneficiary who has been or shall be reinstated to active

service, as provided in section 32, shall from the date of such restoration again become a member of the Retirement System; and he shall contribute to the Retirement System in the same manner as prior to his disability retirement. Upon restoration of such disability beneficiary to active service, his annuity reserve, at the time of such restoration to active service, shall be transferred from the Annuity Reserve Fund to the Employees' Savings Fund and credited to his individual account in the Employees' Savings Fund. Any prior service and membership service, on the basis of which his retirement allowances were computed at the time of his retirement, shall be restored to full force and effect, and, except in the case of retirement for non-duty disability as provided in section 24, he shall be given membership service for the period of time he was out of service due to such disability.

SEC. 34. *Members' Deductions.* Beginning October 1, 1947, each state employee who is a member of the Retirement System shall contribute five per cent (5%) of that part of his compensation earnable, not in excess of thirty-six hundred dollars (\$3600) per annum, to the Employees' Savings Fund, and shall contribute one dollar and fifty cents (\$1.50) per annum to the Expense Fund; compensation earnable, as herein used, shall mean salary or wages received during a payroll period for personal services. The officer responsible for making up the payroll shall deduct from the compensation of each member, on each and every payroll of such member for each and every payroll period subsequent to the date which he became a member of the Retirement System, an amount equal to five per cent (5%) of such member's compensation earnable, provided that the amount of a member's compensation earnable in excess of thirty-six hundred dollars (\$3600) per annum shall not be considered.

Deductions to cease when \$180.00 has been paid during year.

Determination of amount earnable.

Members agree to deductions.

Deemed to agree.

Transmittal of total of members' deductions.

The Retirement Board may accept contributions provided for in this act on any salary or salaries earned during any payroll period or periods without regard to the maximum salary provisions, provided deductions cease entirely for the remainder of the calendar year if and when the total contributions deducted from a member's salary for the Employees' Savings Fund for such calendar year equal one hundred eighty dollars (\$180). In determining the amount earnable by a member in a payroll period, the Retirement Board and the department head may consider the rate of compensation payable to such member on the first day of the payroll period as continuing through such payroll period, and deductions may be omitted from such compensation for any period less than a full payroll period, if an employee was not a member on the first day of the payroll period.

SEC. 35. *Members Agree to Deductions.* The deductions from the compensation of members, provided for in section 34 of this act, shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for in this act and shall receipt in full for his salary or compensation, and payment less said deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to benefits provided for under this act.

SEC. 36. *Transmittal of Total of Members' Deductions.* The officer responsible for making up the payroll shall transmit promptly to the Retirement Board at the end of each and every payroll period a copy of the original payroll voucher or such other payroll report as the Retirement Board may require

showing thereon all deductions for the Retirement System made from the salary earnable of each member, together with warrants or checks covering the total of such deductions. The Retirement Board after making a record of all such receipts shall pay them to the State Treasurer for use according to the provisions of this act.

SEC. 37. *Employer's Accumulation Fund for New Members.* Upon the basis of such mortality tables, regular interest, and other tables, as the Retirement Board shall adopt, the actuary shall compute the amount of contributions which if paid annually during the entire prospective state service of a new member, would be sufficient to provide for the pension reserve required, at the time of his discontinuance of a state service, to cover the pensions to which he might be entitled, or which might be payable because of his state service as a member, and for the amount of cash benefits payable on his account by the state. The aggregate amount due to the Employer's Accumulation Fund shall be the sum of all such contributions for all new members who were in the Retirement System during the preceding fiscal year. The Retirement Board shall ascertain and shall report to the head of each department, agency, commission and office whose employees are subject to the Retirement System created by this act the amount necessary to defray the state's part of the costs of this act for employees in their respective departments, agencies, commissions and offices for the ensuing biennium. It shall be the duty of each such department, agency, commission and office to include in their budgets and requests for legislative appropriations the amount so ascertained. The Retirement Board shall voucher each department, agency, commission and office at the end of each month for the amount due for the current month, and the vouchers shall be approved

Employer's accumulation fund for new members.

Actuary to ascertain necessary contributions.

Reports to Departmental heads.

Inclusion in budget for appropriation.

Voucher to Departmental head.

Transfers from funds.

Deficiencies to be made up in next budget.

Employer's for original accumulation fund members.

Actuary to compute contributions.

and warrants issued and paid as other financial obligations of the department, agency, commission or office are paid. Upon retirement of a new member, or upon his death in the performance of duty, an amount equal to the pension reserve for the pension payable by the state, on account of his previous service as a member, shall be transferred from the Employer's Accumulation Fund to the Pension Reserve Fund. The cash benefits payable by the state, under the provisions of this act, to or upon the death of a new member in active service shall be paid from the Pension Reserve Fund. If the amounts in either the Employer's Accumulation Fund or the Pension Reserve Fund be insufficient to promptly make such transfers and payments, the amount of such insufficiency, as determined by the Retirement Board, shall be provided by the state in its budget for the next succeeding biennium.

SEC. 38. *Employer's Accumulation Fund for Original Members.* Upon the basis of such mortality tables, regular interest, and other tables, as the Retirement Board shall adopt, the actuary shall annually compute the amount of single contribution which if paid into the Employer's Accumulation Fund would be sufficient to cover the total liability assumed by the Employer's Accumulation Fund on account of the payment of pensions and other benefits, provided for under this act, for original members. Until the amount accumulated in the Employer's Accumulation Fund becomes not less than an amount sufficient to cover the total liability for accrued service rendered by new members, and the total liability for accrued service rendered by original members, and the total liability for pensions being paid to beneficiaries out of the Employer's Accumulation Fund, the aggregate amount annually due to the Employer's Accumulation Fund, beginning April 1, 1949, for all original members shall be

five per cent (5%) of the total annual pay or salary received during the preceding fiscal year by original members. The Retirement Board shall ascertain and shall report to the head of each department, agency, commission and office whose employees are subject to the Retirement System created by this act the amount necessary to defray the state's part of the costs of this act for employees in their respective departments, agencies, commissions and offices for the ensuing biennium. It shall be the duty of each such department, agency, commission and office to include in their budgets and requests for legislative appropriations the amounts so ascertained. The Retirement Board shall voucher each department, agency, commission and office at the end of each month for the amount due for the current month, and the vouchers shall be approved and warrants issued and paid as other financial obligations of the department, agency, commission or office are paid.

Board to report to heads of departments.

States share to be included in budgets.

Board to voucher each department, etc.

SEC. 39. *Exemption Clause.* The right of a person to a pension, an annuity, or retirement allowance, any optional benefit, any other right accrued or accruing to any person under the provisions of this act, the various funds created by this act, and all moneys and investments and income thereof, are hereby exempt from any state, county, municipal, or other local tax, and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, and shall be unassignable except as in this act specifically provided.

Exemption clause.

Not subject to execution, garnishment, insolvency laws, assignment, etc.

SEC. 40. *Correction of Errors.* Should any change or error in the records result in any member or beneficiary receiving from the Retirement System more or less than he would have been entitled to receive had the records been correct, the Retirement Board shall correct such error, and, as far as

Correction of errors.

practicable, shall adjust the payment in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was correctly entitled shall be paid.

Penalty for false statements.

SEC. 41. *Penalty for False Statements.* Any person who shall knowingly make any false statements, or shall falsify or permit to be falsified any record or records of this Retirement System in any attempt to defraud the Retirement System as a result of such act, shall be guilty of a gross misdemeanor.

Appropriation.

SEC. 42. *Appropriation.* There is hereby appropriated for the biennium ending March 31, 1949, from the General Fund of the State of Washington, the sum of one hundred thousand dollars (\$100,000) or as much thereof as shall be found necessary. The money is to be allocated to the Expense Fund, as provided for in section 11 of this act, and is to be used to actuate and carry out the provisions of this act.

Enabling clause.

Political subdivisions and employees thereof may participate.

SEC. 43. *Enabling Clause.* The employees of any political subdivision of the state with five (5) or more employees may become members of the Retirement System by the approval of the local legislative authority. Each such political subdivision becoming an employer under the meaning of this act shall share in the expense of operating the system in an amount directly proportional to the entire expense as the ratio of the number of its members to the number of members in the entire system; and shall contribute to the Employer's Accumulation Fund in accordance with the provisions of this act. Employees of a political subdivision of the state shall contribute to the Employees' Savings Fund at the same rate used for state employees. For the purpose of administering and interpreting this act the Board may substitute the names of political subdivisions of the state for the "State" and em-

Board may make act fit such agencies.

ployees of the subdivisions for "State Employees" wherever such terms appear in this act. The Board may also alter any dates mentioned in this act for the purpose of making the provisions of this act applicable to the entry of any political subdivisions into the system. Any member transferring employment to another political subdivision which is covered by the Retirement System may continue as a member without loss of previously earned pension and annuity benefits. The Board shall keep such accounts as are necessary to show the contributions of each political subdivision to the Employer's Accumulation Fund and shall have the power to debit and credit the various accounts in accordance with the transfer of the members from one employer to another. At such time as the membership from political subdivisions is sufficiently large to warrant representation on the Board, the Retirement Board may appoint one county member and/or one city member to the Board in place of two of the state employees' members provided for in this act.

Transfers of membership.

Board to keep account, for such subdivision.

May have representation on Board.

SEC. 44. *Saving Clause.* If any provision, sentence, clause, phrase or word contained in this act shall be found to be invalid or inoperative, or shall be held by any Court to be unconstitutional, the remainder of this act shall nevertheless continue in full force and effect, it being the legislative intent that this act shall stand notwithstanding the invalidity of any provision or section thereof.

Saving clause.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 275.

[S. B. 194.]

GAME CODE.

AN ACT relating to and providing for the protection, propagation, purchase, importation, domestication, and distribution of wild animals, wild birds and game fish, and the hunting or fishing therefor; creating certain offices and defining the regulatory powers and duties of the State Game Commission and the Director of Game; providing for the acquisition and management of lands by the State Game Commission for game animal, game bird and game fish purposes, including public hunting and fishing areas and for the licensing of hunters, fishermen, trappers, fur-dealers and taxidermists; defining unlawful acts; prescribing penalties and repealing certain acts.

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

CHAPTER I

DEPARTMENT OF GAME

Title.

SECTION 1. This act shall be known and may be cited as the "Game Code of the State of Washington."

Department and Director of Game.

SEC. 2. The Department of Game shall consist of the State Game Commission and the Director of Game. The Director of Game shall have charge and general supervision of the Department of Game and may appoint and employ such Game Protectors, Deputy Game Protectors, and such clerical and other assistants as may be necessary for the general administration of the Department.

Eligibility as Director.

No person shall be eligible to appointment as Director of Game unless he has practical knowledge of the habits and distribution of the wild animals, wild birds and game fish of this state.

Appointment of commission by Governor.

SEC. 3. The Governor shall appoint a State Game Commission, which shall consist of six electors of the state, to hold office for terms of six years each from the date of their appointment, or until

their successors are appointed and qualified, unless sooner removed as hereinafter provided. At least three of them shall be residents of that portion of the state lying east of the summit of the Cascade Mountains, and at least three shall be residents of that portion of the state lying west of the summit of the Cascade Mountains. No two members shall be residents of the same county.

Residence
qualifications
for Commis-
sioners.

Of the members of the Commission first appointed, two, one of whom resides east of the summit of the Cascade Mountains and one of whom resides west of the summit of the Cascade Mountains, shall be appointed for a term of six years each; two, one of whom resides east of the summit of the Cascade Mountains, and one of whom resides west of the summit of the Cascade Mountains, shall be appointed for a term of four years each; and two, one of whom resides east of the summit of the Cascade Mountains and one of whom resides west of the summit of the Cascade Mountains, shall be appointed for a term of two years each.

Terms.

SEC. 4. No person shall be eligible to appointment as a member of the State Game Commission unless he has general knowledge of the habits and distribution of wild animals, wild birds and game fish in the state, or who holds any other state, county, or municipal elective or appointive office.

Eligibility
of Commis-
sioners.

SEC. 5. The Governor may remove any Game Commissioner for inefficiency, neglect of duty, or misconduct in office, giving him a copy of the charges against him, and an opportunity of being publicly heard in person, or by counsel in his own defense, upon not less than ten days' notice. If such Commissioner is removed, the Governor shall file in the office of the Secretary of State a complete statement of all charges made against the Commissioner and his findings thereon, together with a

Removal
of Commis-
sioners.

Notice.

complete record of the proceedings, and there shall be no right of review in any Court whatsoever.

Meetings.

SEC. 6. The State Game Commission shall hold regular meetings on the first Mondays of January, April, July, and October of each year, and special meetings at such times as may be called by the chairman or by two-thirds majority of the members.

Organization.

The Commission at its first regular meeting after the appointment and qualification of its membership, shall meet at the State Capitol and organize by electing one of its members as chairman to serve for a term of two years, and until his successor is elected and qualified, and biennially thereafter the Commission shall meet at its office and elect one of its members as chairman, who shall serve for a term of two years and until his successor is elected and qualified.

Commission may elect Director.

At such meeting, and at any other meeting after a vacancy in the office of Director of Game has occurred, the Commission shall elect a Director of Game by a two-thirds vote of its membership, who shall hold office at the pleasure of the Commission. The Director shall receive such salary, not to exceed seven thousand five hundred dollars (\$7,500) per year, as shall be fixed by the Commission. The said Director shall be ex-officio secretary of the State Game Commission, attend its meetings, keep a record of the business transacted by it, and perform such other duties as the Commission may direct.

Salary of Director.

Compensation of Commissioners.

Each member of the Commission shall receive ten dollars (\$10) for each day actually spent in the performance of his duties and his actual necessary travelling and other expenses in connection therewith, including all expenses in going to, attending, and returning from meetings of the Commission.

Expenses.

The Commission shall, on or before the last Monday of October in each even numbered year,

make a full and complete report of the official business transacted by it, which report shall be published in pamphlet form.

Reports
of official
business.

The Commission shall maintain its office in the principal office of the Department of Game.

Commission
office.

SEC. 7. The Director, all appointees and employees of the Game Department who have the power of arrest, and such other employees or classes of employees as the Director shall designate, shall give bond with good and sufficient surety, in amounts fixed and to be approved by the Director of Game, conditioned for the faithful discharge of their respective duties and to account for all funds and property coming into their possession, and shall take, subscribe, and file the oath required of state officers, such bonds and oaths to be filed with the State Auditor. The cost of such bonds shall be paid from the State Game Fund.

Bonds.

Oaths.

Cost of
bonds.

SEC. 8. The Director of Game shall exercise all powers and perform all duties prescribed by law, and rules and regulations of the Commission.

Duties of
Director.

CHAPTER II

DEFINITIONS

SEC. 9. As used in this act or in any rule or regulation of the State Game Commission:

Definitions.

"Director" means the Director of Game.

"Director."

"Department" means the Department of Game.

"Depart-
ment."

"Commission" means the State Game Commission.

"Commis-
sion."

"Person" means and includes any individual, any corporation, or any group of two or more individuals acting together to forward a common purpose whether acting in an individual, representative, or official capacity.

"Person."

"Hunt" and its derivatives, "hunting," "hunted," etc., and "trap" and its derivatives, "trapping,"

"Hunt."
"Hunting,"
"hunted,"
etc.
"Trap."

"Trapping,"
"trapped,"
etc.

"trapped," etc., means any effort to kill, injure, capture, or disturb a wild animal or wild bird.

"Fish."
"Fishing,"
"fished," etc.

"Fish" and its derivatives, "fishing," "fished," etc., means any effort made to kill, injure, disturb, capture, or catch a game fish.

"Closed
season."

"Closed season" means all of the time during the entire year excepting the "open season" as specified by rule and regulation of the Commission.

"Open
season."

"Open season" means the time specified by rule and regulation of the Commission when it shall be lawful to hunt, trap, or fish for any game animals, fur-bearing animals, game birds, or game fish. Each period of time specified as an open season shall include the first and last days thereof.

"Closed
area."

"Closed area" means any place in the state described or designated by rule and regulation of the Commission wherein it shall be unlawful to hunt or trap for game animals, fur-bearing animals, or game birds.

"Closed
waters."

"Closed waters" means any lake, river, stream, body of water, or any part thereof within this state described or designated by rule and regulation of the Commission wherein it shall be unlawful to fish for any game fish.

"Game
Reserve."

"Game Reserve" means any "closed area" designated by the Commission as a game reserve.

"Game Fish
Reserve."

"Game Fish Reserve" means any "closed waters" designated by the Commission as a game fish reserve.

"Bag limit."

"Bag limit" means the maximum number of game animals, game birds, fur-bearing animals, or game fish which may be taken, caught, killed, or possessed by any licensee, specified and fixed by rule and regulation of the Commission for any particular period of time, or so specified and fixed as to size, sex, or species.

"Game fish."

SEC. 10. As used in this act or in any rule or regulation of the Commission, "game fish" include

any *Salmo gairdnerii* commonly known as rainbow trout, *Salmo clarkii* commonly known as cutthroat trout (coastal), *Salmo gairdnerii* commonly known as steelhead, *Salvelinus fontinalis* commonly known as Eastern brook trout, *Oncorhynchus nerka* (kennerly) commonly known as silver trout, *Cristivomer namaycush* commonly known as mackinaw trout, *Micropterus salmoides* commonly known as largemouth black bass, *Micropterus dolomieu* commonly known as small-mouth black bass, *Prosopium williamsoni* commonly known as white fish, *Perca flavescens* commonly known as yellow perch, *Pomoxis annularis* commonly known as white crappie, *Pomoxis sparoides* commonly known as black crappie, *Helioperca incisor* commonly known as bluegill sunfish, *Eupomotis gibbosus* commonly known as Pumpkinseed sunfish, *Ameiurus nebulosus* commonly known as catfish, *Thymallus montanus* commonly known as Montana grayling, *Salvelinus malma spectabilis* commonly known as Dolly varden trout or Western charr or bull trout, *Salmo clarkii lewisi* commonly known as cutthroat trout, or Montana black-spotted trout, *Salmo gairdnerii kamloops* commonly known as Kamloops trout or Rainbow trout, *Salmo trutta* commonly known as brown trout, *Ambloplites rupestris* commonly known as Northern rock bass, *Ameiurus melas* commonly known as black catfish and Golden trout.

Game fish
classified
and named.

CHAPTER III

POWERS AND DUTIES OF THE COMMISSION

SEC. 11. The wild animals and wild birds in the State of Washington and the game fish in the waters thereof are the property of the State of Washington. The game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, and game fish shall be preserved, protected, and perpetuated, and to that end such game animals, fur-bearing ani-

Powers and
duties of the
Commission.

Property
of state.

Supply not to be impaired.

mals, game birds, non-game birds, harmless or song birds, and game fish shall not be taken at such times or places, by such means, in such manner, or in such quantities as will impair the supply thereof.

Commission to classify wild animals and wild birds.

SEC. 12. The Commission shall, from time to time, investigate and determine the habits and distribution of the various species of wild animals, wild birds, and game fish native to or capable of being adapted to the climatic conditions of the state, and classify the wild animals as game animals, predatory animals, and fur-bearing animals, and classify the wild birds as game birds including migratory game birds and upland game birds, predatory birds, non-game birds, and harmless or song birds.

Commission to regulate propagation, preservation, distribution, etc.

SEC. 13. The Commission may regulate the propagation and preservation of all game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, and game fish, and the collection of game fish spawn, and the distribution thereof, and the distribution of fry and adult game fish in any of the rivers, lakes, and streams of the state, and may import such spawn, fry, and adult fish as may be deemed advisable, and, when so propagated, taken, or imported, distribute the same to the various counties as necessities and adaptabilities may require.

Importation, sale and transportation.

The Commission may authorize or prohibit the importation of wild animals, wild birds and game fish, and regulate and license the sale and transportation thereof within the state.

Rules and regulations governing time, place, manner of taking.

SEC. 14. The Commission shall, from time to time, adopt, promulgate, amend, or repeal, and enforce, reasonable rules and regulations governing the time, place and manner, or prohibiting the taking of the various classes of game animals, fur-bearing animals, and predatory animals, game birds, predatory birds, non-game birds, and harmless or song birds, and game fish in the respective areas and throughout the

state and the quantities, species, sex and size of such animals, birds and fish that may be taken.

The Commission may establish within this state by rule and regulation game reserves and closed areas wherein all hunting and trapping for game animals, game birds and fur-bearing animals, may be prohibited and game fish reserves and closed waters wherein all fishing for game fish may be prohibited.

Game reserves, closed areas, closed waters may be established.

SEC. 15. All rules and regulations adopted by the Commission and all amendments to, modifications or repeals of existing rules and regulations, shall be adopted by a vote of two-thirds of the entire membership of the Commission at any meeting by resolution, entered and recorded in the minutes of the Commission, and shall be published at the State Capitol. The Commission, in its discretion, may direct the publication of any such rules and regulations in other newspapers of the state by providing therefor in such resolution.

Adoption of rules and regulations.

Publication.

Any copy of such resolution, certified as a true copy by any member of the Commission or the Director, or the Assistant Director, or by any person authorized in writing by the Director to make such certification, shall be admissible in any court as *prima facie* evidence of the adoption, promulgation, and validity of any such rule or regulation.

Certified copy is *prima facie* evidence.

SEC. 16. The Director, all Game Protectors, and all Deputy Game Protectors may serve and execute all warrants and process issued by the Courts in enforcing the provisions of law and all rules and regulations of the Commission pertaining to wild animals, wild birds, and game fish.

Warrants and process.

For the purpose of enforcing any such law or rule or regulation, they may call to their aid any Sheriff, Deputy Sheriff, Constable, Police Officer, or citizen and any such person shall render such aid.

Assistance for officers.

Enforcement
by officers.

SEC. 17. Every Game Protector, Deputy Game Protector, Sheriff, Constable, Marshal, and Police Officer within his respective jurisdiction, shall enforce all laws and rules and regulations adopted by the Commission for the protection of game animals, fur-bearing animals, game birds, non-game birds, harmless or song birds, and game fish, and the Police Officers specified, and United States Game Wardens, any Forest Officer, appointed by the United States government, State Forest Wardens and Rangers, and each of them, by virtue of their election or appointment, are constituted ex-officio deputy game protectors within their respective jurisdictions.

Arrest
without
warrant.

SEC. 18. Any Game Protector, Deputy Game Protector, or ex-officio Game Protector may, without warrant, arrest any person found violating any law enacted, or any rule or regulation adopted and promulgated by the Commission, pertaining to wild animals, wild birds and game fish.

Searches.

SEC. 19. Any member of the Commission, the Director, and any Game Protector, Deputy Game Protector, or ex-officio Game Protector may search without warrant, any conveyance, vehicle, game bag, game basket, game coat or other receptacle for game animals, game birds, or game fish, or any package, box, tent, camp, or other similar place which he has reason to believe contains evidence of violations of law or rules and regulations of the Commission.

Seizures.

SEC. 20. Any member of the Commission, the Director, and all Game Protectors, Deputy Game Protectors, and ex-officio Game Protectors, may seize without warrant all wild birds, wild animals, game fish, or parts thereof, taken, killed, transported, or possessed contrary to law, or rule or regulation of the Commission, and any dog, gun, trap, net, seine, decoy, bait, boat, light, fishing tackle, or other device unlawfully used in hunting, fishing, or trapping, or

Confiscation.

held with intent to use unlawfully in hunting, fishing, or trapping. The Justice of the Peace in either of the two nearest incorporated cities or towns nearest the place the seizure is made shall have power and jurisdiction in any prosecution for unlawfully hunting, fishing, or trapping, in addition to any other penalty provided by law, to forfeit for the use of the Commission, any wild animal, wild bird, or game fish, and any article or dog so seized and proved to have been unlawfully used or held with intent unlawfully to use. In case it appears upon the sworn complaint of the officer making the seizure that any articles seized were not in the possession of any person, and that the owner thereof is unknown, the Court shall have power and jurisdiction to forfeit such article so seized upon a hearing duly had after service of summons, describing the articles seized, upon the unknown owner by publication in the manner provided by law for the service of summons by publication in civil actions. All dogs, guns, traps, nets, seines, decoys, baits, boats, lights, fishing tackle, or other devices seized under the provisions of this act, unless forfeited by order of the Court, shall be returned, after the completion of the case, and the fines, if any, have been paid.

SEC. 21. In the event of the seizure and forfeiture of any articles as provided in section 20 of this act, the Commission may sell all or any of such articles at public auction. The time, place and manner of holding such sale shall be within the discretion of the Commission: *Provided*, That notice of the time and place of any such sale shall be published once a week for at least two consecutive weeks in advance of such sale, in at least one newspaper of general circulation in the county wherein the sale is to be held. The proceeds from all such sales shall be deposited with the State Treasurer to the credit of the State Game Fund.

Forfeiture.

Unknown owner.

Publication.

Sales of forfeited articles.

Notice of sale.

Proceeds

Issuance
of search
warrant.

SEC. 22. Any Court having jurisdiction shall, upon complaint showing probable cause for believing that any wild bird, wild animal, game fish, or any part thereof, caught, taken, killed, or had in possession, or under control by any person, or shipped or transported contrary to law or rule or regulation of the Commission, is concealed or illegally kept in any game bag, game basket, game coat, or in any other receptacle for game animals, game birds or game fish, or in any package, box, cold-storage locker or plant, warehouse, market, tavern, boarding house, restaurant, club, hotel, eating house, fur store, tannery, tent, camp, building, vehicle, or other place, issue a search warrant and cause a search to be made in any such place for any wild birds, wild animals, game fish, or any part thereof, and may cause any buildings, enclosure, or vehicle to be entered and any apartment, chest, box, locker, crate, basket, package, or other receptacle, to be broken open, and the contents thereof examined.

Searches.

Articles
unlawfully
used are
public
nuisances.

SEC. 23. All nets, seines, lanterns, snares, devices, contrivances, and materials while in use, or had and maintained, for the purpose of catching, taking, or killing, or attracting, or decoying any wild bird, wild animal, or game fish, contrary to law or rule or regulation of the Commission, are public nuisances. The Director and all Game Protectors, Deputy Game Protectors, ex-officio Game Protectors, and all Police Officers, shall, without warrant or process, take, seize, abate, or destroy them while being used, had, or maintained for such purpose.

Abatement
or destruc-
tion.

Commission
may acquire
animals,
birds, fish,
eggs, spawn,
etc.

SEC. 24. The Commission and the Director may secure by purchase, gift, or exchange with the proper authorities of other countries, states, and territories, wild birds, their nests and eggs, wild animals, and game fish, fry or spawn, for stocking or propagating purposes and may sell or otherwise dispose of birds, animals, and fish, fry or spawn, so obtained. No

Game Protector or Deputy Game Protector shall sell or give away any game bird, game animal, or game fish, eggs, fry or spawn, to any person without the written consent of the Director.

SEC. 25. The Director, with the approval in writing of the Commission, may entirely close, or shorten the open season fixed by any rule or regulation of the Commission for game animals, fur-bearing animals, game birds, or game fish within the respective game areas, and after a season has been closed or shortened, he may reopen it for all or any portion of the time fixed by rule or regulation of the Commission, and he may also fix daily, weekly, or season bag limits on game animals, fur-bearing animals, game birds, or game fish within any game area.

Closing or shortening of season by Director.

Whenever the Director finds that game animals have increased in numbers in any locality of the state to such an extent that they are damaging public or private property, or over-grazing their range, the Commission may establish a special hunting season, designate the area and the number and sex of the animals that may be killed by a licensed hunter therein, promulgate necessary rules and regulations, and determine by lot the number of hunters that may hunt within such area and the conditions and requirements incident thereto: *Provided*, That the drawing by lot shall be open only to holders of big game seals who have not killed an elk or deer in the regular season immediately preceding the special season so established. The drawing shall take place at the city hall of the town nearest the area to be opened. Notice of the establishing of such special hunting season and of the drawing shall be given in the manner provided for the publishing of orders opening or closing seasons.

Special hunting season.

Hunters determined by lot.

Qualification.

Notice of special season.

The exercise of power herein granted to close or reopen regular or special seasons, or fix bag limits, shall be by a written order signed by the Director

Director's order closing season to be filed with County Auditor.

and filed in the office of the Commission, and in the office of the Auditor of any county affected by the order.

Publication of Director's order.

SEC. 26. The Director shall publish the order closing, shortening, or reopening any season, or fixing any bag limit, in a newspaper of general circulation in each county affected, not less than three days prior to the effective date of such order.

State Game Fund established.

SEC. 27. There is established in the State Treasury a fund to be known as the State Game Fund which shall consist of all moneys received from fees for the sale of licenses and permits, and from fines, forfeitures, and costs collected for violations of this act, or any other statute for the protection of wild animals and birds and game fish, or any rule or regulation of the Commission relating thereto: *Provided*, That fifty per cent (50%) of all fines and bail forfeitures shall not become part of the state game fund and shall be retained by the county in which collected.

Moneys received to be paid to State Treasurer for credit to State Game Fund.

All state and county officers receiving any moneys in payment of fees for licenses under this act, or in payment of fines, penalties, or costs imposed for violations of this act, or any other statute for the protection of wild animals and birds and game fish, or any rule or regulation of the Commission; from rentals or concessions, and from the sale of real or personal property held for Game Department purposes, shall pay them into the State Treasury to be placed to the credit of the state game fund: *Provided*, That county officers shall not remit fifty per cent (50%) of all fines and bail forfeitures.

License fees not to be diverted.

SEC. 28. No funds accruing to the state from hunting and fishing license fees shall be diverted to any other purpose than the protection, propagation, and restoration of wildlife and game and the expenses of administration of the department.

SEC. 29. The Director, with the approval of the Commission, may acquire by gift, purchase, lease or condemnation, lands, buildings, waters, or other necessary property for hatchery sites, eyeing stations, rearing ponds, brood ponds, trap sites, game animal, fur-bearing animal, game bird, non-game bird and game fish farms, habitats and sanctuaries and public hunting and fishing areas together with rights of way for access to any and all such lands, buildings, or waters so acquired, in the manner provided by law for acquiring property for public use.

Acquisition
of property
by Commis-
sion.

The Director shall, on or before the 10th day of January of each year, prepare and transmit a voucher to the Auditor of each county wherein the department owns any such lands, which voucher shall describe the lands situate within the county and state the number of acres in each parcel thereof and shall authorize the drawing of a warrant to the county in a sum equal to three cents (3¢) for each acre shown on the voucher. Each County Auditor receiving such a voucher shall execute the same and return it to the Director who shall approve it and transmit it to the State Auditor. The State Auditor shall draw a warrant in the amount shown on each voucher, payable to each county, and shall transmit said warrant to the County Treasurer thereof. Such warrants shall be payable out of any funds appropriated to the Department: *Provided*, That no voucher shall include and no payment shall be made to any county wherein the department owns less than one hundred acres, and no voucher shall include and no payment shall be made to any county for any tide lands or any lands owned by the Department for game bird farm or fish hatchery purposes.

Payments to
counties in
lieu of taxes

On or before the 10th day of January of each year, the Director shall also prepare and transmit a voucher to the Superintendent of Public Instruction, which voucher shall indicate the total number of acres of land owned by the Department within the

Payments to permanent School Fund.

state, but need not describe the land and shall authorize the drawing of a warrant in favor of the Permanent School Fund in an amount equal to two cents (2¢) for each acre shown on the voucher. The Superintendent of Public Instruction shall execute such voucher and return it to the Director, who shall approve it and transmit it to the State Auditor. The State Auditor shall issue a warrant to the Permanent School Fund in the amount shown on the voucher and shall transmit such warrant to the State Treasurer for credit to the Permanent School Fund. Such warrant shall be payable out of any funds appropriated to the Department: *Provided*, That no voucher shall include, and no payment shall be made to the Permanent School Fund for any tide lands or any lands owned by the Department for game bird farm or fish hatchery purposes.

Certain lands excluded.

Management of properties by Commission.

SEC. 30. The Commission, acting by and through the Director, shall have full control of the maintenance and management of all hatcheries, eyeing stations, rearing ponds, brood ponds, trap sites, game animal, fur-bearing animal, game bird, non-game bird, and game fish farms, habitats and sanctuaries, public hunting and fishing areas, and of the access to any and all of the foregoing and of any and all other real or personal property in any wise owned, leased, or held by the state for Game Department purposes, and shall have full control of the construction of all buildings and structures of any kind and all improvements of every nature in or upon all such property. The Commission may make rules and regulations in relation to the operation, maintenance and use of any such property and the conduct of all persons who are in or on the same.

Commission may regulate use by other persons.

Commission may sell materials from Game lands.

The Commission, acting by and through the Director, may, from time to time, sell timber, gravel, sand and other materials or products from real property belonging to the state and held for Game De-

partment purposes and may sell or lease any such real or like personal property or grant concessions in or upon the same when in its judgment such action is advantageous to the state. If the Commission shall determine to sell or lease any real property, the Director shall file with the State Land Commissioner a certificate containing the following: The legal description of the real property to be sold or leased; a statement that the property is not then necessary for the purposes for which it was acquired; whether such real property is to be sold or leased; and the minimum sale price or rental to be received by the State Land Commissioner therefor. Upon the filing of such certificate, the State Land Commissioner shall proceed to appraise and lease or sell such real property in accordance with the statutes relative to lease or sale of public lands of this state: *Provided*, That such lands shall not be sold or leased for less than the amount fixed in the certificate as aforesaid.

Sales on lease of real property.

Certification to State Land Commissioner.

Appraisal and sale.

All proceeds from such leases or sales shall be transmitted by the State Land Commissioner to the State Treasurer and by him credited to the State Game Fund.

Proceeds.

SEC. 31. Whenever it may become necessary in order to obtain additional lands for hatchery sites, eyeing stations, rearing ponds, brood ponds, trap sites, game animal, fur-bearing animal, game bird, non-game bird, and game fish farms, habitats and sanctuaries and public hunting or fishing areas or for rights of way for access to any and all such lands, to transfer or convey lands held by the state to the United States, its agencies or instrumentalities, to any municipal subdivision of this state, or to any public utility company, and in the judgment of the State Game Commission and the Attorney General such transfer and conveyance is consistent with public interest, the said Commission, acting by and through the Director of Game, may enter into agree-

Exchange of lands with United States or public agencies.

Agreements for such exchanges.

Deed by Governor and Secretary of State.

ments accordingly. Whenever the Director of Game shall make any such agreement for any such transfer or conveyance and together with the Attorney General certifies to the Governor that such agreement has been made setting forth in such certification a description of the land or premises involved, the Governor may execute and the Secretary of State shall attest and deliver unto the United States or its agencies or instrumentalities, unto any municipal subdivision of the state, or unto any public utility company a deed of conveyance, easement or other instrument necessary to fulfill the terms of the aforesaid agreement.

Payment of local improvement district assessments.

SEC. 32. The Director is hereby authorized to cause to be paid by state voucher currently when due any lawful local improvement district assessments made against lands held by the state for game purposes. Such payments may be made out of any money appropriated from the State Game Fund to the Department for capital outlay, maintenance or operations during the biennium for which such appropriation is made.

Director may remove or kill wild animals, birds or fish.

SEC. 33. The Director may remove or kill any wild animal, game fish or wild bird that in his judgment is destroying or injuring property, or when, in the judgment of the Commission, such killing or removal is necessary for scientific research, or for proper game or game fish management.

Distribution of meat.

In the event of any such killing of any wild animals, wild birds or game fish, the Director shall, whenever in his opinion it is feasible or practical, distribute such meat to state or charitable institutions.

Protectors may enter lands without committing trespass.

SEC. 34. The Director and his duly authorized and acting assistants, Game Protectors, Deputy Game Protectors, agents, appointees or employees may, in the course of their duties, enter upon any land or waters in this state and remain thereon while per-

forming such duties and such action by such persons shall not constitute trespass.

SEC. 35. The Commission, acting by and through the Director, may enter into written agreements with persons in all matters relating to prevention of damage of private property by wild animals and wild birds. Any such agreements may include but need not be limited to provisions concerning herding, feeding, fencing and other similar actions, to prevent such damage. Under any such agreement the Department may participate in the furnishing of money, material or labor to such extent as may be deemed necessary or advisable by the Commission. All claims for damages to private property caused by deer, beaver or elk shall be filed with the State Auditor for presentation to the Legislature and neither the Commission nor the Director shall make any payment of or on any such claim until funds have been specifically appropriated to the Department to pay for damage caused by such animals. After such an appropriation has been made, such claims may be paid by the Commission out of the funds so appropriated, in such respective amounts on each claim so filed as the Commission may deem just and reasonable.

Agreements for prevention of damage.

Damage claims to be presented to legislature.

SEC. 36. The Commission shall, from time to time, promulgate, adopt, amend, or repeal, and enforce reasonable rules and regulations designating the times when and areas wherein hunting, trapping, taking or killing of predatory animals and birds may be carried on for the payment of bounty by the state and determining the amount of such bounties within the limitations and in accordance with the provisions set forth in this act.

Rules and regulations regarding hunting for bounty and fixing payments.

SEC. 37. The Commission may enter into agreements with persons, municipal subdivisions of this state, the United States, or any of its agencies or instrumentalities regarding all matters concerning propagation, protection and conservation of wild

Agreements concerning propagation, protection, etc., wild animals, birds and fish.

animals, wild birds and game fish and concerning hunting or fishing therefor.

Gifts or grants.

The Commission may at any time on behalf of the state accept gifts or grants of personal property for use by the Department. Any money, when received by the Commission or the Department, shall currently be delivered to the State Treasurer for deposit in the State Game Fund: *Provided*, That any gifts or grants of money received by the Commission under conditions, limitations or restrictions may be retained or expended by the Commission under any such provisions.

Expenditure under conditions of grant.

Waters may be set aside for exclusive fishing by minors.

SEC. 38. The Commission may, by rule and regulation, set aside for exclusive fishing by minors within ages to be fixed by the Commission certain described waters, lakes, rivers, or streams. If any such waters, lakes, rivers, or streams are so set aside, all fishing shall be in accordance with rules and regulations of the Commission which may be prescribed therefor and the Commission may thereby exclude all persons excepting minors within the ages specified from fishing therein.

CHAPTER IV

PROHIBITED ACTS AND PENALTIES

Prohibited acts and penalties.

Hunting or fishing contests.

Permit fee.

SEC. 39. It shall be unlawful for any person to promote, conduct, hold, or sponsor any contest for the hunting of wild animals or wild birds or for fishing for game fish under any competitive arrangement without first securing a hunting or fishing contest permit from the Director and paying the Department one dollar (\$1) therefor.

Subject to rule and regulation of commission.

Such permits may be issued by the Director under, and all such contests shall be held in accordance with, rules and regulations which the Commission shall adopt concerning the times, places and manner of holding such contests. The Commission may prohibit any or all such contests whenever in its

opinion the propagation, preservation or conservation of wild animals, wild birds or game fish will be injuriously affected if such contest is permitted.

SEC. 40. It shall be lawful for any person publicly to exhibit or display, or directly or indirectly to offer, give or receive any prize or consideration for the exhibition or display of any wild animal, wild bird or game fish: *Provided*, That this section shall not apply to free public parks. } Vetoed.

SEC. 41. It shall be unlawful for any person to hunt, trap, or fish for any game birds, game animals, fur-bearing animals or game fish during the respective closed seasons therefor. It shall also be unlawful for any person to kill, take or catch any species of game birds, game animals, fur-bearing animals, or game fish in excess of the number fixed as the bag limit. It shall also be unlawful for any person to hunt or trap for any game birds, game animals, or fur-bearing animals within the boundaries of any game reserve or closed area, and it shall likewise be unlawful for any person to fish for any game fish within any closed waters or within the boundaries of any game fish reserve. Unlawful acts.

Any person who hunts or traps any elk, moose, antelope, mountain goat, mountain sheep, caribou or deer in violation of this section is guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not less than thirty days and not more than one year or by both such fine and imprisonment. "Big game" violations.

Any person who hunts or traps any game bird in violation of this section is guilty of a misdemeanor and shall be punished by a fine of not less than twenty-five dollars (\$25) and not more than one hundred dollars (\$100) or by imprisonment Penalties.

Game bird violations.

Penalties.

in the county jail for not less than ten days and not more than thirty days or by both such fine and imprisonment.

Unlawful possession.

SEC. 42. It shall be unlawful for any person to have in his possession or under his control any game bird, non-game bird, game animal, fur-bearing animal, or game fish, or part thereof, during the closed season or in excess of the bag limit.

"Big game" violations.

Any person who has in his possession or under his control any elk, moose, antelope, mountain goat, mountain sheep, caribou, deer, or part thereof in violation of the foregoing portion of this section is guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not less than thirty days and not more than one year or by both such fine and imprisonment.

Penalties.

Game bird violations.

Any person who has in his possession or under his control any game bird or part thereof in violation of the foregoing portion of this section is guilty of a misdemeanor and shall be punished by a fine of not less than twenty-five dollars (\$25) and not more than one hundred dollars (\$100) or by imprisonment in the county jail for not less than ten days and not more than thirty days or by both such fine and imprisonment.

Penalties.

Possession lawfully acquired.

Provided, That any person who has lawfully acquired possession of any game bird, game animal, or game fish, or part thereof, and who desires to retain it for human consumption or ornamental purposes, or desires to sell the skin, hide, horns, head, or plumage thereof, after the close of the season may do so in accordance with the rules and regulations of the Commission.

Lawfully propagated.

Provided further, That the owner of any game bird, non-game bird, game animal, fur-bearing animal, or game fish, who has lawfully propagated it

or purchased from one who has so propagated it, may possess, ship, sell or otherwise dispose of such bird, animal, or fish, when properly tagged or sealed.

SEC. 43. Except as authorized by permit or license lawfully issued by the Director, or by rule or regulation of the Commission, it shall be unlawful for any person to have in his possession for sale or with intent to sell, or to expose or offer for sale, or to sell, or to barter for, or to exchange, or to buy, or to have in his possession with intent to ship, or to ship, any game animal, game bird or game fish or any part thereof. *Provided, however,* That nothing contained in this section shall prohibit any person from buying, selling, or shipping any lawfully tagged or sealed game animal, game bird, or game fish purchased from a Licensed Game Farmer.

Sales prohibited.

Exception.

Any person violating this section shall be guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not less than thirty days and not more than one year or by both such fine and imprisonment.

Penalty.

SEC. 44. It shall be unlawful for any person to hunt any elk, moose, antelope, mountain goat, mountain sheep, caribou or deer with a jack light or other artificial light of any kind and to be found with any torch, lantern, electric, acetylene, gas or other artificial light and with any rifle, shotgun, or other firearm, after sunset, in any wooded section or other place where any of the above mentioned animals may reasonably be expected, shall be *prima facie* evidence of unlawful hunting. Any person violating the provisions of this section is guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or

Artificial lights prohibited.

Penalty.

imprisonment of not less than thirty days and not more than one year in the county jail or by both such fine and imprisonment.

Articles
and devices
prohibited
in taking
game fish.

SEC. 45. It shall be unlawful for any person to lay, set, use, or prepare any drug, poison, lime, medicated bait, nets, fish, berries, formaldehyde, dynamite, or other explosives, or any tip-up, snare or net, or trot line, or any wire, string, rope, or cable of any kind, in any of the waters of this state with intent thereby to catch, take or kill any game fish. It shall be unlawful to lay, set or use a net capable of taking game fish in any waters of this state except as permitted by regulation of the department of fisheries: *Provided*, That persons may use small landing nets or under written permit issued by the Director may use nets or seines in the taking of non-game fish.

Penalties.

Any person violating any of the provisions of this section is guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not less than thirty days and not more than one year or by both such fine and imprisonment.

Hunting
while
intoxicated.

SEC. 45a. It shall be unlawful for any person to hunt with firearms while under the influence of intoxicating liquor.

Unlawful to
use articles
so as to
endanger
game.

SEC. 46. It shall be unlawful for any person to lay, set, or use any poisonous or deleterious substances in any place or manner so as to endanger, injure or kill any game animals, fur-bearing animals, game birds or non-game birds.

Waste and
mutilation.

SEC. 47. It shall be unlawful for any person to permit any game animal, fur-bearing animal, game bird, or game fish needlessly to go to waste after killing the same or to mutilate any such animal

or bird so that the species or sex cannot be determined.

SEC. 48. It shall be unlawful to allow dogs of any kind to accompany any person while such person is hunting deer or elk. Any dog found pursuing any game animal or game bird, or molesting the young of any game animal or game bird or destroying the nest of any game bird during the closed season on game animals or game birds may be declared to be a public nuisance. In addition to any penalty imposed by a court of competent jurisdiction, the court may order the dog destroyed.

Dogs.

During the months of April, May, June and July of each year it shall be unlawful to allow bird dogs, or dogs used for hunting upland game birds, to frequent areas where upland game birds may reasonably be expected to be found.

Bird dogs.

Competitive field trials for hunting dogs, with or without the shooting or use of privately owned birds, may be held only at such times and places, and under such rules and regulations, as shall be prescribed by the Commission.

Field trials subject to rule and regulation.

SEC. 50. It shall be unlawful for any person to carry firearms or traps within the limits of or take any dog upon a game reserve except on public highways. The Director may issue permits to persons holding fishing and hunting licenses for the current year to hunt predatory animals and predatory birds in such reserve at any season of the year, and all bona fide residents therein may keep a dog or dogs as otherwise provided by law. Permits may also be issued for rifle ranges, gun clubs, and shooting galleries which in the judgment of the Director will not injure or disturb the game in a reserve.

Unlawful acts on game reserves.

Director may issue permits.

SEC. 51. Except as lawfully authorized by permit or license issued by the Director, it shall be unlawful for any person to hunt or trap any non-

Non-game or harmless or song bird. game bird or harmless or song bird or to have in his possession or under his control any of such birds or any part thereof, and unless acting under permit or license so issued, it shall be unlawful for any person to destroy or have in his possession or under his control the nest or eggs of any game bird, non-game bird, or harmless or song bird.

Resisting an officer. SEC. 52. It shall be unlawful for any person to resist or obstruct the Director, a Game Protector, Deputy, or ex-officio Game Protector, or other peace officer in the discharge of his duty while enforcing the provisions of this act.

Fraud in claiming bounty. SEC. 53. Every person who gives untrue or misleading information as to the time, area, or county in which any predatory animal or bird was hunted, trapped, taken, or killed on which a bounty is being claimed shall be guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not more than one year or by both such fine and imprisonment.

Penalty.

Permit required for planting wild animals, birds and fish. SEC. 54. Except as authorized by permit or license lawfully issued by the Director, it shall be unlawful for any person to plant any game fish, fish fry, or spawn in any waters within the state or to release any wild animals or wild birds on any lands within the state.

Tampering with fish devices. SEC. 55. It shall be unlawful for any person to break open, open, unlock, damage, interfere with, injure, or destroy any fish ladder, fish guard, screen, fish stop, fish protective device, by-pass, or part thereof, or any fish trap operated by the Department.

Molesting traps. SEC. 56. It shall be unlawful for any person to take any wild animal from a trap not his own, or to spring, pull up, throw away, mutilate, or destroy

any trap of Licensed Trappers, Game Protectors, or persons employed by the Director, or any person authorized by the Federal government to catch fur-bearing or predatory animals. All Licensed Trappers shall have attached to the chain of the trap an indestructible tag with the true name and address of the owner of trap in English letters not less than one-eighth inch in height.

Traps to be tagged.

SEC. 57. It shall be unlawful for any person to destroy, tear down, shoot at, deface, or erase any printed matter or signs placed or posted by or under the instructions of the Director.

Signs.

SEC. 58. It shall be unlawful for any person or his agent or employee wilfully to post any notice or warning or wilfully to warn, drive, or attempt to drive, any person off, or prevent his hunting or fishing on any land not owned or lawfully occupied by such person, his agent, or employee, unless such land is a lawfully established game or game fish reserve.

Misrepresenting self as owner of land.

SEC. 59. No person shall print or cause to be printed a booklet or pamphlet of the game laws or portion thereof except with the approval of the Director.

Printing of game laws.

SEC. 60. Any person or governmental agency managing, controlling, or owning any dam or other obstruction across any river or stream shall construct and maintain in good condition and repair in connection with such dam or other obstruction durable fish ways and fish protective devices in such shape and size that the free passage of all game fish inhabiting such waters will not be obstructed. Such fish ways and fish protective devices shall be provided at all times with sufficient water to insure maximum efficiency for the free passage of fish.

Dams to be provided with fish devices.

Any person violating any of the provisions of this section shall be guilty of a gross misdemeanor

Penalty. and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not less than ninety days and not more than one year or by both such fine or imprisonment.

Public nuisance. In addition to the penalty above provided, if any such person be convicted of violating any of the provisions of this act, the dam or other obstruction managed, controlled or owned by such person is hereby declared a public nuisance and shall be subject to abatement as such.

Diversion of waters. SEC. 61. It shall be unlawful for any person to divert any water from any lake, river, or stream containing game fish unless the ditch, channel, canal, or water pipe conducting such water is equipped at or near its entrance or intake with a fish guard or screen capable of preventing the passage of game fish into such ditch, channel, or water pipe, and also equipped, if necessary, with a by-pass to permit the passage of game fish from immediately in front of the fish guard or screen back to the waters from which said fish are diverted: *Provided*, That no person who is now otherwise lawfully diverting water from any lake, river, or stream shall be deemed guilty of a violation of this section.

Screens required.

Submission of plans to Director. It shall also be unlawful for any person who is not now diverting water from any lake, river, or stream to divert any water therefrom until he has first submitted plans for the fish guard, fish screen, or by-pass to the Director, obtained his approval thereof, installed such fish guard, screen, or by-pass, and obtained the Director's approval of such installation. It shall be unlawful for any person to construct any such fish guard, fish screen, or by-pass without first submitting plans therefor to the Director and obtaining his approval thereof as herein provided.

The Director may summarily close any ditch, canal, channel, or water pipe owned or operated by any person convicted of any violation of this section and keep the same closed until it is properly equipped with a fish guard, screen, or by-pass, in accordance with the provisions herein.

Summary
closure.

SEC. 62. It shall be lawful for the owner or tenant of any real property on which any crop is being grown or any domestic animals or fowl are being kept to trap or kill at any time on such property, any wild animal or wild bird which is destroying any such crop, or injuring domestic animals or fowl, or any dike, drain, irrigation ditch, or other property. Such wild animal or wild bird, when so trapped or killed, shall remain the property of the state, and the person trapping or killing the same shall immediately notify the nearest State Game Protector as to where such wild animal or wild bird may be found.

Animals
or birds
destroying
property.

Report to
protector.

It shall be unlawful for any person, after trapping or killing any wild animal or wild bird as above provided, to give away, eat, sell, or dispose of the same or any part thereof for profit.

Wild
animal or
bird remains
property of
state.

Provided, That this section shall not prohibit any license holder from trapping, killing, possessing or disposing of any wild animal or wild bird as otherwise provided by law or rule and regulation of the commission.

Proviso.

SEC. 63. Any person violating or failing to comply with any rule or regulation of the Commission or violating any of the provisions of this act for which no penalty is provided, shall be guilty of a misdemeanor and shall be punished for each offense by a fine of not less than ten dollars (\$10), together with the cost of prosecution, or by imprisonment for not exceeding ninety days in the county jail or by both such fine and imprisonment. The killing or taking of every single bird, animal or fish, protected

Violations
of rules and
regulations
or of this act.

Penalty.

by the laws of this state, shall constitute a separate offense.

Justice of Peace has concurrent jurisdiction.

Every Justice of the Peace shall have jurisdiction concurrent with the Superior Courts of all misdemeanors and gross misdemeanors committed in violation of the provisions of this act and may impose any punishment in this act provided for such offenses.

CHAPTER V

BEAVER, FOX, MINK AND MARTIN

Beaver, fox, mink and martin.

Beaver protected and to be taken only by Commission.

SEC. 64. For the purpose of properly administering, perpetuating, protecting, and maintaining the beaver of the state, the same is hereby declared to be a protected fur-bearing animal and may be hunted, trapped, killed, or possessed, or the pelts thereof sold, only by the Commission acting through the Director or his duly authorized representatives and pursuant to rules and regulations of the Commission.

Rules and regulations.

SEC. 65. The Commission may make reasonable rules and regulations for purposes of administration and enforcement of the laws pertaining to beaver and regulating the propagation, hunting, trapping, killing, and possession of beaver and the sale of beaver skins. The Commission, through the Director, may enter into cooperative agreements with private landowners for the perpetuation, propagation, hunting, trapping, and killing of beaver upon the land of such owners. Under such agreements the Commission, through the Director, shall designate the maximum number of beaver which may be taken each year from the land of the owner without impairing the supply thereof. All taking, hunting, trapping, or killing of beaver shall be done hereunder only by the Commission, acting through the Director or his duly authorized representatives, with costs thereof to be paid out of the State Game Fund.

Cooperative agreements with farmers and land owners.

SEC. 66. All beaver skins obtained by the Director or his representatives under any cooperative agreement made with any landowner, under this act, shall be sold to licensed fur buyers only at auction to the highest bidder. The time of any sale shall be within the discretion of the Director. From the proceeds of sales there shall be paid to the owner of the land upon which the beaver was taken under any cooperative agreement, such amount as was stipulated therein and the balance of the proceeds shall be deposited in the State Game Fund. In the making of any cooperative agreement under the provisions of this act, the Commission, through the Director, may provide for such compensation to the landowner as may be deemed just and reasonable based upon a percentage payment per pelt sold or upon a fixed fee basis or otherwise.

Sale of skins.

Proceeds.

Compensation to land owner.

SEC. 67. The Commission, through the Director or his duly authorized representatives, may hunt, trap, or kill beaver on private lands when the owners thereof are suffering damage and do not desire to maintain beaver under a cooperative agreement. Beaver may likewise be hunted, trapped, or killed on public lands by the Director or his duly authorized representatives whenever and wherever the Commission deems it necessary and advisable. All skins so obtained shall be sold in the manner above provided and all proceeds from such sales shall be deposited in the State Game Fund.

Prevention of damage.

SEC. 68. Prior to sale all beaver skins taken under the provisions of this act shall be properly cared for, preserved, and tagged or sealed by the Director or his representatives.

Skins to be tagged and sealed.

SEC. 69. The hunting, trapping, taking, or killing of any beaver or the possession of the skin or any part of any beaver killed within this state, except as authorized in this act, is unlawful, and any person hunting, trapping, taking, or killing any beaver or

Penalty for unlawful acts.

possessing the skin or any part thereof in violation of this act, shall be guilty of a gross misdemeanor and shall be punished by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000) or by imprisonment for not less than thirty days and not more than six months or by both such fine and imprisonment.

Fox, mink and martin declared personal property.

SEC. 70. All fox, mink and martin that have been lawfully imported or acquired, or bred or reared in captivity or enclosures, are hereby declared to be personal property. Any person hereafter acquiring any such fur-bearing animals, shall within ten days furnish satisfactory proof to the Director of Agriculture that such animals were lawfully obtained. The animals shall not become personal property under the provisions of this section until such proof is furnished.

Brands to be recorded with Department of Agriculture.

SEC. 71. The owners of any fox, mink, or martin may mark them by branding with tattoo or other marks for the purpose of identification, but no person shall be entitled to ownership in or rights under any particular branding marks unless and until the branding marks are recorded with the Department of Agriculture, which may be done in the same manner and with like effect as brands of other animals are recorded.

CHAPTER VI

BOUNTIES

Bounties. License required.

SEC. 72. Any resident holder of a state or county hunting and fishing license may hunt, trap, take, or kill any animal or bird classified as predatory in areas and at times designated by the Commission and may present such animal or bird to the Director or to any person designated by the Director as qualified to check bountied predators for payment of bounty. Any citizen of the United States under the age of sixteen years who has been an actual resident of the state for the preceding six months

Exception.

shall not be required to hold a state or county hunting and fishing license to comply with this chapter.

SEC. 73. Whenever the holder of a state or county hunting and fishing license hunts, traps, takes, or kills any animal or bird classified by the Commission as a predator, and furnishes proof thereof, he may be paid a bounty in such amount as specified by the rules and regulations of the Commission. Any person who desires to collect a bounty shall furnish such proof and evidence of hunting, trapping, taking, or killing the predator as the Commission may require. If the Director has reason to doubt the validity of a bounty claim he may deny it, and if a bounty claim is denied, the bounty claimant may appeal to the Superior Court of the county in which the predators or any of them were hunted, trapped, taken, or killed. The burden of proof as to the method of hunting, trapping, taking, or killing and the area wherein the predator was hunted, trapped, taken, or killed shall be upon the bounty claimant.

Proof to be furnished.

Bounties, as fixed by the Commission, may in no event exceed the following sums: Cougar, one hundred dollars (\$100); lynx, twenty-five dollars (\$25); bobcat, twenty-five dollars (\$25); coyote, twenty dollars (\$20); coyote pup, five dollars (\$5); any other animal or bird classified by the Commission as predatory, five dollars (\$5).

Maximum amounts which may be fixed.

Bounty payments shall be made from any moneys which may be appropriated therefor by the Legislature. All moneys appropriated for such payments shall be expended under the direction of and upon vouchers approved by the Director.

SEC. 74. Before payment of a bounty, the animal or bird or such part thereof as shall be designated by the Commission shall be surrendered to the Director, or person designated by the Director as qualified to check bountied predators, who shall mark such predator or part thereof in order that it can be later

Surrender of animal or bird.

identified and, after so marking it, the Director or designated person shall return the predator or part thereof to the person hunting, trapping, taking, or killing the same.

Classifica-
tion by
Commission.

SEC. 75. The Commission, upon finding any animal or bird destructive to wild game, domestic herds, birds, and flocks may by rule and regulation classify it as predatory and authorize and control the hunting, trapping, taking, or killing thereof.

Predatory
hunters.

SEC. 76. The Director shall, from time to time, appoint and employ such number of persons, skilled in hunting, trapping, taking or killing predatory animals and birds, as he deems advisable, to be known as accredited hunters, to carry on the work of eradication and control of predatory animals and birds in this state.

Skins and
specimens.

SEC. 77. All skins and specimens taken by accredited hunters whose salaries are paid out of monies appropriated from the State Game Fund shall be disposed of in such manner as the Director determines to be for the best interest of the state. If any such skins or specimens are sold, the net proceeds shall be deposited to the credit of the State Game Fund.

Act not in
conflict with
other laws.

SEC. 78. Nothing herein shall be deemed in derogation of the power and authority of the Director of Agriculture to cooperate with the United States Fish and Wildlife Service in the control and destruction of predatory animals injurious to livestock, poultry, and the public health.

Minimum
payments
per voucher.

SEC. 79. For the purpose of facilitating the payment of bounties, no voucher therefor shall be issued in payment thereof until the aggregate bounty claim is at least two dollars and fifty cents (\$2.50).

Cooperative
programs.

SEC. 80. The Director may enter into cooperative programs to control predators with sportmen's groups, granges, or others.

CHAPTER VII
GAME FARMERS

SEC. 81. The acquisition, breeding, growing, keeping, and sale of wild animals, wild birds, or game fish, whether living or dead, for commercial purposes shall be unlawful unless such acquisition, breeding, growing, keeping and sale is conducted under a Game Farmer's license as hereinafter provided and in accordance with rules and regulations of the Commission which may be prescribed therefor regarding the species of wild animals, wild birds, or game fish which may be acquired, bred, grown, kept, and sold under this act, the particular areas in this state wherein such activities may be carried on and the manner of conducting all such activities.

Game
farmers.
License
required.

SEC. 82. The Director may cause to be issued a Game Farmer's license that shall authorize the licensee to acquire, grow, breed, keep, or sell all or some of such species of wild animals, wild birds, and game fish as may be designated by the Commission as suitable for such acquisition, breeding, growing, keeping, and sale. The cost of such license shall be twenty dollars (\$20) for the first year and ten dollars (\$10) for each yearly renewal thereafter. All such licenses shall expire on December 31 annually and application for renewal shall be made prior thereto.

Director to
issue license.

Fee.

SEC. 83. A verified application for such license made in triplicate shall be filed by the applicant with the Director which application shall contain the following: A description of the lands and waters which applicant desires to use under the requested license; the particular right, title or interest of the applicant in said lands and waters and the total acreage thereof; the extent of improvement upon such lands and waters; a map or diagram of such lands and waters showing where the improvements

Application.

Contents.

are located thereon; a statement indicating the species of wild animals, wild birds, or game fish which the applicant desires to acquire, breed, grow, keep, and sell; and such further information as may be required by rule and regulation of the Commission.

Identity of applicant to be shown.

SEC. 84. If the applicant is a corporation, the application shall be made in the name of the corporation by the president or authorized officer thereof and shall set forth the names and addresses of all the officers and directors of the corporation and the number of shares of stock owned by such officers and directors. If the applicant is a partnership or unincorporated association, the application shall be made by an authorized partner, member or managing officer and shall set forth the names and addresses of all members of the partnership or association together with their respective financial interests and other rights of ownership and control therein.

Investigation by Director.

SEC. 85. If after investigation by the Director it appears that the applicant is the owner or tenant of or has a possessory interest in the lands, waters, and riparian rights shown in the application and that the applicant intends in good faith to establish, operate and maintain a farm for the raising of wild animals, wild birds, or game fish in accordance with law and the rules and regulations of the Commission, the Director may issue a license to the applicant describing therein the lands and waters and certifying that the licensee is lawfully entitled to use the same for acquiring, breeding, growing, keeping, and selling the kinds of wild animals, wild birds, or game fish specified in such license.

License issued by Director.

Rights of licensee.

SEC. 86. After such Game Farmer's license has been granted, the licensee shall be lawfully entitled to acquire, breed, grow, keep, and sell all or any of the wild animals, wild birds, or game fish specified

in the license in accordance with law and with the rules and regulations of the Commission.

SEC. 87. A licensed Game Farmer may purchase, sell, give away, or dispose of the eggs of any game bird or game fish lawfully in his possession in such manner as may be provided by rule and regulation of the Commission.

May deal in game bird and fish eggs.

SEC. 88. All wild animals, wild birds or game fish given away, sold, or in any manner transferred to any person by any Licensed Game Farmer shall, upon delivery thereof, have attached to each such animal, bird or fish, such tag or seal as may be prescribed by the Commission.

Tags or seals to be attached.

It shall be unlawful for any person other than a licensed Game Farmer to keep or possess any such wild animal, wild bird, or game fish without such tag or seal attached thereto: *Provided*, That any wild animal, wild bird or game fish may be served for food without such tag or seal then being thereon.

Possession of untagged wild animals, birds or fish.

May be served for food.

SEC. 89. A common carrier may at any time transport any wild animal, wild bird or game fish or part thereof shipped by the holder of a Game Farmer's license if such wild animal, wild bird, game fish, or such part thereof is tagged or sealed as aforesaid. Every package containing the tagged or sealed carcass of any wild animal, wild bird, or game fish, or any tagged or sealed part thereof, shall have affixed thereto an additional tag or label upon which shall be plainly written or printed the name of the licensee and the name of the consignee.

Transportation.

Packages.

SEC. 90. Every holder of a Game Farmer's license shall make quarterly reports on the first day of January, April, July and October to the Director on blanks to be furnished by the Director. Such reports shall give a correct statement of the total number of wild animals, wild birds or game

Reports to Director.

Contents
of reports.

fish owned, killed, transported, or sold during the quarter; the names of the persons to whom they were transported or sold; the names of the persons by whom they were tagged or sealed; the increase of all classes of wild animals, wild birds, or game fish held by the licensee; and such other data as may be required by rule and regulation of the Commission. Each such report shall be verified by the affidavit of the licensee.

Affidavit.

Search and
inspection
of premises.

SEC. 91. The Director or any other officer authorized by him may at all reasonable times with or without warrant, enter and search the premises of any licensed Game Farmer and inspect his records for the purposes of investigating and determining the number, kind and condition of wild animals, wild birds and game fish possessed by the licensee, or for purposes of enforcing the provisions of this act and the rules and regulations of the Commission.

Complaint
against game
farmer for
violation.

SEC. 92. Whenever there shall be filed with the Director a verified complaint charging that the holder of any Game Farmer's license has been guilty of any act or omission in violation of law pertaining to wild animal, wild bird or game fish or any rule or regulation of the Commission, the Director shall immediately note such complaint for hearing before the Commission at its next regular meeting. The Director shall notify the licensee of any such hearing at least ten days in advance thereof by mailing to him at the address shown on his application for Game Farmer's license a copy of the aforesaid complaint and a notice of the time and place of holding such hearing.

Notice and
hearing.

All such hearings shall be summary before the Commission and the licensee shall be given an opportunity to be heard. The Commission shall have the power to administer oaths, issue subpoenas for the attendance of witnesses, and the production of

books, accounts, documents, and papers, and examine witnesses. At the conclusion of any such hearing, the Commission may revoke or cancel the Game Farmer's license. Any such decision by the Commission may be appealed to the Superior Court of the county in which the game farm is located, within thirty days from receipt of written notice of such revocation or cancellation. Unless the appeal be filed within the time aforesaid, the decision of the Commission shall be final. In the event of any such revocation or cancellation of any such license, or upon termination of any proceedings for review, the Director shall immediately mail notice of such revocation or cancellation to the licensee. After the expiration of ten days following the mailing of the notice by such Director, it shall be unlawful for any such licensee whose license is so revoked or cancelled to acquire any wild animal, wild bird, or game fish in the manner provided by law or by rule or regulation of the Commission for acquisition of such animals, birds, or fish by Game Farmers. After the expiration of sixty days following the mailing of such notice by the Director, it shall be unlawful for any licensee whose license is so revoked or cancelled to hold, keep, breed, grow, possess, or sell any wild animal, wild bird, or game fish in the manner provided by law or by rule and regulation of the Commission for holding, keeping, breeding, growing, possessing, or selling such animals, birds, or fish by Game Farmers.

Appeal.

Acquisition
of game after
revocation
of license.Holding,
selling, etc.,
after
revocation.

CHAPTER VIII

LICENSES

SEC. 93. It shall be unlawful for any person to hunt, trap, or fish for game animals, fur-bearing animals, game birds or game fish during the season when it is lawful to hunt, trap, or fish for them, or to practice taxidermy for profit, or to receive or purchase or resell raw furs for profit, without first

Licenses.

Required to
hunt, trap
or fish, etc.

having procured and having in force, and in his personal possession, and on his person while so hunting, trapping, fishing, or practicing taxidermy, or dealing in furs, a license so to do issued to him as provided in this act: *Provided*, That nothing in this section shall prevent a person under the age of sixteen years, who is an actual resident of the state, from fishing at any time when it is otherwise lawful to fish: *Provided further*, That a license shall not be required of a person who hunts predatory animals or birds without claiming or intending to claim a bounty.

Persons under sixteen years.

Predatory hunters.

By whom issued.

All licenses under this act shall be issued by or under the authority of the Director, who may deputize Game Protectors, any County Auditor, or any reputable citizen, to issue such licenses and collect the fees therefor.

Fees collected.

All persons so deputized by the Director shall, on demand, on or before the thirty-first day of December of each year, pay to the Director all fees collected and make and furnish all reports required by the Director. The Commission may make all necessary rules and regulations regarding the issuance of licenses, the collection and payment of fees collected, and the making and furnishing of reports in connection therewith.

"Big game seal."

SEC. 94. It shall be unlawful for any person to hunt or kill any deer, elk, mountain goat, mountain sheep, or moose, without first having procured from the Director a metal tag to be known as "big game seal," which metal tag shall be procured, in addition to any other license, to hunt game animals required by law. Such metal tag shall be in the possession of all persons while engaged in hunting deer, elk, mountain goat, mountain sheep, or moose. Such metal tag shall be prepared by and under the supervision of the Director and shall bear the name "Department of Game of the State of Washington" and

the year for which it is issued, and any other distinguishing marks deemed necessary by the Director, and shall be void after the year stamped thereon. Any person who kills any deer, elk, mountain goat, mountain sheep, or moose, shall immediately attach his own metal tag to the carcass of any such animal and properly seal the same. The fee for issuing and procuring such metal tag shall be fifty cents (50¢) and shall be paid in addition to all other license fees provided by law. All moneys received from the issuance or sale of metal tags as provided herein shall be paid into the State Game Fund. Any person violating any of the provisions of this section shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than twenty-five dollars (\$25) and not more than one hundred fifty dollars (\$150) or by imprisonment in the county jail for not less than ten days and not more than thirty days or by both such fine and imprisonment.

To be immediately attached to carcass.

Fee.

Violations.

Penalty.

SEC. 95. It shall be unlawful for any person to hunt or kill any elk in any county in this state without first having procured a supplemental elk license, which license shall be procured in addition to any other license or seals required by law to hunt game animals. Such supplemental elk license shall be kept in immediate possession by all persons while engaged in hunting for elk.

Supplemental elk license.

SEC. 96. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States, who has been a resident of this state for six months, and who holds a state hunting and fishing license, may, by paying the sum of five dollars (\$5), obtain a supplemental elk license which shall entitle the holder thereof to hunt elk, in any county in the state at any time when it is otherwise lawful to hunt elk therein

Fee for state supplemental elk license.

until the first day of January next following the date of issuance of such license.

Fee for
county
supplemental
elk license.

Any such resident of this state who holds a county hunting and fishing license, may, by paying the sum of five dollars (\$5), obtain a supplemental elk license which shall entitle the holder thereof to hunt elk within the county for which the county hunting and fishing license was issued at any time when it is otherwise lawful to hunt elk therein until the first day of January next following the date of issuance of the supplemental elk license.

Fee for
non-resident
supplemental
elk license.

Any non-resident of the state who holds a non-resident state hunting and fishing license may, by paying a fee of twenty-five dollars (\$25), obtain a supplemental elk license which shall entitle the holder thereof to hunt elk in any county in the state at any time when it is otherwise lawful to hunt elk therein until the first day of January next following the date of issuance of such license.

Charge for
issuing state
license.

SEC. 97. Any person deputized by the Director to issue state licenses for hunting, fishing, trapping, practicing taxidermy, or dealing in furs, as authorized by this act, shall charge the sum of twenty-five cents (25¢) in addition to collecting the fees prescribed by law for issuing each such license, which sum shall be retained by him for his services.

Charge for
issuing
county
license.

SEC. 98. Any person deputized by the Director to issue county fishing and hunting licenses shall charge the sum of fifteen cents (15¢) in addition to collecting the fee prescribed by law, for issuing each such license, which sum shall be retained by him for his services.

Application
for license.

SEC. 99. Every application for a license shall be in writing on a blank form to be furnished for that purpose and signed by the applicant and shall contain information concerning sex, citizenship, age, place of residence, and any other matters required by rule and regulation of the Commission.

Contents.

SEC. 100. The Commission may adopt rules and regulations requiring records to be kept and reports to be made by licensees concerning the time, manner, and place of taking any wild animals, wild birds, or game fish, the quantities taken, and such other information as may be helpful in enforcing the provisions of this act or the rules and regulations of the Commission. Such rules and regulations may prescribe the form of such records and reports and may require licensees to keep such records current while hunting, fishing, or trapping, and to display the same, and may authorize the Director to prepare and distribute such record and report forms to licensees.

Rules and regulations concerning reports and records to be kept by licensee.

SEC. 101. Licenses issued under this act shall be in such form, of such materials, and of such colors as may be designated by the Commission, and the Commission may adopt rules and regulations pertaining to the form, material, color, use, possession, and display of such licenses.

Commission may regulate form and display of licenses.

SEC. 102. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States who is a non-resident of the state, or who has been a resident of the state for less than six months, may by paying the sum of twenty-five dollars (\$25) obtain a hunting and fishing license, which shall entitle the holder thereof to hunt and fish in any county of the state until the first day of January next following the date of issuance, when it is lawful to hunt or fish therein: *Provided*, That an applicant for such license who is a resident of a state bordering on this state may secure such license for the same amount that a resident of this state may secure a similar license in the state of which the applicant is a resident.

Non-resident state hunting and fishing license.

Fee.

Reciprocity.

SEC. 103. Any citizen of the United States, or person who has in good faith declared his intention

Non-resident state fishing license. of becoming a citizen of the United States, who is a non-resident of the state, or who has been a resident of the state for less than six months, may by paying the sum of fifteen dollars (\$15) obtain a state hunting license, which shall entitle the holder thereof to hunt game birds in any county of the state when it is lawful to hunt therein.

Fee.

Non-resident state hunting license. SEC. 104. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States who is a non-resident of the state, or who has been a resident of the state for less than six months, may by paying the sum of five dollars (\$5) obtain a state fishing license, which shall entitle the holder thereof to fish in any county of the state when it is lawful to fish therein.

Fee.

Non-resident state temporary fishing license. SEC. 105. Any non-resident of the state who is temporarily sojourning in the state may by paying the sum of one dollar and fifty cents (\$1.50) obtain a state fishing license, which shall entitle the holder thereof to fish in any county of the state for a period of ten days following the date of its issuance, when it is lawful to fish therein.

Fee.

Allen state hunting and fishing license. SEC. 106. Any alien may, by paying the sum of twenty-five dollars (\$25) and exhibiting his permit to carry firearms issued in the manner provided by law, obtain a state hunting and fishing license, which shall entitle the holder thereof to hunt game birds and game animals and fish in any county of the state until the first day of January next following the date of its issuance, when it is lawful to hunt or fish therein.

Fee.

Allen county fishing license. SEC. 107. Any alien may by paying the sum of five dollars (\$5) obtain a county fishing license, which shall entitle the holder thereof to fish in any lawful manner within the county for which the license is issued until the first day of January next

Fee.

following the date of its issuance, when it is lawful to fish therein.

SEC. 108. Any citizen of the United States or person who has in good faith declared his intention to become a citizen of the United States who has been a resident of this state for six months, may by paying the sum of five dollars (\$5) obtain a state trapping license which shall entitle the holder thereof to trap fur-bearing animals, except beaver, for their hides or their pelts only, within any county of the state until the first day of April next following the date of its issuance, at any time when it is lawful to trap such animals.

State trapping license.

Fee.

SEC. 109. Any person may by paying the sum of five dollars (\$5) obtain a license, which shall entitle him to practice taxidermy for profit in any county of the state until the first day of January next following the date of its issuance.

License to practice taxidermy.

Fee.

SEC. 110. Any person may by paying the sum of ten dollars (\$10), obtain a license, which shall entitle the holder thereof to purchase, receive, or resell raw furs for profit in any county of the state until the first day of January next following the date of its issuance.

Fur dealers license.

Fee.

SEC. 111. All licensed taxidermists and fur dealers shall permit inspection of their records by the Director or his duly authorized representatives at reasonable times concerning all dealings regarding wild animals, wild birds, or game fish and shall make such reports containing such information as may be required by rule and regulation of the Commission.

Taxidermists and fur dealers reports.

SEC. 112. Any bona fide resident of this state who is blind or who is a veteran of the Spanish-American War, or any person of sixty-five or more years of age who is an honorably discharged veteran of the United States military or naval forces having

Veterans and blind persons.

a service-connected disability and who has been a resident of this state for five years, upon the making of an affidavit to such effect, shall be given a state hunting and fishing license free of charge upon application therefor: *Provided, however,* A special license authorizing fishing only shall be given to the blind.

Permits for scientific collection.

SEC. 113. The Director may issue permits limited as to number and duration for the collection of wild birds, their nests, and eggs, game animals, fur-bearing animals, or game fish for scientific purposes only, within certain game areas or throughout the state. Before any such permit is issued, the applicant therefor shall file an application in writing stating his name, age, and place of residence. The application shall be accompanied by a certificate signed by the president or the curator of the museum of either the University of Washington or the State College of Washington certifying that the applicant is a person of good moral character and is possessed of sufficient scientific knowledge to warrant the issuance of the permit. The applicant shall file a bond running to the state with good and sufficient surety, to be approved by the Director, in the penal sum of one thousand dollars (\$1,000), and conditioned for the faithful compliance with all the provisions of the permit and of this section. The Director may issue permits without bond to any accredited representative of any museum or institute of natural history of the United States or any state or county presenting credentials under the seal of such museum or institute. Permits shall be valid for the time limited therein, unless sooner revoked, but in no instance for a period of more than one year from the first day of March of the year in which they are issued.

Application and certificate.

Bond.

It shall be unlawful for any person having a permit issued under this section to sell or offer for sale

any specimens collected, but the holder of any such permit may exchange such specimens with any state university or any museum or institute of natural history of the United States, or any state, or any country, or with any individual holding a similar permit from this state or another state.

Sales prohibited.

Every holder of such permit who violates any of the provisions of this section shall forfeit his permit and the penalty of the bond required for the issuance thereof and he shall be prohibited from being issued a similar permit for a period of one year.

Violation of permit.

SEC. 114. Licenses issued under this act shall not be transferable. Any person hunting, trapping, or fishing, shall, upon the demand of the Director, any Game Protector, Deputy Game Protector, ex-officio Game Protector, Sheriff, Constable, or police officer, exhibit his license to such officer, and write his name for the purpose of comparison with the signature on the license, and his failure or refusal to exhibit his license and write his name upon demand shall be prima facie evidence that such person has no license or is not the person named in the license in his possession.

Licenses not transferable.

Display of license.

SEC. 115. Upon conviction of any person of a violation of any provision of this act, or rule or regulation of the Commission, the Judge or Justice of the Peace may, in addition to the penalty imposed by law, forfeit the license of such person. Upon subsequent conviction of any such person of any violation of any provision of this act or rule or regulation of the Commission, the forfeiture of such license shall be mandatory. The Commission may by rule and regulation prohibit the issuance of a license to any person convicted two or more times of any such violation or prescribe the conditions under which such license may be issued.

Forfeiture of license upon conviction.

SEC. 116. Any Judge or Justice of the Peace may suspend the whole or any part of any fine or sen-

Court may suspend punishment.

tence imposed by him upon any person found guilty of violating any of the provisions of this act or any rule or regulation of the State Game Commission.

CHAPTER IX
CONSTITUTIONALITY, SAVING CLAUSE,
REPEALED STATUTES

Constitutionality.

SEC. 117. If any clause, part or section of this act shall be adjudged invalid, such judgment shall not affect nor invalidate the remainder of the act but shall be confined in its operation to the clause, part or section directly involved in the controversy in which such judgment was rendered. If the operation of any clause, part or section of this act shall be held to impair the obligation of contract, or to deny to any person any right or protection secured to him by the constitution of the United States of America, or by the constitution of the State of Washington, it is hereby declared that, had the invalidity of such clause, part or section been considered at the time of the enactment of this act, the remainder of the act would nevertheless have been adopted without any and all such invalid clauses, parts or sections.

Saving clause.

SEC. 118. All acts and parts of acts incorporated in the following schedule, and all acts and parts of acts in conflict with the provisions of this act, are hereby repealed: *Provided*, That all proceedings and actions begun and pending in any court under and by virtue of any act hereby repealed and all prosecutions for violations of any act hereby repealed shall not be abated by reason of such repeal but shall be continued and prosecuted until final determination as though this repealing act had not been passed.

SCHEDULE

Repealed statutes.

Section 115, chapter 7, Laws of 1921, as last amended by chapter 42, Laws of 1945 (sec. 10873, Rem. Rev. Stat.; sec. 235-1, PPC).

Section 8, chapter 3, Laws of 1933 (sec. 5855-2, Rem. Rev. Stat.; sec. 235-3, PPC).

Section 10, chapter 3, Laws of 1933 (sec. 5855-4, Rem. Rev. Stat.; sec. 235-7, PPC).

Section 9, chapter 3, Laws of 1933 (sec. 5855-3, Rem. Rev. Stat.; sec. 235-5, PPC).

Section 17, chapter 3, Laws of 1933 (sec. 5855-11, Rem. Rev. Stat.; sec. 235-23, PPC).

Section 37, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 37, chapter 3, Laws of 1933 (sec. 5891, Rem. Rev. Stat.; sec. 578-11, PPC).

Sections 2, 3, 5, 6 and 8, chapter 178, Laws of 1925, Ex. Sess. (secs. 5856, 5857, 5859, 5860 and 5862, Rem. Rev. Stat.; secs. 585-3, 585-5, 585-9, 585-11 and 585-15, PPC).

Section 4, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 1, chapter 137, Laws of 1929 (sec. 5858, Rem. Rev. Stat.; sec. 585-7, PPC).

Section 7, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 2, chapter 258, Laws of 1927 (sec. 5861, Rem. Rev. Stat.; sec. 585-13, PPC).

Section 7, chapter 3, Laws of 1933 (sec. 5855-1, Rem. Rev. Stat.; sec. 582-1, PPC).

Section 11, chapter 3, Laws of 1933 (sec. 5855-5, Rem. Rev. Stat.; sec. 235-9, PPC).

Section 16, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 19, chapter 3, Laws of 1933 (sec. 5870, Rem. Rev. Stat.; sec. 578-3, PPC).

Section 12, chapter 3, Laws of 1933 (sec. 5855-6, Rem. Rev. Stat.; sec. 235-11, PPC).

Section 15, chapter 3, Laws of 1933 (sec. 5855-9, Rem. Rev. Stat.; sec. 235-19, PPC).

Section 18, chapter 178, Laws of 1925, Ex. Sess., as amended by section 21, chapter 3, Laws of 1933 (sec. 5872, Rem. Rev. Stat.; sec. 578-13, PPC).

Section 19, chapter 178, Laws of 1925, Ex. Sess., as amended by section 22, chapter 3, Laws of 1933 (sec. 5873, Rem. Rev. Stat.; sec. 578-15, PPC).

Section 20, chapter 178, Laws of 1925, Ex. Sess., as amended by section 23, chapter 3, Laws of 1933 (sec. 5874, Rem. Rev. Stat.; sec. 578-17, PPC).

Section 21, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 24, chapter 3, Laws of 1933 (sec. 5875, Rem. Rev. Stat.; sec. 595-1, PPC).

Section 22, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 25, chapter 3, Laws of 1933 (sec. 5876, Rem. Rev. Stat.; sec. 595-3, PPC).

Section 100, chapter 178, Laws of 1925, Ex. Sess. (sec. 5962, Rem. Rev. Stat.; sec. 595-5, PPC).

Section 99, chapter 178, Laws of 1925, Ex. Sess. (sec. 5961, Rem. Rev. Stat.; sec. 583-9, PPC).

Section 104, chapter 178, Laws of 1925, Ex. Sess. (sec. 5966, Rem. Rev. Stat.; sec. 595-7, PPC).

Section 83, chapter 178, Laws of 1925, Ex. Sess. (sec. 5942, Rem. Rev. Stat.; sec. 579-17, PPC).

Section 23, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 26, chapter 3, Laws of 1933 (sec. 5877, Rem. Rev. Stat.; sec. 578-19, PPC).

Section 30, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 1, chapter 200, Laws of 1937 (sec. 5884, Rem. Rev. Stat.; sec. 586-1, PPC).

Section 2, chapter 140, Laws of 1939 (sec. 5855-13, Rem. Rev. Stat.; sec. 586-3, PPC).

Section 35, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 34, chapter 3, Laws of 1933 (sec. 5889, Rem. Rev. Stat.; sec. 578-7, PPC).

Section 34, chapter 178, Laws of 1925, Ex. Sess., as amended by section 33, chapter 3, Laws of 1933 (sec. 5888, Rem. Rev. Stat.; sec. 578-5, PPC).

Section 92, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 13, chapter 108, Laws of 1931 (sec. 5952, Rem. Rev. Stat.; sec. 592-1, PPC).

Section 1, chapter 112, Laws of 1931 (sec. 5953, Rem. Rev. Stat.; sec. 592-3, PPC).

Section 2, chapter 112, Laws of 1931 (sec. 5954, Rem. Rev. Stat.; sec. 592-5, PPC).

Section 3, chapter 237, Laws of 1943 (sec. 5992-9, Rem. Rev. Stat.; sec. 592-25, PPC).

Sections 1 and 2, chapter 237, Laws of 1943 (secs. 5992-7 and 5992-8, Rem. Rev. Stat.; secs. 592-21 and 592-23, PPC).

Section 7, chapter 59, Laws of 1935, as last amended by section 1, chapter 81, Laws of 1945 (sec. 3715-10, Rem. Rev. Stat.; sec. 998-51, PPC).

Section 84, chapter 178, Laws of 1925, Ex. Sess. (sec. 5943, Rem. Rev. Stat.; sec. 596-5, PPC).

Sections 93 and 94, chapter 178, Laws of 1925, Ex. Sess. (secs. 5955 and 5956, Rem. Rev. Stat.; secs. 591-1 and 591-3, PPC).

Section 95, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 15, chapter 221, Laws of 1929 (sec. 5957, Rem. Rev. Stat.; sec. 591-5, PPC).

Section 89, chapter 178, Laws of 1925, Ex. Sess. (sec. 5948, Rem. Rev. Stat.; sec. 591-13, PPC).

Section 91, chapter 178, Laws of 1925, Ex. Sess. (sec. 5951, Rem. Rev. Stat.; sec. 591-11, PPC).

Section 86, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 19, chapter 258, Laws of 1927 (sec. 5945, Rem. Rev. Stat.; sec. 579-9, PPC).

Section 75, chapter 178, Laws of 1925, Ex. Sess., as amended by section 12, chapter 221, Laws of 1929 (sec. 5934, Rem. Rev. Stat.; sec. 579-1, PPC).

Section 81, chapter 178, Laws of 1925, Ex. Sess. (sec. 5940, Rem. Rev. Stat.; sec. 579-15, PPC).

Section 13, chapter 221, Laws of 1929 (sec. 5950, Rem. Rev. Stat.; sec. 591-9, PPC).

Section 60, chapter 178, Laws of 1925, Ex. Sess., as amended by section 9, chapter 221, Laws of 1929 (sec. 5919, Rem. Rev. Stat.; sec. 596-17, PPC).

Sections 1 and 2, chapter 221, Laws of 1941 (secs. 5919-1 and 5919-2, Rem. Rev. Stat.; secs. 263-21 and 263-23, PPC).

Section 25, chapter 258, Laws of 1927 (sec. 5988, Rem. Rev. Stat.; sec. 593-17, PPC).

Section 96, chapter 178, Laws of 1925, Ex. Sess. (sec. 5958, Rem. Rev. Stat.; sec. 583-3, PPC).

Section 10, chapter 81, Laws of 1945 (sec. 3715-18, Rem. Rev. Stat.; sec. 998-69, PPC).

Section 79, chapter 178, Laws of 1925, Ex. Sess. (sec. 5938, Rem. Rev. Stat.; sec. 578-21, PPC).

Section 77, chapter 178, Laws of 1925, Ex. Sess. (sec. 5936, Rem. Rev. Stat.; sec. 583-17, PPC).

Section 78, chapter 178, Laws of 1925, Ex. Sess., as amended by section 18, chapter 258, Laws of 1927 (sec. 5937, Rem. Rev. Stat.; sec. 583-19, PPC).

Section 98, chapter 178, Laws of 1925, Ex. Sess., as amended by section 20, chapter 258, Laws of 1927 (sec. 5960, Rem. Rev. Stat.; sec. 583-7, PPC).

Section 97, chapter 178, Laws of 1925, Ex. Sess. (sec. 5959, Rem. Rev. Stat.; sec. 583-5, PPC).

Section 117, chapter 178, Laws of 1925, Ex. Sess. (sec. 5989, Rem. Rev. Stat.; sec. 578-23, PPC).

Section 101, chapter 178, Laws of 1925, Ex. Sess., as amended by section 21, chapter 258, Laws of 1927 (sec. 5963, Rem. Rev. Stat.; sec. 584-1, PPC).

Section 61, chapter 178, Laws of 1925, Ex. Sess. (sec. 5920, Rem. Rev. Stat.; sec. 596-19, PPC).

Section 118, chapter 178, Laws of 1925, Ex. Sess., as amended by section 26, chapter 258, Laws of 1927 (sec. 5990, Rem. Rev. Stat.; sec. 583-21, PPC).

Sections 1, 2 and 3, chapter 71, Laws of 1925, Ex. Sess. (secs. 5991, 5992 and 5992-1, Rem. Rev. Stat.; secs. 593-3, 593-5 and 593-7, PPC).

Sections 115 and 116, chapter 178, Laws of 1925, Ex. Sess. (secs. 5984 and 5987, Rem. Rev. Stat.; secs. 593-13 and 593-15, PPC).

Section 1, chapter 76, Laws of 1929 (sec. 5985, Rem. Rev. Stat.; sec. 593-9, PPC).

Section 1, chapter 5, Laws of 1933, Ex Sess. (sec. 5991-1, Rem. Rev. Stat.; sec. 235-13, PPC).

Chapter 246, Laws of 1945 (secs. 5922-1 to 5922-6, inclusive, Rem. Rev. Stat.; secs. 579-1, 579-3, 579-5, 579-7, 579-9, 579-11, and 579-13, PPC).

Sections 1 and 2, chapter 207, Laws of 1941 (secs. 5972-1 and 5972-2, Rem. Rev. Stat.; secs. 732-29 and 732-31, PPC).

Sections 2, 3, 4, 5, 6, 8, 9, 11, 12 and 13, chapter 81, Laws of 1945 (secs. 3715-11, 3715-12, 3715-13, 3715-14, 3715-15, 3715-16, 3715-17, 3715-19, 3715-20 and 3715-21, Rem. Rev. Stat.; secs. 998-53, 998-55, 998-57, 998-59, 998-61, 998-65, 998-67, 998-71, 998-73 and 998-75, PPC).

Section 106, chapter 178, Laws of 1925, Ex. Sess., as amended by section 14, chapter 221, Laws of 1929 (sec. 5968, Rem. Rev. Stat.; sec. 587-1, PPC).

Section 14, chapter 108, Laws of 1931 (secs. 5969, 5970, 5971, 5972, 5973, 5974 and 5975, Rem. Rev. Stat.; secs. 587-3, 587-5, 587-7, 587-9, 587-11, 587-13 and 587-15, PPC).

Section 107, chapter 178, Laws of 1925, Ex. Sess., as amended by section 23, chapter 258, Laws of 1927 (sec. 5976, Rem. Rev. Stat.; sec. 587-17, PPC).

Sections 108 and 109, chapter 178, Laws of 1925, Ex. Sess. (secs. 5977 and 5978, Rem. Rev. Stat.; secs. 587-19 and 587-21, PPC).

Section 110, chapter 178, Laws of 1925, Ex. Sess. (sec. 5979, Rem. Rev. Stat.; sec. 587-23, PPC).

Sections 111 and 112, chapter 178, Laws of 1925, Ex. Sess. (secs. 5980 and 5981, Rem. Rev. Stat.; secs. 587-25 and 587-27, PPC).

Section 113, chapter 178, Laws of 1925, Ex. Sess., as amended by section 24, chapter 258, Laws of 1927 (sec. 5982, Rem. Rev. Stat.; sec. 587-29, PPC).

Section 114, chapter 178, Laws of 1925, Ex. Sess. (sec. 5983, Rem. Rev. Stat.; sec. 587-31, PPC).

Section 38, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 1, chapter 124, Laws of 1935 (sec. 5892, Rem. Rev. Stat.; sec. 590-1, PPC).

Section 7, chapter 81, Laws of 1945 (sec. 5917-2, Rem. Rev. Stat.; sec. 998-63, PPC).

Section 1, chapter 67, Laws of 1945 (sec. 5922-10, Rem. Rev. Stat.; sec. 590-2, PPC).

Section 2, chapter 67, Laws of 1945 (sec. 5922-11, Rem. Rev. Stat.; sec. 590-2 (5), PPC).

Section 40, chapter 178, Laws of 1925, Ex. Sess. (sec. 5895, Rem. Rev. Stat.; sec. 590-7, PPC).

Section 7, chapter 258, Laws of 1927, as last amended by section 39, chapter 3, Laws of 1933 (sec. 5893, Rem. Rev. Stat.; sec. 590-3, PPC).

Section 39, chapter 178, Laws of 1925, Ex. Sess., as amended by section 40, chapter 3, Laws of 1933 (sec. 5894, Rem. Rev. Stat.; sec. 590-5, PPC).

Section 42, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 2, chapter 124, Laws of 1935 (sec. 5897, Rem. Rev. Stat.; sec. 590-9, PPC).

Section 44, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 5, chapter 108, Laws of 1931 (sec. 5900, Rem. Rev. Stat.; sec. 590-17, PPC).

Section 50, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 9, chapter 108, Laws of 1931 (sec. 5904, Rem. Rev. Stat.; sec. 590-25, PPC).

Section 9, chapter 258, Laws of 1927 (sec. 5910, Rem. Rev. Stat.; sec. 590-37, PPC).

Section 1, chapter 232, Laws of 1943 (sec. 5699-1, Rem. Rev. Stat.; sec. 590-51, PPC).

Section 47, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 7, chapter 108, Laws of 1931 (sec. 5902, Rem. Rev. Stat.; sec. 590-21, PPC).

Section 43, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 3, chapter 124, Laws of 1935 (sec. 5898, Rem. Rev. Stat.; sec. 590-11, PPC).

Section 45, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 6, chapter 108, Laws of 1931 (sec. 5901, Rem. Rev. Stat.; sec. 590-19, PPC).

Section 48, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 48, chapter 108, Laws of 1931 (sec. 5903, Rem. Rev. Stat.; sec. 590-23, PPC).

Section 1, chapter 221, Laws of 1929 (sec. 5899, Rem. Rev. Stat.; sec. 590-13, PPC).

Section 51, chapter 178, Laws of 1925, Ex. Sess., as amended by section 4, chapter 221, Laws of 1929 (sec. 5905, Rem. Rev. Stat.; sec. 590-27, PPC).

Section 52, chapter 178, Laws of 1925, Ex. Sess., as amended by section 10, chapter 108, Laws of 1931 (sec. 5906, Rem. Rev. Stat.; sec. 590-29, PPC).

Section 9, chapter 258, Laws of 1927, as amended by section 11, chapter 108, Laws of 1931 (sec. 5907, Rem. Rev. Stat.; sec. 590-31, PPC).

Section 9, chapter 258, Laws of 1927, as amended by section 12, chapter 108, Laws of 1931 (sec. 5908, Rem. Rev. Stat.; sec. 590-33, PPC).

Section 9, chapter 258, Laws of 1927 (sec. 5909, Rem. Rev. Stat.; sec. 590-35, PPC).

Sections 2, 3 and 4, chapter 232, Laws of 1943 (secs. 5699-2, 5699-3 and 5699-4, Rem. Rev. Stat.; secs. 590-53, 590-55 and 590-57, PPC).

Section 54, chapter 178, Laws of 1925, Ex. Sess. (sec. 5912, Rem. Rev. Stat.; sec. 590-41, PPC).

Section 4, chapter 232, Laws of 1943 (sec. 5699-4, Rem. Rev. Stat.; sec. —, PPC).

Section 17, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 20, chapter 3, Laws of 1933 (sec. 5871, Rem. Rev. Stat.; sec. 594-1, PPC).

Section 53, chapter 178, Laws of 1925, Ex. Sess., as amended by section 10, chapter 258, Laws of 1927 (sec. 5911, Rem. Rev. Stat.; sec. 590-39, PPC).

Section 1, chapter 178, Laws of 1925, Ex. Sess. (sec. 5855, Rem. Rev. Stat.; sec. 585-1, PPC).

Section 9, chapter 178, Laws of 1925, Ex. Sess. (sec. 5863, Rem. Rev. Stat.; sec. 582-1, PPC).

Section 10, chapter 178, Laws of 1925, Ex. Sess., as amended by section 1, chapter 108, Laws of 1931 (sec. 5864, Rem. Rev. Stat.; sec. 578-1, PPC).

Section 26, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 1, chapter 126, Laws of 1941 (sec. 5880, Rem. Rev. Stat.; sec. 596-1, PPC).

Section 27, chapter 178, Laws of 1925, Ex. Sess., as amended by section 29, chapter 3, Laws of 1933 (sec. 5881, Rem. Rev. Stat.; sec. 596-3, PPC).

Section 55, chapter 178, Laws of 1925, Ex. Sess., as amended by section 11, chapter 258, Laws of 1927 (sec. 5913, Rem. Rev. Stat.; sec. 579-3, PPC).

Section 56, chapter 178, Laws of 1925, Ex. Sess., as amended by section 5, chapter 221, Laws of 1929 (sec. 5914, Rem. Rev. Stat.; sec. 596-9, PPC).

Section 57, chapter 178, Laws of 1925, Ex. Sess., as amended by section 6, chapter 221, Laws of 1929 (sec. 5915, Rem. Rev. Stat.; sec. 596-11, PPC).

Section 1, chapter 258, Laws of 1927 (sec. 5916, Rem. Rev. Stat.; sec. —, PPC).

Section 58, chapter 178, Laws of 1925, Ex. Sess., as amended by section 7, chapter 221, Laws of 1929 (sec. 5917, Rem. Rev. Stat.; sec. 596-13, PPC).

Section 59, chapter 178, Laws of 1925, Ex. Sess., as amended by section 8, chapter 221, Laws of 1929 (sec. 5918, Rem. Rev. Stat.; sec. 596-15, PPC).

Section 62, chapter 178, Laws of 1925, Ex. Sess. (sec. 5921, Rem. Rev. Stat.; sec. 596-21, PPC).

Section 63, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 16, chapter 221, Laws of 1929 (sec. 5922, Rem. Rev. Stat.; sec. 596-23, PPC).

Section 64, chapter 178, Laws of 1925, Ex. Sess., as amended by section 10, chapter 221, Laws of 1929 (sec. 5923, Rem. Rev. Stat.; sec. 596-25, PPC).

Section 65, chapter 178, Laws of 1925, Ex. Sess., as last amended by section 11, chapter 221, Laws of 1929 (sec. 5924, Rem. Rev. Stat.; sec. 596-27, PPC).

Section 66, chapter 178, Laws of 1925, Ex. Sess. (sec. 5925, Rem. Rev. Stat.; sec. 596-29, PPC).

Section 67, chapter 178, Laws of 1925, Ex. Sess., as amended by section 14, chapter 258, Laws of 1927 (sec. 5926, Rem. Rev. Stat.; sec. 596-31, PPC).

Section 68, chapter 178, Laws of 1925, Ex. Sess., as amended by section 15, chapter 258, Laws of 1927 (sec. 5927, Rem. Rev. Stat.; sec. 596-33, PPC).

Section 69, chapter 178, Laws of 1925, Ex. Sess., as amended by section 16, chapter 258, Laws of 1927 (sec. 5928, Rem. Rev. Stat.; sec. 593-1, PPC).

Section 70, chapter 178, Laws of 1925, Ex. Sess. (sec. 5929, Rem. Rev. Stat.; sec. 580-1, PPC).

Section 71, chapter 178, Laws of 1925, Ex. Sess., as amended by section 17, chapter 258, Laws of 1927 (sec. 5930, Rem. Rev. Stat.; sec. 579-5, PPC).

Section 72, chapter 178, Laws of 1925, Ex. Sess. (sec. 5931, Rem. Rev. Stat.; sec. 591-15, PPC).

Section 73, chapter 178, Laws of 1925, Ex. Sess. (sec. 5932, Rem. Rev. Stat.; sec. 581-1, PPC).

Section 74, chapter 178, Laws of 1925, Ex. Sess. (sec. 5933, Rem. Rev. Stat.; sec. 588-1, PPC).

Section 76, chapter 178, Laws of 1925, Ex. Sess. (sec. 5935, Rem. Rev. Stat.; sec. 596-7, PPC).

Section 80, chapter 178, Laws of 1925, Ex. Sess. (sec. 5939, Rem. Rev. Stat.; sec. 583-1, PPC).

Section 82, chapter 178, Laws of 1925, Ex. Sess. (sec. 5941, Rem. Rev. Stat.; sec. 583-15, PPC).

Section 85, chapter 178, Laws of 1925, Ex. Sess. (sec. 5944, Rem. Rev. Stat.; sec. 579-7, PPC).

Section 87, chapter 178, Laws of 1925, Ex. Sess. (sec. 5946, Rem. Rev. Stat.; sec. 579-11, PPC).

Section 88, chapter 178, Laws of 1925, Ex. Sess. (sec. 5947, Rem. Rev. Stat.; sec. 579-13, PPC).

Section 90, chapter 178, Laws of 1925, Ex. Sess. (sec. 5949, Rem. Rev. Stat.; sec. 591-7, PPC).

Section 102, chapter 178, Laws of 1925, Ex. Sess., as amended by section 22, chapter 258, Laws of 1927 (sec. 5964, Rem. Rev. Stat.; sec. 589-1, PPC).

Section 103, chapter 178, Laws of 1925, Ex. Sess. (sec. 5965, Rem. Rev. Stat.; sec. 583-11, PPC).

Section 105, chapter 178, Laws of 1925, Ex. Sess. (sec. 5967, Rem. Rev. Stat.; sec. 583-13, PPC).

Section 2, chapter 76, Laws of 1929 (sec. 5986, Rem. Rev. Stat.; sec. 593-11, PPC).

Section 16, chapter 3, Laws of 1933 (sec. 5855-10, Rem. Rev. Stat.; sec. 235-21, PPC).

Section 44, chapter 3, Laws of 1933 (sec. 5898-1, Rem. Rev. Stat.; sec. 235-25, PPC).

Section 45, chapter 3, Laws of 1933 (sec. 5898-2, Rem. Rev. Stat.; sec. 590-15, PPC).

Section 1, chapter 236, Laws of 1943 (sec. 5912-1, Rem. Rev. Stat.; sec. 590-47, PPC).

Section 13, Laws of 1933 (sec. 5855-7, Rem. Rev. Stat.; sec. 235-15, PPC).

Section 14, Laws of 1933 (sec. 5855-8, Rem. Rev. Stat.; sec. 235-17, PPC).

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 21, 1947, with the exception of Section 40, which is vetoed.

CHAPTER 276.

[H. B. 178.]

COLUMBIA SLOUGH.

AN ACT authorizing the construction of dikes, dams, or causeways in or over Columbia or Bachelor Slough near the Columbia River.

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

SECTION 1. It shall be lawful for any adjacent or abutting owner or owners, to construct a dike, dam, or causeway over or in the waters of the State of Washington described as: That certain body of water lying between Bachelor Island and the mainland, appearing on the State Survey Map made by Edw. C. Dohm, State Field Engineer, as Columbia Slough and designated on the map as compiled by the U. S. Coast and Geodetic Survey of September, 1937, Number "U. S. C. & G. S. 6154" as Bachelor Island Slough from its point of confluence with Lake River South to the Columbia River, in Sections 13, 23, 24, 26 and 35, Township 4 North, Range 1 West of the Willamette Meridian, in Clark County, Washington: *Provided*, That the location and plans thereto are submitted to and approved by the Chief of Engineers of the United States and the Secretary of War of the United States, before construction is commenced subject to the terms of section 9 of the River & Harbor Act, approved March 3, 1899 (30 Stat. 1151; 33 U. S. C. 401) and: *Provided further*, That all such dikes, dams, causeways, or other structures, shall be constructed at the expense of the owners.

Lawful to construct dams, dikes, etc., over or in certain described waters.

Submission of plans for approval.

Expense of construction.

Passed the House February 21, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 277.

[H. B. 271.]

COUNTY CLERKS—DESTRUCTION OF EXHIBITS.

AN ACT authorizing the destruction in certain cases of exhibits in the custody of County Clerks.

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

After ten years the County Clerk may apply for court order.

SECTION 1. A County Clerk may at any time more than ten years after the entry of final judgment in any action apply to the Superior Court for an authorizing order and, upon such order being signed and entered, destroy any exhibits which have theretofore been filed in such cause: *Provided*, That any exhibits which are deemed to possess historical value may be directed to be delivered by the Clerk to libraries or historical societies: *Provided further*, That there shall be no destruction of instruments affecting title to real property, either by way of instruments of conveyance or agreements respecting property or affecting the custody of children.

Records of historical value.

Records affecting real property or custody of children.

Passed the House February 24, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 278.

[S. H. B. 143.]

STATE ASSISTANCE TO SCHOOL DISTRICTS.

AN ACT relating to education; making provision for state assistance to school districts in providing school plant facilities; prescribing powers and duties of certain state and school district officers in connection therewith; repealing chapter 223, Laws of 1941 (secs. 4932-1 to 4932-5, both incl., Rem. Rev. Stat.); making appropriations and providing for disbursements therefrom; and declaring an emergency.

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

SECTION 1. It is hereby declared to be the intent of the Legislature that the following provisions be enacted for the purpose of establishing and providing for the operation of a program of state assistance to school districts in providing school plant facilities.

Declaration
of Intent.

SEC. 2. The State Board of Education shall have the power and it shall be its duty (a) to prescribe rules and regulations governing the administration, control, terms, conditions, and disbursements of grants to school districts to assist them in providing school plant facilities; (b) to approve, whenever the board deems such action advisable, grants to districts that apply for state assistance and in so doing to give due consideration to the findings, reports, and recommendations of the Superintendent of Public Instruction pertaining thereto; (c) to authorize the payment of approved grants by warrant of the State Auditor; and (d) in the event that the amount of state assistance applied for pursuant to the provisions of this act exceeds the funds available for such assistance during any biennium, to make grants on the basis of the urgency of need for school facilities in the districts that apply for assistance and/or to prorate grants among such districts in conformity with procedures and regulations applicable thereto which shall be established by the State Board.

Powers and
duties of
State Board
of Education.

Method of determining amount of state assistance.

Board of the school district to ascertain project cost.

Items of cost.

Review by state board.

Computations by the Superintendent of Public Instruction.

Percentage of state assistance.

SEC. 3. The amount of state assistance to a school district in financing a school plant project shall be determined in the following manner:

(1) The Board of Directors of the district shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architect's fees, and a reasonable amount for contingencies and for other necessary incidental expenses: *Provided*, That the total cost of the project shall be subject to review and approval by the State Board of Education.

(2) The Superintendent of Public Instruction shall (a) ascertain the assessed valuation of the district adjusted to fifty per centum (50%) of the true and fair value in money of the taxable property in the district in accordance with the ratio of assessed valuation to actual valuation fixed by the State Board of Equalization for the county to which the district belongs; and (b) compute the ratio of the aforesaid assessed valuation of the district to the number of educational units approved for allotment to the district of current state school funds: *Provided*, That this number of units may be increased by the aforesaid officer for the use thereof specified in this act upon the finding by said officer that completion of the proposed project will provide facilities for additional units and that such additional units will be needed to serve the school population of the district.

(3) The ratio of the assessed valuation of the district to the number of educational units thereof, computed in the manner hereinabove provided for, shall then be used in determining the percentage of state assistance for the district in accordance with the following table:

Ratio of Assessed Valuation to Number of Educational Units	Percentage of State Assistance
\$28,570 or less to 1.....	75.0%
\$30,000 to 1.....	73.9
\$35,000 to 1.....	70.2
\$40,000 to 1.....	66.7
\$45,000 to 1.....	63.3
\$50,000 to 1.....	60.0
\$55,000 to 1.....	56.9
\$60,000 to 1.....	53.8
\$65,000 to 1.....	50.9
\$70,000 to 1.....	48.1
\$75,000 to 1.....	45.5
\$80,000 to 1.....	42.9
\$85,000 to 1.....	40.4
\$90,000 to 1.....	37.9
\$95,000 to 1.....	35.6
\$100,000 to 1.....	33.3
\$105,000 to 1.....	31.1
\$110,000 to 1.....	29.0
\$115,000 to 1.....	27.0
\$120,000 or over to 1.....	25.0

Table.

(4) The approved cost of the project determined in the manner herein prescribed times the percentage of state assistance derived as provided for herein shall be the amount of state assistance to the district for the financing of the project: *Provided*, That need therefor has been established to the satisfaction of the Superintendent of Public Instruction acting in accordance with the provisions of section 4: *Provided further*, That additional state assistance may be allowed if it is found by the Superintendent of Public Instruction that such assistance is necessary in order to meet a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden and excessive increase in school population, and other conditions similarly emergent in nature.

Amount of state assistance.

Need must be established.

Additional assistance may be allowed under stated conditions.

SEC. 4. All applications by school districts for state assistance in providing school plant facilities shall be made to the Superintendent of Public Instruction in conformity with rules and regulations

Application for state assistance.

Studies and surveys.

which shall be prescribed by the State Board of Education. Studies and surveys shall be conducted by the aforesaid officer for the purpose of securing information relating to (a) the kind and extent of the school plant facilities required and the urgency of need for such facilities in districts that seek state assistance, (b) the ability of such districts to provide capital outlay funds by local effort, (c) the need for improvement of school administrative units and school attendance areas among or within such districts, and (d) any other pertinent matters. Recommendations respecting action on the aforesaid applications shall be submitted to the State Board of Education by the Superintendent of Public Instruction together with such reports of the findings, studies, and surveys made by said officer as may be required by the State Board.

Recommendations to be submitted to State Board.

Manual to be prepared for guidance of local authorities.

SEC. 5. It shall be the duty of the Superintendent of Public Instruction, in consultation with the Washington State Department of Health, to prepare a manual for the information and guidance of local school district authorities and others responsible for and concerned with the designing, planning, maintenance, and operation of school plant facilities for the common schools. In the preparation of the aforesaid manual due consideration shall be given to the presentation of information regarding (a) the need for cooperative state-local district action in planning school plant facilities arising out of the cooperative plan for financing said facilities provided for in this act; (b) procedures in inaugurating and conducting a school plant planning program for a school district; (c) standards for use in determining the selection and development of school sites and in designing, planning, and constructing school buildings to the end that the health, safety, and educational well being and development of school children will be served; (d) the planning of readily expandible and flexible school buildings to meet the require-

Items for consideration in preparation of manual.

ments of an increasing school population and a constantly changing educational program; (e) an acceptable school building maintenance program and the necessity therefor; (f) the relationship of an efficient school building operations service to the health and educational progress of pupils; and (g) any other matters regarded by the aforesaid officer as pertinent or related to the purposes and requirements of this act.

SEC. 6. The Superintendent of Public Instruction shall furnish (a) to school districts seeking state assistance under the provisions of this act consultative and advisory service in connection with the development of school building programs and the planning of school plant facilities for such district, and (b) to the State Board of Education such service as may be required by the Board in the exercise of the powers and the performance of the duties vested in and required to be performed by the Board under the provisions of this act.

Superintendent of Public Instruction to advise local authorities and render service to State Board.

SEC. 7. The provisions of this act and all rules and regulations prescribed thereunder respecting the operation of the program of state assistance provided for herein shall be applicable in their entirety to each school plant project for which the Washington State Development Board or the Social Security Committee has made an allotment of funds prior to the effective date of this act. Funds so allotted are hereby recognized as an obligation of the state to the school districts to which the aforesaid allotments have been made and shall be disbursed to said districts out of the appropriation provided for in this act, subject to and in conformity with the provisions of section two (2) of said act.

Certain prior allotments confirmed.

SEC. 8. In so far as is permissible under acts of Congress, funds made available by the Federal government for the purpose of assisting school districts in providing school plant facilities shall be made

Federal funds.

available to such districts in conformity with rules and regulations which the State Board of Education shall establish.

Appropriations.

SEC. 9. To carry out the purposes of this act there are hereby appropriated from the General Fund in the State Treasury the following sums, or so much thereof as may be necessary:

FOR THE STATE BOARD OF EDUCATION:

Grants-in-aid to school districts.....	\$9,831,681.08
(Being the reappropriation of the unexpended balances of allotments made by the Washington State Development Board from the appropriation by chapter 255, Laws of 1945)	
Grants-in-aid to school districts.....	\$1,405,166.63
(Being the reappropriation of the unexpended balances of allotments made by the State Social Security Committee from the appropriations for like purposes by chapter 269, Laws of 1945)	
Grants-in-aid to school districts.....	\$8,763,152.29
Total	<u>\$20,000,000.00</u>

Repeal.

SEC. 10. Chapter 223, Laws of 1941 (secs. 4932-1 to 4932-5, both incl., Rem. Rev. Stat.) is hereby repealed, and all other acts or parts of acts inconsistent or in conflict with this act or with any part thereof are hereby repealed in so far as they are inconsistent or in conflict with this act or any part thereof.

Saving clause.

SEC. 11. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole, or any section, provision, or part thereof, not adjudged invalid or unconstitutional.

Effective immediately.

SEC. 12. This act is necessary for the immediate preservation of the public peace, health, and safety, support of the state government and its existing public institutions, and shall take effect on April 1, 1947.

Passed the House March 3, 1947.

Passed the Senate March 7, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 279.

[H. B. 240.]

EMERGENCY FLOOD CONTROL.

AN ACT relating to emergency flood control; appropriating to the Department of Conservation and Development therefor; and declaring an emergency.

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

SECTION 1. There is hereby appropriated from the General Fund to the Department of Conservation and Development for carrying out emergency flood control work under the provisions of chapter 204, Laws of 1941, as amended, the sum of one million dollars (\$1,000,000), or as much thereof as may be necessary. Appropriation.

SEC. 2. This act is necessary for the immediate preservation of the public peace, health and safety, support of the state government and its existing public institutions, and shall take effect immediately. Effective immediately.

Passed the House March 5, 1947.

Passed the Senate March 8, 1947.

Approved by the Governor March 21, 1947.

CHAPTER 280.

[S. B. 254.]

AGRICULTURAL MARKETING RESEARCH.

AN ACT relating to the Department of Agriculture, the State College of Washington and the Washington State Apple Advertising Commission; providing for agricultural marketing research in cooperation with Federal agencies; and making an appropriation.

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

SECTION 1. There is hereby appropriated out of the General Fund of the State Treasury the sum of forty thousand dollars (\$40,000), or so much thereof Appropriation for studies.

Studies to be made jointly.

Appropriation to be used on matching basis.

Duties of respective officers and agencies.

Powers and duties of Washington State Apple Advertising Commission.

as may be necessary to the Department of Agriculture, to be expended by the Department to further studies by the Department of Agriculture, the Experiment Station of the State College of Washington and the Extension Service of the State College of Washington. The studies provided for in this act shall be made jointly or in conjunction with those made by the United States Department of Agriculture as provided for in the Flannigan-Hope Act, Title II "The Agricultural Marketing Act of 1946" Public Law 733. The funds hereby appropriated shall be expended jointly and as matching funds with any Federal funds made available for such purposes.

SEC. 2. It shall be the duty of the Director of Agriculture to enact rules and regulations governing the pursuit of the studies provided for herein, and the Director of the Experimental Station of the State College of Washington to direct the technical studies of marketing problems. The Extension Service of the State College of Washington shall provide for the dissemination to the public of the knowledge gained by such studies. All of the rules and regulations provided for herein shall be in conformity with the provisions of this act.

SEC. 3. The Washington State Apple Advertising Commission is hereby empowered to employ, designate as agent, act in concert with, and enter into contracts with any person, firm, corporation, organization, council, association or commission for the purpose of promoting the general welfare of the apple industry and particularly for the purposes of assisting in the sale and distribution of apples in domestic or foreign commerce, and to expend its funds or such portion thereof as it may deem necessary or advisable for such purposes and for the purpose of paying its proportionate share of the cost of any program providing direct or indirect assistance to the sale and distribution of apples in domes-

tic or foreign commerce, and for such purposes to employ and pay for legal counsel and to contract and pay for other professional services.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 22, 1947.

CHAPTER 281.

[S. B. 240.]

WORKMEN'S COMPENSATION.

AN ACT relating to extra-hazardous employments and to the compensation and remedies of workmen injured therein, and of their dependents and beneficiaries in case of death; creating the Board of Industrial Appeals; defining its functions; amending section 2, chapter 74, Laws of 1911, as last amended by section 1, chapter 210, Laws of 1943 (section 7674, Rem. Supp. 1943), and amending section 20, chapter 74, Laws of 1911, as last amended by section 1, chapter 90, Laws of 1931 (sec. 7697, Rem. Rev. Stat.; sec. 704-1, PPC), and making an appropriation.

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

SECTION 1. Section 2, chapter 74, Laws of 1911, as last amended by section 1, chapter 210, Laws of 1943 (section 7674, Rem. Supp. 1943), is amended to read as follows:

Section 2. There is a hazard in all employment, but certain employments have come to be, and to be recognized as being inherently constantly dangerous. This act is intended to apply to all such inherently hazardous works and occupations, and it is the purpose to embrace all of them, which are within the legislative jurisdiction of the state, in the following enumeration, and they are intended to be embraced within the term "extra-hazardous" wherever used in this act, to-wit:

Factories, mills and workshops where machinery is used; printing, electrotyping, photo-engraving and

Declaration
of intent.

"Extra-
hazardous"
employment.

stereotyping plants where machinery is used; foundries, blast furnaces, mines, wells, gasworks, waterworks, reduction works, breweries, elevators, wharves, docks, dredges, smelters, powder works; laundries operated by power; quarries, engineering works; logging, lumbering and shipbuilding operations; logging, street and interurban railroads; buildings being constructed, repaired, moved or demolished; telegraph, telephone, electric light or power plants or lines, steam heating or power plants, steamboats, tugs, ferries and railroads; installing and servicing radios and electrical refrigerators; general warehouse and storage; teaming, truck driving and motor delivery, including drivers and helpers, in connection with any occupation except agriculture; stage, taxicab and for hire car driving; restaurants, taverns, clubs and establishments except private boarding houses, serving food or drink to the public or to members for consumption on the premises; employees supplying service to the public in hotels, clubs furnishing sleeping accommodations, apartment hotels; bunk houses, kitchens and eating houses in connection with extra-hazardous occupations or conducted primarily for employees in extra-hazardous occupations; transfer, drayage and hauling; warehousing and transfer; fruit warehouse and packing houses. If there be or arise any extra-hazardous occupation or work other than those hereinabove enumerated, it shall come under this act, and its rate of contribution to the accident fund hereinafter established shall be, until fixed by legislation, determined by the Department hereinafter created, upon the basis of the relation which the risk involved bears to the risk classified in section 7676 of Remington's Revised Statutes: *Provided, however,* The following operations shall not be deemed extra-hazardous within the meaning, or be included in the enumeration of this section to-wit: Using power-driven coffee grinders in wholesale or

Other
occupation
or work.

Operations
not extra-
hazardous.

retail grocery stores; using power-driven washing machines in establishments selling washing machines at retail; using computing machines in offices; using power-driven taffy pullers in retail candy stores; using power-driven milk shakers in establishments operating soda fountains; using power-driven hair cutters in barber shops; using power-driven machinery in beauty parlors; using power-driven machinery in optical stores.

The Director of Labor and Industries, through and by means of the Division of Industrial Insurance, shall have power, after hearing had upon its own motion or upon the application of any party interested, to declare any occupation or work to be extra-hazardous and to be under this act. The Director of Labor and Industries shall fix the time and place of such hearing and shall cause notice thereof to be published once at least ten (10) days before the hearing in at least one (1) daily newspaper of general circulation, published and circulated in each city of the first class of this state. No defect or inaccuracy, in such notice or in the publication thereof, shall invalidate any order issued by the Director of Labor and Industries, after hearing had. Any person affected shall have the right to appear and be heard at any such hearing. Any order, finding or decision of the Director of Labor and Industries made and entered under the foregoing provisions of this act shall be subject to review within the time and in the manner specified in section 7697 of Remington's Revised Statutes and not otherwise.

Director of Labor and Industries may declare occupation or work extra-hazardous.

Notice and hearing.

Publication.

Review.

SEC. 2. There is hereby created a Board of Industrial Insurance Appeals, hereinafter called the "Board", to consist of three members, to be appointed by the Governor as hereinafter provided. One shall be a representative of the public and a lawyer, appointed from a list of not less than three active members of the Washington State Bar Association.

Vetoed.

Vetoed.

ciation, submitted upon request of the Governor by a majority vote of the members of the Supreme Court, and such member when appointed shall be the chairman of said Board. The second member shall be a representative of the majority of the workmen engaged in extra-hazardous employment and shall be selected from a list of not less than three names submitted to the Governor by an organization, state wide in scope, which through its affiliates embraces a cross section of the organized labor of the state. The third member shall be a representative of employers engaged in extra-hazardous industry, and be appointed from a list of at least three names submitted to the Governor by a recognized state-wide organization of employers, a majority of whom have been substantial contributors to the industrial insurance and accident fund. The terms of office of the members of the Board shall be for six, four and two years respectively. Thereafter all terms shall be for a period of six years. Each member of the Board shall be eligible for reappointment and shall hold office until his successor is appointed and qualified. In the event of a vacancy in the Board, the Governor is authorized to appoint a successor to fill the unexpired term of his predecessor. All appointments shall be made in conformity with the foregoing plan for the personnel and selection of the Board. Members shall devote their entire time to the duties of the Board and shall receive for their services a salary not to exceed seven thousand five hundred dollars (\$7,500) per annum and reasonable travel allowance. Headquarters for the Board shall be located in Olympia. The Board shall adopt a seal which shall be judicially recognized.

SEC. 3. The Board is authorized and shall have power to make rules and regulations concerning its functions and procedure, which rules and regulations shall have the force and effect of law until

altered, repealed or set aside by action of the Board: *Provided, however,* That the Board by no such rule or regulation may delegate its duty of final decision on any appeal case or interpretation of any part of the testimony in any appeal case to any other person. All rules and regulations adopted by the Board shall be printed and copies thereof shall be readily available to the public. The Board is authorized and shall have power to incur such expenses as are reasonably necessary to carry out its duties hereunder. All such expenses shall be paid, one-half from the accident fund and one-half from the medical aid fund upon vouchers approved by the Board.

SEC. 4. Any member of the Board may be removed for inefficiency, malfeasance or misfeasance in office, upon specific written charges filed by the Governor, who shall transmit such written charges to the member accused and to the Chief Justice of the Supreme Court. The Chief Justice shall thereupon designate a special tribunal composed of three judges of the Superior Court to hear and adjudicate the charges. Such tribunal shall fix the time, place and procedure for the hearing, and the hearing shall be public. The decision of such tribunal shall be final and not subject to review.

Vetoed.

SEC. 5. From and after the effective date of this act the joint board of the Department of Labor and Industries shall no longer exist and all proceedings pending before said joint board on the date last above mentioned are hereby transferred to the Board of Industrial Insurance Appeals, which shall have jurisdiction as fully and completely as though such proceedings had been originally initiated before it: *Provided,* That nothing herein contained shall affect any appeal pending before any Superior Court of the Supreme Court.

SEC. 6. Section 20, chapter 74, Laws of 1911, as amended by section 8, chapter 310, Laws of 1927, as

amended by section 6, chapter 132, Laws of 1929, as amended by section 1, chapter 90, Laws of 1931 (section 7697, Rem. Rev. Stat.; section 704-1, PPC), is amended to read as follows:

Section 20. Whenever the Department of Labor and Industries has made any order, decision or award, it shall promptly serve the claimant, employer or other person affected thereby, with a copy thereof by mail, which shall be addressed to such claimant, employer or person at his last known address as shown by the records of the Department. Any claimant, employer or other person aggrieved by any such order, decision or award must, before he appeals to the courts, serve upon the Director of Labor and Industries, by mail or personally, within sixty days from the day on which such copy of such order, decision or award was communicated to the applicant, a notice of appeal to the Board of Industrial Insurance Appeals, hereinafter called the "Board." Such notice shall set forth in full detail the grounds upon which the applicant considers such order, decision or award is unjust or unlawful, and shall include every issue to be considered by the Board, and it must contain a detailed statement of facts upon which such claimant, employer or other person relies in support thereof. The claimant, employer or other person shall be deemed to have waived all objections or irregularities concerning the matter on which such appeal is taken other than those specifically set forth in such notice of appeal or appearing in the records of the Department. The Department shall promptly transmit the original record of the Department in such matter to the Board. If the Board, in its opinion, considers that the Department had considered fully all matters raised by such appeal it may, without further hearing, deny the same and confirm the Department's decision or award, or if the evidence on file with the Board sustains the applicant's contention, it may,

Vetoed.

without further hearing, allow the relief asked in such application; otherwise, it shall order a hearing to decide the issues raised. If a hearing be granted it shall be held in the county of the residence of the applicant at a place designated by the Board, but the hearing thereof may be adjourned from time to time and from place to place within said county, as the convenience of witnesses may require. Such hearing shall be de novo and summary, but no witness' testimony shall be received unless he shall first have been sworn to testify the truth, the whole truth and nothing but the truth in the matter being heard, or unless his testimony shall have been taken by deposition according to the statutes relating to Superior Courts of this state. The Board shall cause all oral testimony to be stenographically reported and thereafter transcribed, and when transcribed the same, with all depositions, shall be filed in, and remain a part of, the record on the appeal. Such hearings on appeal to the board may be conducted by one or more of its members, and depositions may be taken by a person duly commissioned for the purpose by the Board, but the record on appeal shall be considered by all of the members of the Board and the decision of a majority of the members shall be the decision of the Board, and upon such decision being rendered all parties to said appeal shall be given written notice thereof by the Board.

Vetoed

An appeal shall be deemed to have been denied by the Board unless it shall have been acted upon within thirty days from the date of service: *Provided, however,* That the Board may, in its discretion, extend the time within which it may act upon such appeal not exceeding thirty days.

Each of the members of the Board and all persons duly commissioned by it for the purpose of taking depositions, shall have power to administer oaths; to preserve and enforce order during such hearing; to issue subpoenas for and to compel the attendance

and testimony of, witnesses, or the production of books, papers, documents and other evidence, or the taking of depositions before any designated individual competent to administer oaths, and it shall be their duty so to do; to examine witnesses; and to do all things conformable to law which may be necessary to enable them, or any of them, effectively to discharge the duties of his office.

If any person in proceedings before the Board disobeys or resists any lawful order or process, or misbehaves during a hearing or so near the place thereof as to obstruct the same, or neglects to produce, after having been ordered so to do, any pertinent book, paper, or document, or refuses to appear after having been subpoenaed, or upon appearing refuses to take oath as a witness, or after having the oath refuses to be examined according to law, the Board or any member thereof shall certify the facts to the Superior Court having jurisdiction in the place in which said board or member thereof is sitting; it shall thereupon, in a summary manner, hear the evidence as to the acts complained of, and, if the evidence so warrants, punish such person in the same manner and to the same extent as for a contempt committed before the Court or commit such person upon the same conditions as if the doing of the forbidden act had occurred with reference to the proceedings, or in the presence, of the Court.

Vetocd.

Within thirty days after the final order of the Board upon such appeal has been communicated to such applicant, or within thirty days after the appeal is deemed denied as herein provided, such applicant may appeal to the Superior Court of the county of his residence, or to the Superior Court of the county wherein the injury occurred, but upon such appeal may raise only such issues of law or fact as were properly included in his notice of appeal to the Board, or in the complete record of the proceedings before the Board. On such appeal the hearing shall

be de novo, but the appellant shall not be permitted to offer, and the Court shall not receive, in support of such appeal, evidence or testimony other than, or in addition to, that offered before the Board or included in the record filed by the Board: *Provided*, That the right of cross examination shall not be limited by the testimony before the Board. The proceedings in every such appeal shall be informal and summary, but full opportunity to be heard shall be had before judgment is pronounced. Such appeal shall be perfected by filing with the Clerk of the Court a notice of appeal and by serving a copy thereof by mail, or personally, on the Director of Labor and Industries. The Department of Labor and Industries shall within twenty days after receipt of such notice of appeal, serve and file its notice of appearance and such appeal shall thereupon be deemed at issue. No bond shall be required on such appeal or on appeals to the Supreme Court, except that an appeal by the employer from a decision of the Board under section 7683 of Remington's Revised Statutes shall be ineffectual unless, within five days following the service of notice thereof, a bond, with surety satisfactory to the Court, shall be filed, conditioned to perform the judgment of the Court. Except in the case last named an appeal shall not be a stay.

Vetoed.

In all appeals to the superior court from any order, decision or award of the Board, either party shall be entitled to a trial by jury upon demand as in other civil cases. In each appeal the trial shall be de novo but no party to the appeal shall be permitted to introduce evidence in Court in addition to that contained in the departmental record, or in the record of the Board.

The Board shall serve upon the appellant, and file with the Clerk of the Court before trial, a certified copy of that portion of the record supplementing the departmental record, which shall, upon being so

filed, together with the record of the Department, become part of the record in such case. If the Court shall determine that the Board has acted within its power and has correctly construed the law and found the facts, the decision of the Board shall be confirmed; otherwise, it shall be reversed or modified. In case of a modification or reversal the Superior Court shall refer the same to the Department of Labor and Industries with an order directing it to proceed in accordance with the findings of the court: *Provided*, That any award shall be in accordance with the schedule of compensation set forth in this act. Upon the final determination of a review proceedings, the Board shall return all original files and records to the Department.

Vetoed.

It shall be unlawful for any attorney engaged in any such appeal to charge or receive any fee therein in excess of a reasonable fee, to be fixed by the Court in the case, and if the decision of the Board shall be reversed or modified, such fee and the fees of medical and other witnesses and the costs shall be payable out of the administrative fund, if the accident fund is affected by the litigation. In other respects the practice in civil cases shall apply. Appeal shall lie from the judgment of the Superior Court as in other civil cases. The Attorney General shall be the legal adviser of the Department and the Board and shall represent it in all proceedings. In all court proceedings under or pursuant to this act the decision of the Board shall be *prima facie* correct and the burden of proof shall be upon the party attacking the same.

Appropriation.

SEC. 7. There is hereby appropriated the sum of one hundred twenty-five thousand dollars (\$125,000) from the accident fund and the sum of one hundred twenty-five thousand dollars (\$125,000) from the Medical Aid Fund, or so much thereof as may be necessary, for the purposes herein stated.

SEC. 8. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Saving clause.

Passed the Senate March 9, 1947.

Passed the House March 9, 1947.

Approved by the Governor March 22, 1947, with the exception of Sections 2, 3, 4, 5, and 6, which are vetoed.

CHAPTER 282.

[H. B. 405.]

CODE COMMITTEE—REVISION OF STATUTES.

AN ACT relating to the compilation, revision, and codification of the statutory laws of the state; amending section 5, chapter 149, Laws of 1941, as last amended by section 1, chapter 233, Laws of 1945 (sec. 152-40, Rem. Rev. Stat.; sec. 430-9, PPC) and adding a new section to said chapter 149, Laws of 1941, as amended, and to be designated section 5-a.

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

SECTION 1. Section 5, chapter 149, Laws of 1941, as last amended by section 1, chapter 233, Laws of 1945 (sec. 152-40, Rem. Rev. Stat.; sec. 430-9, PPC) is amended to read as follows:

Section 5. The Committee shall be a continuing Code Committee with full power of codification of the laws above referred to, and shall have the power and duty to assign code numbers to such general laws as shall hereafter be passed at any legislative session; and the said Committee shall certify to the Secretary of State the numbers given to the sections which the Committee has determined shall be incorporated in such code.

Continuing committee.

Powers and duties.

Certification to Secretary of State.

SEC. 2. Chapter 149, Laws of 1941, as last amended by chapter 233, Laws of 1945, is amended

by adding thereto after section 5 a new section, to be designated as section 5-a, reading as follows:

Continued
revision.

No substan-
tive changes.

Temporary
publications.

Charges.

Submission
to legisla-
ture.

Recommen-
dations.

Section 5-a. The Code Committee shall continue its work of revision of the laws of the state of a general and permanent nature. The power of revision shall mean the power to restate the statutory law by eliminating superfluous verbiage, simplifying sentence structure, and making such changes in wording as may be necessary to bring the laws up to date, without, however, making any substantive change. During the progress of the work, and as rapidly as the several subdivisions or titles thereof are complete, the Committee shall cause them to be published in temporary form and distributed to such persons, officials, departments, agencies, associations, and institutions as in the opinion of the Committee may be interested, for comment and criticism. The Committee may charge for such temporary publications such sum as it deems reasonable, not exceeding the cost thereof, and all sums so received shall be deposited with the State Treasurer to the credit of the General Fund. Upon completion of the work, the Committee shall submit the same to the legislature for adoption as the "Revised Code of Washington." In addition, the Committee shall separately propose and submit to the legislature such substantive changes in the laws as it may deem desirable.

Passed the House March 1, 1947.

Passed the Senate March 6, 1947.

Approved by the Governor March 22, 1947.

CHAPTER 283.

[H. B. 42.]

REGISTRATION OF ENGINEERS AND LAND SURVEYORS.

AN ACT relating to and regulating the practice of engineering and land surveying; defining terms; providing for the registration of professional engineers and land surveyors; creating and providing for the State Board of Registration for Professional Engineers and Land Surveyors; defining the powers and duties of officials in the administration of the act and the engineering of public works; providing penalties; and repealing chapter 167, Laws of 1935 (secs. 8306-1 to 8306-16, inclusive, Rem. Rev. Stat.; secs. 536-1 to 536-31, inclusive, PPC).

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

SECTION 1. *General Provisions.* In order to safeguard life, health, and property, and to promote the public welfare, any person in either public or private capacity practicing or offering to practice engineering or land surveying, shall hereafter be required to submit evidence that he is qualified so to practice and shall be registered as hereinafter provided; and it shall be unlawful for any person to practice or to offer to practice in this state, engineering or land surveying, as defined in the provisions of this act, or to use in connection with his name or otherwise assume, use, or advertise any title or description tending to convey the impression that he is a professional engineer or a land surveyor, unless such a person has been duly registered under the provisions of this act.

Evidence of qualification and registration.

SEC. 2. *Definitions.* Engineer: The term "engineer" as used in this act shall mean a professional engineer as hereinafter defined.

Definitions, "Engineer."

Professional Engineer: The term "professional engineer" within the meaning and intent of this act, shall mean a person who, by reason of his special knowledge of the mathematical and physical sciences and the principles and methods of engineering an-

"Professional engineer."

alysis and design, acquired by professional education and practical experience, is qualified to practice engineering as hereinafter defined, as attested by his legal registration as a professional engineer.

"Engineer-in-Training."

Engineer-in-Training: The term "engineer-in-training" as used in this act shall mean a candidate for registration as a professional engineer who is a graduate in an approved engineering curriculum of four years or more from a school or college approved by the board as of satisfactory standing, or who has had four years or more of experience in engineering work of a character satisfactory to the board; and who, in addition, has successfully passed the examination in the fundamental engineering subjects prior to completion of the requisite years of experience in engineering work as provided in section 9 of this act, and who shall have received a certificate stating that he has successfully passed this portion of the professional examination.

"Engineering."

Engineering: The term "engineering" as used in this act shall mean the "practice of engineering" as hereinafter defined.

"Practice of Engineering."

Practice of Engineering: The term "practice of engineering" within the meaning and intent of this act shall mean any professional service or creative work requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional services or creative work as consultation, investigation, evaluation, planning, design and supervision of construction for the purpose of assuring compliance with specifications and design, in connection with any public or private utilities, structures, buildings, machines, equipment, processes, works, or projects.

Practice construed.

A person shall be construed to practice or offer to practice engineering, within the meaning and intent of this act, who practices any branch of the profession of engineering; or who, by verbal claim, sign,

advertisement, letterhead, card, or in any other way represents himself to be a professional engineer, or through the use of some other title implies that he is a professional engineer; or who holds himself out as able to perform, or who does perform, any engineering service or work or any other professional service designated by the practitioner or recognized by educational authorities as engineering.

The practice of engineering shall not include the work ordinarily performed by persons who operate or maintain machinery or equipment.

Land Surveyor: The term "land surveyor" as used in this act shall mean a person who, through technical knowledge and skill gained by education and/or by experience, is qualified to practice land surveying as hereinafter defined.

"Land surveyor."

Practice of Land Surveying: The term "practice of land surveying" within the meaning and intent of this act, shall mean assuming responsible charge of the surveying of land for the establishment of corners, lines, boundaries, and monuments, the laying out and subdivision of land, the defining and locating of corners, lines, boundaries and monuments of land after they have been established, the survey of land areas for the purpose of determining the topography thereof, the making of topographical delineations and the preparing of maps and accurate records thereof, when the proper performance of such services requires technical knowledge and skill.

"Practice of land surveying."

Board: The term "Board" as used in this act shall mean the State Board of Registration for Professional Engineers and Land Surveyors, provided for by this act.

"Board."

SEC. 3. *Board.* A State Board of Registration for Professional Engineers and Land Surveyors is hereby created which shall exercise all of the powers and perform all of the duties conferred upon it by this act. The Board shall consist of five registered

Board created.

- Members. professional engineers, who shall be appointed by the Governor and shall have the qualifications as hereinafter required. The members of the first Board shall be appointed within thirty days after the effective date of this act, to serve for the following terms: one member for one year, one member for two years, one member for three years, one member for four years, one member for five years, from the date of their appointment, or until their successors are duly appointed and qualified. Every member of the Board shall receive a certificate of his appointment from the Governor and before beginning his term of office shall file with the Secretary of State his written oath or affirmation for the faithful discharge of his official duty. On the expiration of the term of any member, the Governor shall in the manner hereinbefore provided appoint for a term of five years a registered professional engineer having the qualifications as hereinafter required, to take the place of the member whose term on said Board is about to expire. Each member shall hold office until the expiration of the term for which such member is appointed or until a successor shall have been duly appointed and shall have qualified.
- Terms of first members.
- Oath.
- Terms of succeeding members.
- Qualifications.
- Each member of the Board shall be a citizen of the United States and shall have been a resident of this state for at least five years immediately preceding his appointment, and shall have been engaged in the practice of the profession of engineering for at least twelve years, and shall have been in responsible charge of important engineering work for at least five years. Responsible charge of engineering teaching may be construed as responsible charge of important engineering work.
- Compensation.
- Each member of the Board shall receive the sum of twenty-five dollars (\$25) per diem when actually attending to the work of the Board or any of its committees and for the time spent in necessary

travel; and, in addition thereto, shall be reimbursed for actual traveling, incidental, and clerical expenses necessarily incurred in carrying out the provisions of this act.

Expenses.

The Governor may remove any member of the Board for misconduct, incompetency, or neglect of duty. Vacancies in the membership of the Board shall be filled for the unexpired term by appointment by the Governor as hereinabove provided.

Removal or vacancies.

The Board shall hold a meeting within thirty days after its members are first appointed, and thereafter shall hold at least one regular meeting each year. Special meetings shall be held at such time as the by-laws of the Board may provide. The notice of all meetings shall be given in such manner as the by-laws may provide. The Board shall elect annually the following officers: A chairman, a vice-chairman, and a secretary. A quorum of the Board shall consist of not less than three members.

SEC. 4. *Administration.* The Board shall have the power to adopt and amend such by-laws and rules of procedure not inconsistent with the constitution and laws of this state, which may be necessary for the proper performance of its duties and the regulations of the proceedings before it.

Vetoed

In carrying into effect the provisions of the act, the Board, under the hand of its chairman may subpoena witnesses and compel their attendance, and also may require the production of books, papers, documents, etc., in a case involving the revocation of registration or practicing or offering to practice without registration. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. If any person shall refuse to obey any subpoena so issued, or shall refuse to testify or to produce any books, papers, or documents, the Board may present its petition to the Superior Court of the county in which such person

resides, setting forth the facts, and thereupon the court shall, in a proper case, issue its subpoena to such person, requiring his attendance before such court and there to testify or to produce such books, papers, or documents as may be deemed necessary or pertinent by the Board. Any person failing or refusing to obey the subpoena or order of said court may be proceeded against in the same manner as for refusal to obey any other subpoena or order of the court.

SEC. 5. Receipts and Disbursements. All sums received from any sources, under the provisions of this act shall be paid to the State Treasurer as ex-officio custodian thereof and by him, as such custodian placed in a special fund designated as the "Professional Engineer's Fund," and by him paid out upon vouchers duly and regularly issued therefor and approved by the Secretary of the Board. The said treasurer as ex-officio custodian of said fund shall keep an accurate record of payments into, or receipts of, said fund, and of all disbursements therefrom. Said fund shall be charged with its pro rata share of the cost of administering said fund to be determined by the State Treasurer.

Vetoed.

The Department of Licenses shall provide the necessary office space and clerical services and supplies for the administration of this act, and the expense of such services and supplies as determined by the Director of Licenses, shall be paid by voucher approved by the Secretary of the Board.

The Board may employ such other clerical or special assistants as may be necessary for the proper performance of its work, and may make expenditures from the fund for any purpose which, in the opinion of the Board, is reasonably necessary for the proper performance of its duties under this act.

SEC. 6. Records and Reports. The Board shall keep a record of its proceedings and a register of all

persons to whom a certificate of registration was granted, refused, or revoked and showing the date thereof.

The records of the Board shall be prima facie evidence of the proceedings of the Board set forth therein, and a transcript thereof duly certified by the Secretary of the Board, shall be admissible in evidence with the same force and effect as if the original were produced.

The Board shall submit to the Governor an annual report of its transactions of the preceding year, including a complete statement of the receipts and disbursements of the "Professional Engineer's Fund," attested by affidavits of its chairman and secretary. A roster, showing the names and places of business of all registered professional engineers and land surveyors shall also be included in the above mentioned annual report. Copies of this report shall be mailed to all professional engineers and land surveyors registered under this act, and furnished to the public upon request.

Vetoed.

SEC. 7. *Registration Requirements.* The following will be considered as minimum evidence satisfactory to the Board that the applicant is qualified for registration as a Professional Engineer, Engineer-in-Training, or Land Surveyor, respectively, to-wit:

Registration requirements.

As a Professional Engineer: A specific record of eight years or more of experience in engineering work of a character satisfactory to the Board and indicating that the applicant is competent to practice engineering; and successfully passing a written or oral examination, or both, in engineering as prescribed by the Board.

As a professional engineer.

Experience.

Examination.

Graduation in an approved engineering curriculum of four years or more from a school or college approved by the Board as of satisfactory standing shall be considered equivalent to four years of such required experience. The satisfactory completion

Education.

of each year of such an approved engineering course without graduation shall be considered as equivalent to a year of such required experience. Graduation in a curriculum other than engineering from a school or college approved by the Board shall be considered as equivalent to two years of such required experience: *Provided*, That no applicant shall receive credit for more than four years of experience because of undergraduate educational qualifications. The Board may, at its discretion, give credit as experience not in excess of one year, for satisfactory postgraduate study in engineering.

As an engineer-in-training.

Examination in two stages.

As an Engineer-in-Training: The Board shall permit an applicant for registration as a Professional Engineer, upon his request, to take the prescribed examination in two stages. The first stage of the examination may be taken upon submission of his application for certification as an Engineer-in-Training and payment of the application fee herein prescribed, at any time after the applicant has completed four years of the required engineering experience as defined above. The first stage of the examination shall test the applicant's knowledge of appropriate fundamentals of engineering subjects, including mathematics and the basic sciences.

First stage.

Experience.

At any time after the completion of the required eight years of engineering experience as defined above, the applicant may take the second stage of the examination, upon submission of application for registration and payment of the application fee herein prescribed. This stage of the examination shall test the applicant's ability, upon the basis of his greater experience, to apply his knowledge and experience in the field of his specific training and qualifications.

Second stage.

As a land surveyor.

Experience.

As a Land Surveyor: A specific record of six years or more of experience in land surveying work of a character satisfactory to the Board and indicating that the applicant is competent to practice land surveying, and successfully passing a written or oral

examination, or both, in surveying as prescribed by the Board.

Graduation from a school or college approved by the Board as of satisfactory standing, including the completion of an approved course in surveying, shall be considered equivalent to four years of such required experience. Education.

No person shall be eligible for registration as a Professional Engineer, Engineer-in-Training, or Land Surveyor, who is not of good character and reputation. Character and reputation.

Engineering teaching, of a character satisfactory to the Board, shall be considered as experience not in excess of two years for professional engineering and one year for land surveying. Teaching.

The mere execution, as a contractor, of work designed by a Professional Engineer, or the supervision of the construction of such work as a foreman or superintendent shall not be deemed to be practice of engineering. Certain work not deemed practice of engineering.

Any person having the necessary qualifications prescribed in this act to entitle him to registration shall be eligible for such registration although he may not be practicing his profession at the time of making his application. Not necessary to be practicing.

SEC. 8. *Application and Registration Fees.* Application for registration shall be on forms prescribed by the Board and furnished by the Director of Licenses, shall contain statements made under oath, showing the applicant's education and detail summary of his technical work and shall contain not less than five references, of whom three or more shall be engineers having personal knowledge of his engineering experience. Application and registration fees. Contents of application. References.

The registration fee for Professional Engineers shall be twenty-five dollars (\$25), fifteen dollars (\$15) of which shall accompany the application, the remaining ten dollars (\$10) to be paid upon issuance Fees.

of the certificate. The fee for Engineer-in-Training shall be ten dollars (\$10) which shall accompany the application and shall include the cost of examination and issuance of certificate. When registration as a Professional Engineer is completed by an Engineer-in-Training an additional fee of fifteen dollars (\$15) shall be paid before issuance of certificate as Professional Engineer.

The registration fee for Land Surveyors shall be fifteen dollars (\$15) which shall accompany the application and shall include the cost of examination and issuance of certificate. The registration fee for Professional Engineers also qualified as Land Surveyors shall be the same as for Professional Engineers.

Should the Board deny the issuance of a certificate of registration to any applicant, the initial fee deposited shall be retained as an application fee.

Examina-
tions.

SEC. 9. *Examinations.* When oral or written examinations are required, they shall be held at such time and place as the Board shall determine. If examinations are required on fundamental engineering subjects (such as ordinarily given in college curricula) the applicant shall be permitted to take this part of the professional examination prior to his completion of the requisite years of experience in engineering work, and satisfactory passage of this part of the professional examination by the applicant shall constitute a credit for a period of ten years. The Board shall issue to each applicant upon successfully passing the examination in fundamental engineering subjects a certificate stating that he has passed the examination in fundamental engineering subjects and that his name has been recorded as an Engineer-in-Training.

Certificate
of passing
examination.

Scope of
examination.
Procedure.

The scope of the examination and the methods of procedure shall be prescribed by the Board with special reference to the applicant's ability to design

and supervise engineering works so as to insure the safety of life, health and property. Examinations shall be given for the purpose of determining the qualifications of applicants for registration separately in engineering and in land surveying. A candidate failing an examination may apply for re-examination at the expiration of six months and will be re-examined without payment of additional fees. Subsequent examinations will be granted upon payment of a fee to be determined by the Board.

Re-examination.

SEC. 10. *Certificates and Seals.* The Director of Licenses shall issue a certificate of registration upon payment of a registration fee as provided for in this act, to any applicant who, in the opinion of the Board, has satisfactorily met all the requirements of this act. In case of a registered engineer, the certificate shall authorize the practice of "Professional Engineering" and specify the branch or branches in which specialized, and in case of a registered Land Surveyor, the certificate shall authorize the practice of "Land Surveying." In the case of a registered Professional Engineer also qualified as Land Surveyor but one certificate shall be issued.

Certificates and Seals.

In case of Engineer-in-Training, the certificate shall state that the applicant has successfully passed the examination in fundamental engineering subjects required by the Board and has been enrolled as an "Engineer-in-Training." All certificates of registration shall show the full name of the registrant, shall have a serial number, and shall be signed by the chairman and the secretary of the Board and by the Director of Licenses.

The issuance of a certificate of registration by the Director of Licenses shall be prima facie evidence that the person named therein is entitled to all the rights and privileges of a registered Professional Engineer or a registered Land Surveyor, while

Prima facie evidence.

the said certificate remains unrevoked and unexpired.

Seal to be obtained.

Each registrant hereunder shall upon registration obtain a seal of the design authorized by the Board, bearing the registrant's name and the legend "Registered Professional Engineer" or "Registered Land Surveyor." Plans, specifications, plats and reports prepared by the registrant shall be stamped with said seal when filed with public authorities, during the life of registrant's certificate, but it shall be unlawful for any one to stamp or seal any document with said seal after the certificate of registrant named thereon has expired or been revoked, unless said certificate shall have been renewed or reissued.

Seal to be used.

Unlawful act.

Expiration and renewals.

SEC. 11. *Expiration and Renewals.* Certificates of registration shall expire on the last day of the month of December following their issuance or renewal and shall become invalid on that date unless renewed. It shall be the duty of the Director of Licenses to notify every person registered under this act, of the date of the expiration of his certificate and the amount of the renewal fee that shall be required for its renewal for one year. Such notice shall be mailed at least thirty days before the end of December of each year. Renewal may be effected during the month of December by the payment of a fee of five dollars (\$5) for Professional Engineer, Professional Engineer and Land Surveyor, and three dollars (\$3) for Land Surveyor. In case any Professional Engineer and/or Land Surveyor registered under this act shall fail to pay the renewal fee hereinabove provided for, within thirty days from the date when the same shall become due, the renewal fee shall be the current fee plus an amount equal to one year's fee.

Fees for renewals.

Practitioners at time of act.

SEC. 12. *Practitioners at Time of Act.* Any person who has been an actual resident of this state prior to January 1, 1947, and who shall establish to the

satisfaction of the Board by affidavits of two professional engineers, registered under this act, that he was engaged in the practice of engineering other than civil, electrical, mechanical, structural and hydraulic engineering and/or land surveying as defined by chapter 167, Laws of 1935, one year immediately prior to the taking effect of this act, shall be eligible for registration without examination provided he makes application for registration and pays the registration fee of fifteen dollars (\$15) before January 1, 1948. After January 1, 1948, the Director of Licenses shall issue certificates of registration only as provided in section 8. All persons holding certificates of registration as Professional Engineers in civil, electrical, mechanical, structural and hydraulic engineering and/or land surveying under chapter 167, Laws of 1935, at the time this act becomes effective shall be automatically registered under this act, without issuance of an additional certificate.

Affidavit of practice.

Registration without examination.

Fee.

Persons holding certificates.

SEC. 13. *Interstate Registration.* The board may, upon application therefor, and the payment of a fee of fifteen dollars (\$15) issue a certificate as a Professional Engineer or Land Surveyor to any person who holds a certificate of qualification of registration issued to him by proper authority of any state or territory or possession of the United States or of any country, provided that the applicant's qualifications meet the requirements of the act, and the rules established by the board.

Interstate registration.

Fee.

SEC. 14. *Revocations.* The Board shall have the exclusive power to revoke the certificate of registration of any registrant who is found guilty of:

Revocations.

The practice of any fraud or deceit in obtaining a certificate of registration; or

Any gross negligence, incompetency, or misconduct in the practice of engineering or land surveying as a registered engineer or land surveyor.

Any person may prefer charges.

Any person may prefer charges of fraud, deceit, gross negligence, incompetency, or misconduct against any registrant. Such charges shall be in writing and shall be sworn to by the person making them and shall be filed with the secretary of the Board.

To be heard within three months.

All charges, unless dismissed by the Board as unfounded or trivial, shall be heard by the Board within three months after the date on which they have been preferred.

Time and place of hearing.

The time and place for said hearing shall be fixed by the Board and a copy of the charges, together with a notice of the time and place of hearing, shall be personally served on or mailed to the last known address of such registrant, at least thirty days before the date set for the hearing. At any hearing the accused registrant shall have the right to appear personally and by counsel, to cross-examine witnesses appearing against him, and to produce evidence and witnesses in his own defense.

Notice to be served or mailed.

Determination by three or more members of Board.

If, after such hearing, three or more members of the Board vote in favor of finding the accused guilty, the Board shall revoke the certificate of registration of such registered Professional Engineer or Land Surveyor.

Reissue of certificate.

The Board, for reasons it deems sufficient, may reissue a certificate of registration to any person whose certificate has been revoked, providing three or more members of the Board vote in favor of such issuance. A new certificate of registration to replace any certificate revoked, lost, destroyed, or mutilated may be issued by the Director of Licenses, subject to the rules of the Board, and a charge of one dollar (\$1) shall be made for such issuance.

Lost or destroyed certificates.

Fee.

Appeals to Superior Court.

Any person who shall feel aggrieved by any action of the Board in denying or revoking his certificate of registration may appeal therefrom to the Superior Court of the county in which such person resides, and after full hearing, said Court shall make

such decree sustaining or revoking the action of the Board as it may deem just and proper.

SEC. 15. *Violations and Penalties.* Any person who shall practice, or offer to practice, engineering or land surveying in this state without being registered in accordance with the provisions of the act, or any person presenting or attempting to use as his own the certificate of registration or the seal of another, or any person who shall give any false or forged evidence of any kind to the Board or to any member thereof in obtaining a certificate of registration, or any person who shall falsely impersonate any other registrant, or any person who shall attempt to use the expired or revoked certificate of registration, or any person who shall violate any of the provisions of this act shall be guilty of a misdemeanor.

Violations
and
penalties.

It shall be the duty of all officers of the state or any political subdivision thereof, to enforce the provisions of this act. The Attorney General shall act as legal adviser of the Board, and render such legal assistance as may be necessary in carrying out the provisions of this act.

Attorney
General is
legal
adviser.

SEC. 16. *Saving Clause.* This act shall not be construed to prevent or affect:

Saving
clause.

The practice of any other legally recognized profession or trade; or

Persons and
practices ex-
cluded from
effect of act.

The practice of a person not a resident and having no established place of business in this state, practicing or offering to practice herein the profession of engineering or land surveying, when such practice does not exceed in the aggregate more than thirty days in any calendar year, provided such person is legally qualified by registration to practice the said profession in his own state or country in which the requirements and qualifications for obtaining a certificate of registration are not lower than those specified in this act; or

Temporary
practice by
non-resident.

Non-resident
or new resi-
dent with
registration
filed.

The practice of a person not a resident and having no established place of business in this state, or who has recently become a resident thereof, practicing or offering to practice herein for more than thirty days in any calendar year the profession of engineering or land surveying, if he shall have filed with the Board an application for a certificate of registration and shall have paid the fee required by this act, provided that such person is legally qualified by registration to practice engineering or land surveying in his own state or country in which the requirements and qualifications of obtaining a certificate of registration are not lower than those specified in this act. Such practice shall continue only for such time as the Board requires for the consideration of the application for registration; or

Qualification.

Employee of
registered
engineer or
one lawfully
practicing.

The work of an employee or a subordinate of a person holding a certificate of registration under this act, or an employee of a person practicing lawfully under provisions of this section; provided such work does not include final design or decisions and is done under the direct responsibility, checking and supervision of a person holding a certificate of registration under this act or a person practicing lawfully under the provisions of this section; or

Employee of
corporation.

The work of a person rendering engineering or land surveying services to a corporation, as an employee of such corporation, when such services are rendered in carrying on the general business of the corporation and such general business does not consist, either wholly or in part, of the rendering of engineering services to the general public: *Provided*, That such corporation employs at least one person holding a certificate of registration under this act or practicing lawfully under the provisions of this act.

Employees of
government.

The practice of officers or employees of the government of the United States while engaged within

the state in the practice of the profession of engineering or land surveying for said government; or

Non-resident Engineers employed for the purpose of making engineering examinations.

SEC. 17. *Severability Clause.* If any section of this act shall be declared unconstitutional or invalid, such adjudication shall not invalidate any other provision or provisions thereof. Severability clause.

SEC. 18. *Repealing Clause.* Chapter 167, Laws of 1935 (secs. 8306-1 to 8306-16, inclusive, Rem. Rev. Stat.; secs. 536-1 to 536-31, inclusive, PPC), and any and all laws or parts of laws in conflict with the provisions of this act are hereby repealed. Repealing clause.

SEC. 19. *Short Title.* This act shall be known and may be cited as the "Professional Engineers' Registration Act." Short title.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 22, 1947, with the exception of the last unnumbered item of section 3, sections 4, 5, and 6, which are vetoed.

CHAPTER 284.

[H. B. 268.]

UNIVERSITY OF WASHINGTON—BOARD OF REGENTS.

AN ACT relating to the University of Washington and the old University grounds, defining the powers of the Board of Regents with respect thereto and repealing sections 7 and 8 of chapter 122 of the Laws of 1893.

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

SECTION 1. For the purposes of this act—(a) the word "Board" means the Board of Regents of the University of Washington; Definitions.
"Board."

(b) the word "leasehold" and the term "leasehold interest" mean the interest of the lessee in the University tract under the lease entered into on the "Leasehold" and the term "leasehold interest."

first day of February, 1907, between the State of Washington, as lessor, and James A. Moore, as lessee, and thereafter assigned by said lessee to the Metropolitan Building Company, a corporation;

"To lease."

(c) the verb "to lease" includes the power to let for a term the whole or any portions of the land or of any building or buildings or other improvements thereon or appurtenances thereto, at rentals determined upon the basis of either—

(1) an agreed amount either with or without provision for periodic adjustment therein for the term, or

(2) a percentage of sales, receipts or income for the term, or

(3) a percentage of sales, receipts or income with a guaranteed minimum rental for the term, either with or without duty on the part of the lessee or lessor to construct new buildings or other improvements or to reconstruct, alter, remodel or add to existing buildings; and

"University tract."

(d) the term "University tract" means the tract of land in the city of Seattle, consisting of approximately ten acres, originally known as the "old University grounds" and more recently referred to as the "Metropolitan tract," together with all buildings, improvements and facilities thereon and appurtenances thereto.

Vetoed.

(e) the term "Legislative Council" means the State Legislative Council created by chapter 36, Laws of 1947.

Additional powers of board.

SEC. 2. In addition to the powers conferred under the deeds of conveyance and under existing law the Board is authorized, and shall have the power subject to the provisions of section 5 hereof and subject to section 1, chapter 44, Laws of 1923,—

Acquire University tract prior to expiration of lease.

(a) to acquire by purchase, to sublease or to otherwise acquire, from the lessees of the University tract the unexpired portion of the leasehold interest

in said tract prior to the date of its stipulated expiration and to pay, or make provision for payment, to the holder of the leasehold such amount as may be agreed upon between the Board and the holder of such leasehold interest, and

(b) upon and after either such acquisition or the expiration of the leasehold—

After acquisition or expiration of lease.

(1) to operate and manage or lease, in whole or in part, the University tract, such operation and management or leasing to be accomplished, at the discretion of the Board, either—

Operate, manage or lease.

(A) directly by the Board, or

By Board.

(B) through an agent or agents appointed for that purpose, or

Through agents.

(C) through the medium of a corporation or corporations created for that purpose; and

Through a corporation formed.

(2) either directly or by contract, at fixed price or upon cost-plus-a-fixed-fee basis,—

Contract at fixed price or cost plus.

(A) to construct new buildings on, or

New buildings.

(B) to raze, reconstruct, alter, remodel or add to existing buildings on, or

Remodeling.

(C) to otherwise improve,

Improvement.

the University tract, and to lease or to acquire, by purchase or gift, land and rights necessary or convenient for the maximum utilization and development of the said tract; and

Acquisition of additional property.

(c) if the unexpired portion of the leasehold interest in the University tract is not acquired prior to the date of its stipulated expiration, in the meantime—

If unexpired leasehold not acquired.

(1) to enter into agreements to lease the University tract, in whole or in part, for any period beginning on or after November 1, 1954, either with or without concurrent action by the holder of the unexpired portion of the leasehold interest in said tract; and

Agreements to lease.

(2) to exercise any of the powers enumerated in subsection (b) (2) of this section, upon agreement with the holder of the unexpired portion of the

Agreement with present lessee.

leasehold interest in the University tract for its improvement prior to the expiration of such leasehold term; and

Borrow money.

(d) to borrow money required for the accomplishment of any object or purpose specified in subsections (a), (b) or (c) of this section and to issue warrants or bonds therefor, to provide for amortization thereof and to pay said warrants or bonds, at or prior to maturity, out of the income derived from operating, managing and leasing the University tract; and

Receive income.

(e) (1) to receive all rental and other income from the University tract, and

Designate depositaries.

(2) to designate depositaries thereof, and

Hold, invest, pay out money.

(3) to hold and invest and to pay or discharge out of the same (i) all expenses of operation, management, maintenance, repair and upkeep of said tract and (ii) any obligations incurred in conformity with the powers granted under the provisions of subsection (d) of this section; and

Apply net proceeds.

(4) to apply the net proceeds therefrom to the use of the University of Washington: *Provided*, That until the acquisition or expiration of the leasehold interest in the said tract the rental therefrom shall be applied as provided in section 7, chapter 66, Laws of 1915 (sec. 5536, Rem. Rev. Stat.; sec. 911-43, PPC).

Bonds.

SEC. 3. Bonds issued pursuant to the authority granted under subsection 2 (d) of this act—

Not an obligation of the state or a general obligation of the University.

(a) shall not constitute (i) an obligation, either general or special, of the state or (ii) a general obligation of the University of Washington or of the Board;

Form and tenor.

(b) shall be—

(1) either registered or in coupon form, and
(2) issued in denominations of not less than one hundred dollars;

(c) shall state—

(1) the date of issue, and

(2) the series of the issue and be consecutively numbered within the series, and

(3) that the bond is payable only out of a special fund established for the purpose, and designate the fund;

(d) shall bear interest, payable either annually or semi-annually as the Board may determine, at a rate not to exceed six per cent per annum;

(e) shall be payable solely out of—

(1) revenue derived from operating, managing and leasing the University tract, and

(2) a special fund, created by the Board for the purpose, consisting either of (i) a fixed proportion, or (ii) a fixed amount out of and not exceeding a fixed proportion, or (iii) a fixed amount without regard to any fixed proportion, of the revenue so derived.

(f) may contain covenants by the Board in conformity with the provisions of section 4 (b) of this act;

(g) shall be payable at such times over a period of not to exceed thirty years, in such manner and at such place or places as the Board determines;

(h) shall be executed in such manner as the Board by resolution determines;

(i) shall be sold in such manner as the Board deems for the best interest of the University of Washington.

SEC. 4. (a) Any resolution of the Board pursuant to the provisions of subsection 2 (d) of this act shall provide for the creation of a special fund, in conformity with the provisions of section 3 (e) (2) of this act.

Resolution
of Board
to conform.

(b) Any resolution authorizing the issuance of bonds pursuant to the provisions of this act may contain covenants of the Board to protect and safe-

Other cove-
nants for
bond
resolution.

guard the security and rights of the holders of any such bonds such as are then customary in connection with similar bonds and considered advisable in order to assure the maximum marketability for said bonds. Without limiting the generality of the foregoing, any such resolution may contain covenants as to—

Fund.

(1) the creation of a special fund into which the proceeds of all bonds issued pursuant to the provisions of such resolution shall be deposited, the terms and conditions upon which payments may be made from such special fund, and for the payment of interest on bonds issued pursuant to such resolution from the moneys in said fund;

Income.

(2) maintaining rental and leasehold rates and other charges at a level sufficient at all times to provide revenue (i) to pay the interest on and principal of all bonds and other obligations payable from said revenue, (ii) to make all other payments from said revenues required under the provisions of any resolution adopted in connection with the issuance of warrants or bonds under this act and (iii) to pay the operating, management, maintenance, repair and upkeep costs of the University tract;

Use of
income.
Depositaries.

(3) collection, deposit, custody and disbursement of the revenues from the University tract or any portions thereof including (i) a specification of the depositaries to be designated, and (ii) authorization of such depositaries, or other banks or trust companies, to act as fiscal agent of the Board for the custody of the proceeds of bonds and the moneys held in any funds created pursuant to this act, or any resolution authorizing such bonds, and to represent bondholders in the event of a default on such bonds or in the event of a default in the performance of any duty or obligation of the Board in connection therewith, with such power and duty as such resolution may provide;

(4) creation and administration of reserve and other funds for the payment, at or prior to maturity, of any indebtedness chargeable against the revenues from the University tract and for creation of working funds, depreciation funds, replacement funds, reserves for extraordinary repairs and any other fund deemed necessary or desirable to insure the continued profitable operation of the said University tract;

Reserves.

(5) deposit of collateral security or indemnity bonds to secure the proceeds (i) of bonds issued pursuant to the provisions of such resolution and (ii) of all revenues which are pledged to secure the repayment of bonds issued pursuant to the provisions of such resolution and (iii) of all moneys deposited in any special fund created under the authority of this act or any covenant thereunder;

Security or indemnity.

(6) the obligation of the Board to maintain the building or buildings in good condition and to operate and manage the same in an economical and efficient manner;

Maintenance of buildings.

(7) the amount and kind of insurance to be carried by the Board in connection with the building or buildings, the companies in which such insurance shall be carried, the term thereof, the application of the proceeds of any such insurance, and adjustments of losses under any such policy of insurance;

Insurance.

(8) limitations upon the amount of additional bonds, warrants and other obligations payable out of the revenues from the building or buildings which may be thereafter issued and the terms and conditions upon which such additional bonds, warrants or other obligations may be issued;

Additional bonds.

(9) limitations upon the creation of additional liens or encumbrances on the building or buildings or the personal property used in connection therewith;

Liens or encumbrances.

Terms of disposal of properties.

(10) the terms and conditions upon which the building or buildings, or any part thereof, may be sold, mortgaged, leased or otherwise disposed of, and the use or other disposition of the proceeds of any such sale, mortgage or lease;

Operation and management.

(11) the methods of operation, management and maintenance of the building or buildings;

Accounting.

(12) accounting and auditing and the keeping of records, reports and audits with respect to the building or buildings;

Amendments of resolution.

(13) the amendment or modification of any resolution authorizing the issuance of bonds pursuant to the provisions of this act, including the terms and conditions upon which such amendment or modification may be effected and the number, amount or percentage of assenting bonds necessary to effectuate the same;

Limitations on use of properties.

(14) limitations upon the use of space or facilities in the building or buildings without payment therefor; and

Other matters.

(15) such other matters as may be necessary or desirable to insure a successful and profitable operation of the building or buildings.

"Building or buildings."

(c) The term "building or buildings" as used in subsection (b) of this section means the building or buildings or improvements upon the University tract with respect to which the revenues are pledged, under the terms of the resolution, to secure the payment of bonds issued under such resolution.

Provisions of act part of contract.

(d) The provisions of this act and of any resolution adopted in conformity with the provisions of this section shall constitute a contract with the holders of warrants or bonds issued pursuant thereto, and the provisions thereof shall be enforceable in any court of competent jurisdiction by any owner or holder of such warrants or bonds by mandamus or any other appropriate suit, action or proceeding at law or in equity.

(e) Bonds issued pursuant to the provisions of this act may be redeemed, at the option of the Board, at such time or times, upon such terms and conditions, and at such premiums as the Board specifies in the resolution.

Redemption
of bonds.

(f) If the Board fails to pay the required amounts into the special fund, established in conformity with subsection (b) of this section, the holder of any bond or bonds affected thereby may maintain an action against the Board to compel compliance with the terms of the resolution in this respect.

Action of
bondholder.

(g) Pending the preparation and execution of any bonds the issuance of which is authorized under the provisions of this act, temporary bonds may be issued in such form as the Board determines.

Temporary
bonds.

SEC. 5. No sale, lease, encumbrance, agency contract, agreement, plan of operation or other agreement or arrangement for the disposal, encumbrance, management, operation or other development of the University tract or any portion thereof, whether by the Board directly or otherwise, or acquisition of the leasehold, shall be valid or effective unless it shall have been first approved by statute enacted by the legislature. The Board of Regents shall not exercise any power granted in section 2 of this act without such approval. The Board shall give its immediate attention to the negotiation of a satisfactory lease or other agreement for the operation of the University tract. The Board is authorized and directed to advise with the Legislative Council, or with any member or committee thereof duly authorized by it as often as may be necessary or desirable in furtherance of the objects provided in this section 5. If the Board shall negotiate with any other person a mutually satisfactory contract for private operation, such contract shall be reduced to writing, shall provide that it is subject to approval as aforesaid, shall

Vetoed.

be executed by the parties and shall then be submitted to the Legislative Council for its examination and study. The Legislative Council shall, after such examination and study, transmit the same to the Governor for submission to the Legislature, together with its recommendations on the merits of such contract and together with its recommendation whether or not he should call an extraordinary session.

(b) The Board shall give its immediate attention to the negotiation of a satisfactory lease or other agreement for the private operation of the University tract, and shall report its progress thereon to the State Legislative Council at not less than thirty (30) day intervals.

(c) The Board is authorized and directed to advise with the Legislative Council, or with any member or committee thereof duly authorized by it as often as may be necessary or desirable in furtherance of the objects provided in this section 5.

Vetoed.

(d) If the Board shall negotiate with any other person a mutually satisfactory contract pursuant to subsection (b) hereof, such contract shall be reduced to writing, shall provide that it is subject to the approval provided in subsection (a), shall be executed by the parties and shall then be submitted to the Legislative Council for its action. The Legislative Council may approve such contract only by the affirmative vote of two-thirds ($\frac{2}{3}$) of its entire membership, whereupon such contract shall take effect according to its terms. The Legislative Council may disapprove such contract by majority vote and direct the Board to proceed further under the provisions of this section 5. The Legislative Council may, in its discretion, without either approving or disapproving such contract, transmit the same to the Governor for submission to the Legislature, together with its recommendation whether or not he should call an extraordinary session.

(e) The Board shall not request approval of a plan to operate the University tract in whole or in part unless it deems it impossible to negotiate a mutually satisfactory contract pursuant to subsection (b) hereof. } Vetoed.

SEC. 6. Sections 7 and 8, chapter 122, Laws of 1893, are hereby repealed. } Repeal.

SEC. 7. If any section, subsection, paragraph or lesser portion of this act is held unconstitutional or void for any reason such holding shall not affect the remaining portions of the act and the Legislature hereby declares that it would have enacted the act with the invalid portion or portions omitted therefrom. } Saving clause.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 22, 1947, with the exception of sub-section (e) of Section 1 and Section 5, which are vetoed.

CHAPTER 285.

[S. B. 290.]

SUPPLEMENTAL APPROPRIATIONS.

AN ACT making appropriations and reappropriations for the purchase, condemnation and improvement of land, construction of buildings and improvements at designated state institutions; for the payment of salaries of certain officers and employees of the state and for the operation, maintenance and other expenses of certain state institutions, departments and offices; for the relief of certain individuals, corporations, counties and municipalities; for refunds and for deficiencies and for emergencies, and for appropriation of revolving funds, and for purposes specified in certain acts of Congress, and for miscellaneous purposes designated for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided; defining terms, limiting allowances and payments, and declaring that this act shall take effect immediately.

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

Definitions.
"Capital outlay."

SECTION 1. The words "capital outlay," whenever used in this act, shall mean and include the purchase, condemnation and improvement of land and erection of buildings, including necessary salaries and wages incident thereto.

"Salaries and wages."

The words "salaries and wages," whenever used in this act, shall mean and include salaries of executive officers and employees of state offices, departments and institutions, and all compensation for direct labor or personal service rendered to the state.

"Operations."

The word "operations," whenever used in this act, shall mean and include necessary traveling expenses of officers and employees, and all expenses necessary for housing cost, supplies, material, services and maintenance of the various institutions, departments and offices of the state government, other than salaries and wages: *Provided*, That no portion of the appropriations made hereunder shall

be expended for coupon or scrip books, or other evidences of advance payment for future delivery.

SEC. 2. The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the state treasury hereinafter named for the payment of salaries of certain officers and employees of the state, and for the operation of certain state institutions, departments and offices, and for the purchase, condemnation and improvement of land and construction of buildings, and improvements for the various state institutions, and for deficiencies, and for emergencies, and for sundry civil expenses of the state government, and for purposes specified in certain acts of Congress and for miscellaneous purposes hereinbelow designated and mentioned and hereinafter expressed, for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided.

Appropriation.

FROM THE GENERAL FUND.

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS:

		Relief.
C. C. ANDERSON STORES COMPANY, refund of 1946-47 corporation license fee.....	\$15.00	C. C. Anderson Stores Company.
J. L. BONE, in full settlement for damages to hay by fire from State Penitentiary dump..	\$192.00	J. L. Bone.
BOOTH FISHERIES CORPORATION, refund of money paid in error to the State Department of Fisheries for 4,425 bushels of oysters.....	\$1,770.00	Booth Fisheries Corporation.
CANADIAN BANK OF COMMERCE, refund of 1945-46 corporation license fee.....	\$128.61	Canadian Bank of Commerce.
RONALD G. ESSON, refund of pharamicts' license fees for the period December 26, 1941, to February 3, 1946.....	\$12.00	Ronald G. Esson.
HAINES OYSTER COMPANY, refund of money paid in error to the State Department of Fisheries for 55,000 bushels of oysters.....	\$16,549.09	Haines Oyster Company.
LON LLOYD, in full settlement for damages to automobile caused by a runaway team at Eastern Custodial School, December 13, 1946	\$25.00	Lon Lloyd.
JOHN W. MALONEY, architectural services rendered the Department of Finance, Budget and Business in previous biennium covering buildings at the State Penitentiary.....	\$25,133.40	} Vetoed.

Howard MacGowan.	HOWARD MACGOWAN, balance due for expense of indexing the Senate Journal for the 29th Session of the Legislature.....	\$119.87
Maxine Nelson.	MAXINE NELSON, Administratrix of the Estate of John Lagus, deceased, refund of escheated estate	\$2,085.24
Neale Ordaync.	NEALE ORDAYNE, for framing and shipping portrait of former Governor Arthur B. Langlie	\$134.00
Olympia Veneer Company.	OLYMPIA VENEER COMPANY, refund of 1946-47 corporation license fee	\$127.50
Department of Labor and Industries.	DEPARTMENT OF LABOR AND INDUSTRIES, refund of maintenance payments made in error on account of William Lamb, a patient at Northern State Hospital.....	\$435.00
Prudential Insurance Company.	PRUDENTIAL INSURANCE COMPANY, refund of maintenance payments made in error on account of Laura G. Nelson, a patient at Western State Hospital.....	\$157.60
W. A. Taylor Insurance Agency.	W. A. TAYLOR INSURANCE AGENCY, refund of notary public license fee issued to A. J. Wills	\$10.00
Washington Trust Company.	WASHINGTON TRUST COMPANY, refund of notary public license fee issued to E. R. Anderson..	\$10.00
Whitehouse and Price.	WHITEHOUSE AND PRICE, architectural services rendered in previous biennium covering buildings at Eastern Custodial School.....	\$5,792.91
Mary Jo Laidler.	MARY JO LAIDLER, in full settlement for injuries suffered in an accident while an inmate of the State School for Girls on April 30, 1945	\$1,500.00
Yakima-Tieton Irrigation District.	YAKIMA-TIETON IRRIGATION DISTRICT, for irrigation district assessments for the years 1945 and 1946.....	\$3,296.41
Thomas H. Mortland.	THOMAS H. MORTLAND, refund of amounts paid on contract for tide lands in front of Lots 1 and 2, Section 24, Township 29 North, Range 2 East W. M. in Island County.....	\$114.96
Puget Sound Pulp and Timber Company.	PUGET SOUND PULP AND TIMBER COMPANY, refund of sale price of timber to which the state did not hold title.....	\$13,137.50
Leonard Rees.	LEONARD REES, reimbursement for sale of fencing around state owned property lying in the SE $\frac{1}{4}$, SE $\frac{1}{4}$, Section 16, Township 27 North, Range 44 East W. M.....	\$30.00
Treasurer of Whatcom County.	TREASURER OF WHATCOM COUNTY, taxes on E $\frac{1}{2}$, SE $\frac{1}{4}$, Section 19, Township 37 North, Range 4 East, in Whatcom County, due at time the state took title	\$126.00
Treasurer of Kitsap County.	TREASURER OF KITSAP COUNTY, for taxes (including interest) accrued against the N $\frac{1}{2}$, SW $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 3, Township 26	

North, Range 1 East W. M., prior to date the state assumed title.....	\$5.12	Treasurer of Lincoln County.
TREASURER OF LINCOLN COUNTY, for taxes accrued against the NW¼, SW¼ and part of SW¼, SW¼ of Section 10, Township 25 North, Range 39 East W. M., prior to date the state acquired title.....	\$9.19	
TREASURER OF SPOKANE COUNTY, real estate tax on E½, Lots 17 and 18, Block 2, Lidgerwood north for 1946.....	\$3.21	Treasurer of Spokane County.
FROM THE ACCIDENT FUND.		
H. D. GRAVES, trustee, reimbursement for loss on account of burglary in Everett office of the Department of Labor and Industries...	\$48.21	H. D. Graves.
DR. S. T. PARKER, witness fees before the joint board of Department of Labor and Industries.....	\$5.00	Dr. S. T. Parker.
ELEANOR C. PONDER, appearance fees in cases of Department of Labor and Industries....	\$22.50	Eleanor C. Ponder.
FROM THE MEDICAL AID FUND.		
DR. S. T. PARKER, witness fees before the joint board of Department of Labor and Industries.....	\$5.00	Dr. S. T. Parker.
ELEANOR C. PONDER, appearance fees in cases of Department of Labor and Industries....	\$22.50	Eleanor C. Ponder.
FROM THE HIGHWAY SAFETY FUND.		
WASHINGTON STATE PATROL, reimbursement of balance of funds stolen from the Bremer-ton office, December 27, 1945.....	\$369.97	Washington State Patrol.
FROM THE MOTOR VEHICLE FUND.		
AUTO INTERURBAN COMPANY, refund of 1945 seat tax on two buses.....	\$297.00	Auto Interurban Company.
WILLIAM F. EASTMAN, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways.....	\$1,647.00	William F. Eastman.
CHARLES HALSTAD, reimbursement for cancelled State Treasurer's check No. 7532, dated November 10, 1937.....	\$4.00	Charles Halstad.
GRACE VEDA HAYES, ISABELLE HAYES THOMAS and HAROLD E. THOMAS, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways.....	\$625.00	Grace Veda Hayes, Isabelle Hayes Thomas and Harold E. Thomas.
HEYSER'S NICKLE PLATE LINE, refund of truck license fee.....	\$83.25	Heyser's Nickle Plate Line.
GRAYS HARBOR LINES, refund of 1945 seat tax on 45-passenger bus.....	\$205.50	Grays Harbor Lines.

Adolph Kintschl.	ADOLPH KINTSCHI, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways	\$148.60
Emil Mann.	EMIL MANN, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways.....	\$1,643.00
John W. Mielke.	JOHN W. MIELKE, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways....	\$85.60
Charles J. Miller.	CHARLES J. MILLER, in full settlement for damages resulting from fire caused by negligence of employees of Department of Highways..	\$481.90
Legal Guardian of Bonnie MacDougall.	FOR THE LEGAL GUARDIAN OF BONNIE MACDOUGALL, a minor, for personal injuries and resulting expenses incident to an accident on Simpson Avenue bridge, Hoquiam, Washington	\$7,500.00
Oregon State Highway Commission.	OREGON STATE HIGHWAY COMMISSION, State of Washington's share of damage to derrick "Woodland" in collision with Interstate Bridge, December, 1945	\$188.70
Poole and Poole Electric Company. H. A. Prince.	POOLE AND POOLE ELECTRIC COMPANY, refund of automobile license fee	\$7.50
E. P. Rieth.	H. A. PRINCE, in full settlement of damages to property caused by dirt dumped by employees of Department of Highways.....	\$200.00
Suburban Transportation System. George Van Nice.	E. P. RIETH, in full settlement for damages resulting from fire caused by negligence of employees of the Department of Highways.	\$187.25
Rev. Claude G. Crawford.	SUBURBAN TRANSPORTATION SYSTEM, refund of bus license fees	\$273.00
The Texas Company.	GEORGE VAN NICE, settlement in full for damages to cherry tree by fire caused by negligence of employees of the Department of Highways	\$25.00
Washington State Penitentiary.	REV. CLAUDE G. CRAWFORD, in full settlement for damages to automobile in an accident on Primary State Highway No. 2, on October 26, 1946.....	\$300.00
Anna Maria Kellett.	THE TEXAS COMPANY, refund of tax on 1,113,860 gallons of fuel oil.....	\$2,784.65
Adkisson Motor Company.	WASHINGTON STATE PENITENTIARY, license plates furnished the Department of Licenses in 1942	\$1.72
	ANNA MARIA KELLETT, in full settlement for all claims arising from the death of her husband in an accident on Secondary State Highway 1T on May 17, 1946.....	\$7,500.00
	ADKISSON MOTOR COMPANY, settlement in full for damages on account of an alleged error	

on the part of the Department of Licenses in issuing a Certificate of Motor Vehicle Title	\$450.00	
COMBAT MOTOR COMPANY, settlement in full for loss suffered on account of alleged erroneous certificate of automobile title issued by the Department of Licenses.....	\$298.32	Combat Motor Company.
L. EDWARDS, refund of overcharge on 1946 license on an International truck.....	\$11.75	L. Edwards.

FROM THE TRANSPORTATION REVOLVING FUND.

OLSON FERRIES, INC., refund of overpayment of gross revenue fees for the years 1939 to 1944 inclusive	\$308.79	Olson Ferries, Inc.
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FROM THE GAME FUND.

FOR THE DEPARTMENT OF GAME:		Department of Game.
To pay damages to cultivated agricultural and horticultural crops and property caused by elk and/or deer as covered by claims filed at the Thirtieth regular session of the Legislature: <i>Provided</i> , That disbursements herefrom shall be made only in such amounts as shall be approved by the State Game Commission and the Director of Game.....	\$20,000.00	Damages to agricultural crops caused by deer and elk.

FROM THE GENERAL FUND.

FOR JUDGMENTS:

RUDOLPH CHESTER ROBINSON (State of Washington vs. Rudolph Chester Robinson, King County No. 196817).....	\$500.85	Rudolph Chester Robinson.
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FROM THE MOTOR VEHICLE FUND.

SKAMANIA COUNTY TREASURER (Henry T. Shinaman and Walter F. Nebert vs. Skamania County, Supreme Court No. 2857-C).	\$2,450.72	Skamania County Treasurer.
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FROM THE GENERAL FUND.

LOCAL IMPROVEMENT ASSESSMENTS:

Sundry municipalities, for local improvement assessments against state-owned lands as follows: <i>Provided</i> , That the payments for local improvement assessments from the following appropriations shall be made only in accordance with the terms and provisions of section 8129, Remington's Revised Statutes.		Local Improvement Assessments.
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FOR THE TREASURER OF THE TOWN OF PORT ORCHARD:

Local Improvement District No. 49	\$106.16	Treasurer of Port Orchard.
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Treasurer of the City of Seattle.	FOR THE TREASURER OF THE CITY OF SEATTLE: Local Improvement District No. 5610		\$105.81
Treasurer of the City of Spokane.	FOR THE TREASURER OF THE CITY OF SPOKANE: Local Improvement District No. 2992		\$400.26
Treasurer of Adams County.	FOR THE TREASURER OF ADAMS COUNTY: East Columbia Basin Irrigation Dis- trict		\$258.95
Treasurer of Benton County.	FOR THE TREASURER OF BENTON COUNTY: Drainage District No. 6.....	\$4.00	
	Columbia Irrigation District.....	556.00	
	Sunnyside Valley Irrigation Dis- trict	254.10	
	Sunnyside Irrigation District.....	2,284.64	
	Total	<hr/>	\$3,098.74
Treasurer of Clark County.	FOR THE TREASURER OF CLARK COUNTY: Drainage District No. 5.....		\$35.25
Treasurer of Cowlitz County.	FOR THE TREASURER OF COWLITZ COUNTY: Consolidated Diking District No. 1	\$178.50	
	Diking District No. 2.....	13.32	
	Diking District No. 5.....	985.07	
	Sewerage District No. 16.....	28.40	
	Forest Patrol Tax.....	.35	
	Sub A. Diking District No. 11....	569.83	
	Refunding Bond Diking District No. 11	667.05	
	Total	<hr/>	\$2,442.52
Treasurer of Franklin County.	FOR THE TREASURER OF FRANKLIN COUNTY: South Columbia Basin Irrigation District	\$425.76	
	South Columbia Basin Irrigation District .....	.15	
	Total	<hr/>	\$425.91
Treasurer of Grant County.	FOR THE TREASURER OF GRANT COUNTY: East Columbia Basin Irrigation District	\$215.47	
	South Columbia Basin Irrigation District	103.66	
	Quincy-Columbia Basin Irrigation District	449.62	

Quincy-Columbia Basin Irrigation District .....	.98		
Total			\$769.73
FOR THE TREASURER OF GRAYS HARBOR COUNTY:			Treasurer of Grays Harbor County.
Drainage District No. 4.....		\$1,688.02	
FOR THE TREASURER OF KITTITAS COUNTY:			Treasurer of Kittitas County.
Cascade Irrigation District.....	\$99.58		
Kittitas Reclamation District.....	848.20		
Kittitas Reclamation District....	439.75		
Total			\$1,387.53
FOR THE TREASURER OF KCLICKITAT COUNTY:			Treasurer of Klickitat County.
White Salmon Irrigation District..		\$163.11	
FOR THE TREASURER OF OKANOGAN COUNTY:			Treasurer of Okanogan County.
Whitestone Reclamation District..	\$2,304.00		
Wolf Creek Reclamation District..	2,464.50		
Total			\$4,768.50
FOR THE TREASURER OF PEND OREILLE COUNTY:			Treasurer of Pend Oreille County.
Diking District No. 2.....		\$47.17	
FOR THE TREASURER OF PIERCE COUNTY:			Treasurer of Pierce County.
Drainage District No. 23.....		\$13.37	
FOR THE TREASURER OF SKAGIT COUNTY:			Treasurer of Skagit County.
Diking District No. 5 (interest included)	\$7.90		
Diking District No. 15 (interest included)	130.09		
Drainage District No. 15 (interest included)	12.41		
Drainage District No. 17.....	70.63		
Drainage District No. 21 (interest included)	4.51		
Total			\$225.54
FOR THE TREASURER OF SNOHOMISH COUNTY:			Treasurer of Snohomish County.
Diking District No. 5.....		\$449.48	
FOR THE TREASURER OF THURSTON COUNTY:			Treasurer of Thurston County.
Hopkins Drainage Ditch.....		\$63.00	
FOR THE TREASURER OF WAHKIAKUM COUNTY:			Treasurer of Wahkiakum County.
Diking District No. 1.....	\$2,823.28		
Diking District No. 4.....	25.44		
Total			\$2,848.72

	FOR THE TREASURER OF WHATCOM COUNTY:		
Treasurer of Whatcom County.	Drainage District No. 5.....	\$4.17	
	Drainage District No. 7.....	348.23	
	Total	<hr/>	\$352.40
	FOR THE TREASURER OF YAKIMA COUNTY:		
Treasurer of Yakima County.	Dike Improvement District No. 1..	\$83	
	Dike Improvement District No. 1..	1.35	
	Sub District No. 7 of Drainage Improvement District No. 3.....	228.78	
	Drainage Improvement District No. 5 .....	.35	
	Drainage Improvement District No. 7, Sub 1.....	9.19	
	Drainage Improvement District No. 35	52.41	
	Sub District No. 4 of Drainage Improvement District No. 3.....	2.23	
	Sub District No. 10 of Drainage Improvement District No. 3.....	26.09	
	Drainage Improvement District No. 13	3.68	
	Outlook Irrigation District.....	94.97	
	Roza Irrigation District.....	136.32	
	Sunnyside Valley Irrigation District	562.24	
	Total	<hr/>	\$1,118.44
Deficiencies.	FOR DEFICIENCIES:		
	For supplies, services, etc., furnished various departments and institutions in the previous biennium:		
	FOR THE DEPARTMENT OF AGRICULTURE:		
Department of Agriculture.	Deficiency, Operations		\$16.86
	FOR THE DEPARTMENT OF FINANCE, BUDGET AND BUSINESS:		
	General Office:		
	Deficiency, Operations		\$30.26
	Capitol Building and Grounds:		
	Deficiency, Operations		\$163.52
	Parole, Transportation and Deportation:		
	Deficiency, Operations		\$69.63
	Eastern State Custodial School:		
	Deficiency, Operations		\$2,336.05
	Eastern State Hospital:		
	Deficiency, Operations		\$960.95
	McKay Memorial Research Hospital:		
	Deficiency, Operations		\$337.15

Northern State Hospital:		
Deficiency, Operations	\$61.93	
Washington State Penitentiary:		
Deficiency, Operations	\$20,040.78	
Washington State Reformatory:		
Deficiency, Operations	\$1.65	
State School for the Deaf:		
Deficiency, Operations	\$1,596.73	
State School for Girls:		
Deficiency, Operations	\$1,571.97	
Washington State Infirmary:		
Deficiency, Operations	\$642.15	
State Training School:		
Deficiency, Operations	\$415.93	
Western State Hospital:		
Deficiency, Operations	\$2,652.69	
Western State Custodial School:		
Deficiency, Operations	\$6,387.32	
FOR THE DEPARTMENT OF FISHERIES:		Department
Deficiency, Operations	\$44.98	of Fisheries.
FOR THE DEPARTMENT OF HEALTH:		Department
Deficiency, Operations	\$1,334.08	of Health.
FOR THE INSURANCE COMMISSIONER:		Insurance
Deficiency, Operations	\$48.45	Commissioner.
FOR LEGISLATIVE EXPENSE:		Legislative
Deficiency, Printing	\$12,417.10	expense.
FOR THE DEPARTMENT OF LICENSES:		Department
Deficiency, Operations	\$135.00	of Licenses.
FOR THE BOARD OF PRISON TERMS AND PAROLES:		Board of
Deficiency, Operations	\$19.86	Prison Terms and Paroles.
FOR THE SECRETARY OF STATE:		Secretary
Deficiency, Operations	\$259.07	of State.
FOR THE DEPARTMENT OF SOCIAL SECURITY:		Department
Deficiency, Operations and Assis- tance	\$16,108.22	of Social Security.
FOR THE STATE BOARD OF EDUCATION:		State Board
Reorganization of School Districts:		of Education.
Deficiency, Operations	\$1,119.73	
FOR THE TAX COMMISSION OF THE STATE OF WASHINGTON:		State Tax
Deficiency, Operations	\$21.05	Commission.
FOR THE COMMISSIONER OF PUBLIC LANDS:		Commis- sioner of
Deficiency, Operations	\$80.91	Public Lands.
FOR THE WASHINGTON STATE HISTORICAL SOCIETY:		Washington
Deficiency, Operations	\$369.46	State Histori- cal Society.

FROM THE GRAIN AND HAY INSPECTION FUND.

Department of Agricul- ture.	FOR THE DEPARTMENT OF AGRICUL- TURE: Deficiency, Operations	\$2.20
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FROM THE HIGHWAY SAFETY FUND.

Washington State Patrol.	FOR THE WASHINGTON STATE PATROL: Deficiency, Operations	\$343.66
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FROM THE MOTOR VEHICLE FUND.

Department of Highways.	FOR THE DEPARTMENT OF HIGHWAYS: Deficiency, Operations	\$46.80
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Department of Licenses.	FOR THE DEPARTMENT OF LICENSES: Deficiency, Operations	\$257.64
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FROM THE PARKS AND PARKWAYS FUND.

State Parks Committee.	FOR THE STATE PARKS COMMITTEE: Deficiency, Operations	\$1,001.53
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FROM THE PENITENTIARY REVOLVING FUND.

Department of Finance, Budget and Business.	FOR THE DEPARTMENT OF FINANCE, BUDGET AND BUSINESS: Washington State Penitentiary: Deficiency, Operations	\$1,802.69
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FROM THE TUBERCULOSIS EQUALIZATION FUND.

Department of Health.	FOR THE DEPARTMENT OF HEALTH: Deficiency, Operations	\$12,323.12
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FROM THE GAME FUND.

Department of Game.	FOR THE DEPARTMENT OF GAME: Deficiency, Operations	\$607.48
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Effective
immediately.

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, and for the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 9, 1947.

Passed the House March 8, 1947.

Approved by the Governor March 22, 1947, with the exception of a certain item which is vetoed.

CHAPTER 286.

[S. B. 291.]

SUPPLEMENTAL APPROPRIATIONS.

AN ACT making appropriations and reappropriations for the purchase, condemnation and improvement of land, construction of buildings and improvements at designated state institutions; for the payment of salaries of certain officers and employees of the state and for the operation, maintenance and other expenses of certain state institutions, departments and offices; for the relief of certain individuals, corporations, counties and municipalities; for refunds and for deficiencies, and for purposes specified in certain acts of Congress, and for miscellaneous purposes designated for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided; defining terms, limiting allowances and payments, and declaring that this act shall take effect immediately.

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

SECTION 1. The words "capital outlay," whenever used in this act, shall mean and include the purchase, condemnation and improvement of land and erection of buildings, including necessary salaries and wages incident thereto.

Definitions.
"Capital
outlay."

The words "salaries and wages," whenever used in this act, shall mean and include salaries of executive officers and employees of state offices, departments and institutions, and all compensation for direct labor or personal service rendered to the state.

"Salaries and
wages."

The word "operations," whenever used in this act, shall mean and include necessary traveling expenses of officers and employees, and all expenses necessary for housing cost, supplies, material, services and maintenance of the various institutions, departments and offices of the state government, other than salaries and wages: *Provided*, That no portion of the appropriations made hereunder shall be expended for coupon or scrip books, or other evidences of advance payment for future delivery.

"Opera-
tions."

SEC. 2. The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the state treasury hereinafter named for the payment of salaries of certain officers and employees of the state, and for the operation of certain state institutions, departments and offices, and for the purchase, condemnation and improvement of land and construction of buildings, and improvements for the various state institutions, and for deficiencies, and for emergencies, and for sundry civil expenses of the state government, and for purposes specified in certain acts of Congress and for miscellaneous purposes hereinbelow designated and mentioned and hereinafter expressed, for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided.

Appropriations.

FROM THE WASHINGTON STATE DEVELOPMENT FUND.

State Finance Committee.

FOR THE STATE FINANCE COMMITTEE:
 Grants-in-aid to Cities and Towns. \$2,395,825.70
 (Being the reappropriation of the unexpended balance of appropriation made for like purposes by sub-section (a) of Section 5, Chapter 255, Laws of 1945.)

Grants-in-aid to Cities and Towns.

Grants-in-aid to Counties.

Grants-in-aid to Counties..... \$4,907,819.05
 (Being the reappropriation of the unexpended balance of appropriation made for like purposes by sub-section (b) of Section 5, Chapter 255, Laws of 1945.)

Grants-in-aid.

Grants-in-aid:
 To the Port of Everett \$46,915.00
 To Snohomish County 64,680.00
 To Yakima County..... 220,000.00
 To the following Cities and Towns:
 Darrington 4,589.52
 College Place 10,579.98
 Gig Harbor 4,000.00
 Harrah 2,371.37
 Westport 150,000.00
 Total \$503,135.87
 (Being the reappropriation of the unexpended

balance of allotments made for like purposes from the appropriation by Section 12, Chapter 255, Laws of 1945.)

FROM THE GENERAL FUND.

FOR THE STATE CAPITOL COMMITTEE:		
Preparation of Preliminary Mural Sketches	\$18,849.61	State Capitol Committee. Mural sketches.
Improvements and Renovation to Capitol Group	\$97,132.02	Improvements and renovation.
(Being the reappropriation of the unexpended balance of allotments made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: <i>Provided</i> , That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)		
FOR THE STATE PARKS COMMITTEE:		
State Parks and Parkway Fund..	\$390,000.00	State Parks Committee. State parks and parkway fund.
(Being the reappropriation of the unexpended balance of allotment made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: <i>Provided</i> , That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)		
FOR THE DEPARTMENT OF GAME:		
Capital Outlays and Major Repairs	\$971,235.67	Department of Game. Capital outlays and major repairs.
(Being the reappropriation of the unexpended balance of allot-		

ment made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

Wild life construction.

Wild Life Construction.....

\$80,179.89

(Being the reappropriation of the unexpended balance of allotment made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes: *And provided further*, That all reimbursements made by the Federal Government for expenditures made under the original grant and this appropriation shall be deposited in the General Fund in the State Treasury.)

State Patrol.
Patrol headquarters and vehicle safety inspection.
Testing lanes at Spokane, Seattle and Tacoma.

FOR THE WASHINGTON STATE PATROL:
Patrol Headquarters and Vehicle Safety Inspection:

Testing Lanes at Spokane, Seattle and Tacoma.....

\$836,000.00

(Being the reappropriation of the unexpended balance of allotment made for like purposes by the Washington State Development board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under author-

ity of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

FOR THE UNIVERSITY OF WASHINGTON:

Permanent Classroom and Administration Facilities

\$4,886,332.95

University of Washington.

Permanent classroom and administration facilities.

(Being the reappropriation of the unexpended balance of allotment made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

FOR THE STATE COLLEGE OF WASHINGTON:

Technology Building \$1,704,979.00
 Classroom Building 1,431,701.50
 Water Supply System 264,343.00
 Housing and Dining Hall Facilities 577,459.88
 Total

\$3,978,483.38

Washington State College.

Technology building.
 Classroom building.
 Water supply system.
 Housing and dining hall facilities.

(Being the reappropriation of the unexpended balance of allotments made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

Central Washington College of Education.
Heating plant, science building, distribution system and president's home.
Housing and dining hall facilities.

FOR THE CENTRAL WASHINGTON		
COLLEGE OF EDUCATION:		
Heating Plant, Science Building, Distribution System and President's Home	\$1,407,935.97	
Housing and Dining Hall Facilities	189,064.56	
Total	<hr/>	\$1,597,000.53

(Being the reappropriation of the unexpended balance of allotments made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

Eastern Washington College of Education.
Housing, dining facilities, infirmary and field house.

FOR THE EASTERN WASHINGTON		
COLLEGE OF EDUCATION:		
Housing, Dining Facilities, Infirmary and Field House.....		\$440,962.96

(Being the reappropriation of the unexpended balance of allotments made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

Western Washington College of Education.
Heating plant.
Science facilities and equipment.
Housing and dining facilities.

FOR THE WESTERN WASHINGTON		
COLLEGE OF EDUCATION:		
Heating Plant	\$184,145.10	
Science Facilities and Equipment.	60,400.26	
Housing and Dining Facilities.....	213,041.42	
Total	<hr/>	\$457,586.78

(Being the reappropriation of the unexpended balance of allotments made for like purposes

by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY:

Reroofing Museum Building....
(Being the reappropriation of the unexpended balance of allotment made for like purposes by the Washington State Development Board from the appropriation by Chapter 255, Laws of 1945: *Provided*, That no expenditure under authority of this act, together with the amount expended under the appropriation by Chapter 255, Laws of 1945, shall exceed the original allotment made by the Washington State Development Board for said purposes.)

\$1,500.00

Eastern Washington State Historical Society.
Reroofing museum building.

FOR THE COMMISSIONER OF PUBLIC LANDS:

Plotting State-owned Lands into Home Sites for Veterans of World War II
(Being the reappropriation of the unexpended balance of allotment made by the State Finance Committee for like purposes from the appropriation for War Emergency purposes by Chapter 269, Laws of 1945.)

\$99,000.00

Commissioner of Public Lands.
Plotting state-owned lands into home sites for veterans of World War II.

FOR THE STATE CAPITOL COMMITTEE:

Major Repairs and Betterments to Old Capitol Building.....
(Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 223, Laws of 1945.)

\$20,000.00

State Capitol Committee.
Major repairs and betterments to old capitol building.

Tuberculosis Hospital Building Commission. State aid.

FOR THE TUBERCULOSIS HOSPITAL
BUILDING COMMISSION:
 State Aid for Tuberculosis Hospital Construction \$2,933,330.42
 (Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 220, Laws of 1945; expenditures herefrom to be subject to the provisions of Chapter 220, Laws of 1945.)

Military Department. Capital outlays, major repairs and betterments.

FOR THE MILITARY DEPARTMENT:
 Capital Outlays, Major Repairs and Betterments \$64,930.95
 (Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 268, Laws of 1945.)

Department of Fisheries. Capital outlays and major repairs. Capital outlays, major repairs and betterments.

FOR THE DEPARTMENT OF FISHERIES:
 Capital Outlays and Major Repairs \$95,750.00
 Capital Outlays, Major Repairs and Betterments 462,100.00
 Total \$557,850.00
 (Being the reappropriation of the unexpended balance of appropriations made for like purposes by Chapters 268 and 270, Laws of 1945.)

FROM THE GAME FUND.

Department of Game. Capital outlays and major repairs. Capital outlays, major repairs and betterments.

FOR THE DEPARTMENT OF GAME:
 Capital Outlays and Major Repairs \$8,500.00
 Capital Outlays, Major Repairs and Betterments 68,000.00
 Total \$76,500.00
 (Being the reappropriation of the unexpended balance of appropriations made for like purposes by Chapters 268 and 270, Laws of 1945.)

FROM THE GENERAL FUND.

Department of Public Institutions. State School for the Deaf. Capital outlays, major repairs and betterments.

FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:
 State School for the Deaf:
 Capital Outlays, Major Repairs and Betterments \$10,843.98

Eastern State Custodial School: Capital Outlays, Major Repairs and Betterments	\$68,908.93	Eastern State Custodial School.
Eastern State Hospital: Capital Outlays, Major Repairs and Betterments	\$162,654.51	Eastern State Hospital.
State School for Girls: Capital Outlays, Major Repairs and Betterments	\$28,994.98	State School for Girls.
Northern State Hospital: Capital Outlays, Major Repairs and Betterments	\$293,107.94	Northern State Hospital.
Construct Water and Sewer Sys- tems	\$8,546.79	
Washington State Penitentiary: Capital Outlays, Major Repairs and Betterments	\$21,349.34	Washington State Penitentiary.
Washington State Reformatory: Capital Outlays, Major Repairs and Betterments	\$469,301.59	Washington State Reformatory.
State Soldiers' Home and Colony: Capital Outlays, Major Repairs and Betterments	\$115,002.60	State Soldiers' Home and Colony.
Western State Custodial School: Capital Outlays, Major Repairs and Betterments	\$1,095,308.36	Western State Custodial School.
Western State Hospital: Capital Outlays, Major Repairs and Betterments	\$559,227.02	Western State Hospital.
Electrical Wiring, Ventilation and Painting of Buildings..... (Being the reappropriation of the unexpended bal- ance of appropriations made for like purposes by Chapters 213 and 268, Laws of 1945.)	\$2,254.23	
Western State Hospital: Construction of Cadet Nurses' Home	\$13,462.50	Western State Hospital. Construction of cadet nurses' home.
(Being the reappropriation of the unexpended balance of allotment made by the State Finance Committee for like purposes from the appropriation for War Emergency Purposes by Chapter 269, Laws of 1945.)		

FROM THE CONTINGENT RECEIPTS FUND.

Western State Hospital. Construction and equipment of cadet nurses' home.

Western State Hospital:	
Construction and Equipment of Cadet Nurses' Home.....	\$15,422.67
(Being the reappropriation of allotment, approved by the Governor, for like purposes from the appropriation by Chapter 243, Laws of 1945.)	

FROM THE UNIVERSITY OF WASHINGTON BUILDING FUND.

University of Washington. Construction of new buildings, remodeling and equipment.

FOR THE UNIVERSITY OF WASHINGTON:	
Construction of New Buildings, Remodeling and Equipment.....	\$782,000.00

FROM THE UNIVERSITY OF WASHINGTON MEDICAL AND DENTAL BUILDING AND EQUIPMENT FUND.

Construction and equipping medical and dental buildings.

Construction and Equipping Medical and Dental Buildings.....	\$3,250,000.00
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FROM THE GENERAL FUND.

Engineering, surveys and architect's plans for the construction of a music building.

Engineering, Surveys and Architect's Plans for the Construction of a Music Building.....	\$6,000.00
(Being the reappropriation of the unexpended balance of appropriations made for like purposes by Chapters 15, 268, 269 and 270, Laws of 1945.)	

State College of Washington.

FOR THE STATE COLLEGE OF WASHINGTON:

Capital outlays, major repairs and betterments.

Capital Outlays, Major Repairs and Betterments	\$152,500.00
(Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 268, Laws of 1945.)	

Governor.

FOR THE GOVERNOR:

Salaries, Wages and Operations..	\$23,370.00	
Investigation and Emergency Purposes, to be distributed on vouchers approved by the Governor	4,000.00	
Auditing Records of the State Auditor	2,500.00	
Total	\$29,870.00	

FOR THE GOVERNOR'S MANSION:

Maintenance, to be distributed on vouchers approved by the Governor		Governor's Mansion.
	\$6,000.00	

FOR THE STATE TREASURER:

Salaries and Wages.....	\$12,600.00	State Treasurer.
Operations	5,000.00	
Total	<u>17,600.00</u>	

FROM THE MOTOR VEHICLE FUND.

Salaries and Wages.....	\$12,000.00	
Operations	3,000.00	
Total	<u>15,000.00</u>	

FROM THE GENERAL FUND.

FOR THE STATE AUDITOR:

Operations	\$2,000.00	State Auditor.
Departmental Audits:		
Operations	\$2,500.00	

FROM THE CURRENT SCHOOL FUND.

FOR THE SUPERINTENDENT OF PUBLIC

INSTRUCTION:		Superintendent of Public Instruction.
Salaries and Wages.....	\$110,000.00	
Operations	10,000.00	
Total	<u>120,000.00</u>	

FROM THE GENERAL FUND.

FOR THE INSURANCE COMMISSIONER:

Printing Insurance Laws and forms required under Chapter 79, Laws of 1947	\$15,000.00	Insurance Commissioner.
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FOR THE SUPREME COURT:

Salaries and Wages.....	\$1,100.00	Supreme Court.
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FOR THE STATE LIBRARY COMMISSION:

For allocation to public libraries, in accordance with the provisions of Chapter 232, Laws of 1945...	\$100,000.00	State Library Commission.
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FOR THE STATE BOARD OF EDUCATION:

General Office:		State Board of Education.
To carry out the provisions of Substitute House Bill No. 143:		
Salaries and Wages.....	\$15,000.00	
Operations	5,000.00	
Total	<u>20,000.00</u>	

FOR THE SECRETARY OF STATE:

Salaries and Wages.....	\$8,050.00	Secretary of State.
Operations	850.00	
Total	<u>8,900.00</u>	

State Auditor.	FOR THE STATE AUDITOR: Salaries and Wages.....	\$12,500.00
Attorney General.	FOR THE ATTORNEY GENERAL: Salaries and Wages..... \$69,000.00 Operations 17,500.00 Salaries, Wages and Operations, Printing Briefs, Court Costs and Expenses of Special Litigation in State and Federal Courts..... 12,500.00 Total <u> </u>	\$99,000.00
State Finance Committee.	FOR THE STATE FINANCE COMMITTEE: To carry out the provisions of Sen- ate Bill No. 157: Salaries, Wages and Operations	\$25,000.00
Department of Health.	FOR THE DEPARTMENT OF HEALTH: For Tuberculosis Hospitalization, to be distributed in the manner pro- vided by Chapter 162, Laws of 1943 (including Deficiencies)...	\$3,300,000.00

FROM THE MEDICAL AID FUND.

Department of Labor and Industries.	FOR THE DEPARTMENT OF LABOR AND INDUSTRIES: Salaries and Wages..... \$175,000.00 Appeal Costs: Salaries and Wages..... 57,700.00 Operations 60,200.00 Total <u> </u>	\$292,900.00
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FROM THE ACCIDENT FUND.

Appeal Costs:	Salaries and Wages..... \$57,700.00 Operations 60,200.00 Total <u> </u>	\$117,900.00
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FROM THE MOTOR VEHICLE FUND.

Department of Licenses.	FOR THE DEPARTMENT OF LICENSES: Salaries and Wages..... \$200,000.00 Operations 15,000.00 Total <u> </u>	\$215,000.00
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FROM THE HIGHWAY SAFETY FUND.

Vetoed.	{	To carry out the provisions of House Bill No. 283: Salaries, Wages and Operations	\$75,000.00
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FROM THE HIGHWAY SAFETY FUND.

Highway Safety Fund.	Salaries and Wages..... \$60,000.00 Operations 30,000.00 Total <u> </u>	\$90,000.00
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FROM THE TRANSPORTATION REVOLVING FUND.

FOR THE DEPARTMENT OF TRANSPORTATION:

Department of Transportation.

Salaries and Wages.....	\$162,720.00	
Operations	105,145.00	
Total	—————	\$267,865.00

FROM THE GENERAL FUND.

FOR TRANSFERS:

Transfers.

To State Teachers' Retirement Fund	\$174,307.00	
To State Teachers' Retirement Pension Reserve Fund.....	29,343.58	
(Transfers to be made from time to time and in such amounts as the Governor shall determine.)		
Total Transfers	—————	\$203,650.58

FOR THE DIRECTOR OF BUDGET:

Director of Budget.

Salaries and Wages.....	\$62,000.00	
Operations	25,000.00	
Total	—————	\$87,000.00

FROM THE ACCIDENT FUND.

FOR THE DEPARTMENT OF LABOR AND INDUSTRIES:

Department of Labor and Industries.

Claims and Awards (including Deficiencies)		\$2,000,000.00
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FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF SOCIAL SECURITY:

Department of Social Security.

Division for Children:		
Assistance as provided by law.	\$5,000,000.00	Children.
Division for the Blind:		
Assistance as provided by law..	200,000.00	Blind.
Division for Old Age Assistance:		
Purchase and reconditioning of the dormitory and facilities at American Lake Gardens near Tacoma for an infirmary and nursing home for aged people.	50,000.00	Dormitory facilities for aged.
Total	—————	\$5,250,000.00

FROM THE HIGHWAY SAFETY FUND.

FOR THE WASHINGTON STATE PATROL:

Washington State Patrol.

Salaries and Wages.....	\$180,500.00	
Operations	187,500.00	
Total	—————	\$368,000.00

FROM THE GENERAL FUND.

Tax Commission of the State of Washington.	FOR THE TAX COMMISSION OF THE STATE OF WASHINGTON:	
	Salaries and Wages.....	\$175,000.00
	Purchase of Tax Tokens and Cigarette Stamps	120,000.00
	Total	\$295,000.00

Washington State Historical Society.	FOR THE WASHINGTON STATE HISTORICAL SOCIETY:	
	Capital Outlays, Major Repairs and Betterments	\$20,850.00
	(PROVIDED, That this appropriation shall become available only upon written approval of the Governor.)	

FROM THE CURRENT SCHOOL FUND.

Educational aid for handicapped children.	EDUCATIONAL AID FOR HANDICAPPED CHILDREN:	
	For Distribution to School Districts as provided by Chapter 120, Laws of 1943	\$75,000.00

FROM THE GENERAL FUND.

School recreation program.	SCHOOL RECREATION PROGRAM:	
	For Distribution to School Districts as provided by Chapter 247, Laws of 1945	\$100,000.00

FROM THE MORRILL FUND.

State College of Washington.	FOR THE STATE COLLEGE OF WASHINGTON:	
	To be expended in accordance with the provisions of the Act of Congress granting money to Agricultural Colleges	\$9,992.12

FROM THE GENERAL FUND.

Central Washington College of Education.	FOR THE CENTRAL WASHINGTON COLLEGE OF EDUCATION:	
	Capital Outlays, Major Repairs and Betterments	\$683,563.91
	(Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 268, Laws of 1945.)	

Eastern Washington College of Education.	FOR THE EASTERN WASHINGTON COLLEGE OF EDUCATION:	
	Capital Outlays, Major Repairs and Betterments	\$104,641.39

(Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 268, Laws of 1945.)

FOR THE WESTERN WASHINGTON COLLEGE OF EDUCATION:

Western Washington College of Education.

Capital Outlays, Major Repairs and Betterments \$466,373.76

(Being the reappropriation of the unexpended balance of appropriation made for like purposes by Chapter 268, Laws of 1945.)

FOR THE RELIEF OF THE FOLLOWING INDIVIDUALS, FIRMS AND CORPORATIONS:

Relief.

J. G. McGLINN, travel expenses as district supervisor, Department of Labor and Industries, for the period ending December 31, 1944... \$857.25

J. G. McGlinn.

AMERICAN WINDOW CLEANING COMPANY, final settlement for additional services in connection with cleaning buildings of the Capitol Group \$2,812.22

American Window Cleaning Company.

FROM THE HIGHWAY SAFETY FUND.

WALTER McCRAY, diving services at Lake Chelan incident to a school bus accident in December, 1945.. \$1,419.34

Walter McCray.

FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF LICENSES:

Department of Licenses.

Operations \$7,500.00

FOR THE DEPARTMENT OF FINANCE, BUDGET AND BUSINESS:

Department of Finance, Budget and Business.

Division of Budget, Accounts and Control:
Deficiency, Printing \$5,828.82

FOR THE LADIES OF THE GRAND ARMY OF THE REPUBLIC HOME AT PUYALLUP (payable quarterly)

Ladies of the Grand Army of the Republic Home at Puyallup.

\$7,500.00

FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:

Department of Public Institutions.

Capitol Buildings and Grounds:
Capital Outlays, Major Repairs and Betterments \$6,500.00
(Being the reappropriation of the unexpended balance

of allotments from the ap-
propriation for like pur-
poses by Chapter 268, Laws
of 1945.)

To carry out the provisions of House
Bill No. 488..... \$1,500.00

Washington
State Patrol.

FOR THE WASHINGTON STATE PATROL:

Vehicle Safety Inspection:

Salaries, Wages, Operations, Cap-
ital Outlays, and Major Repairs
(This appropriation not to
become available if another
appropriation is authorized
for such purposes.) \$250,000.00

Liquor
investigating
committee.

TO CARRY OUT THE PROVISIONS OF
SENATE RESOLUTION ADOPTED MARCH
3, 1947, AUTHORIZING COMPLETE
STUDY AND INVESTIGATION OF PER-
SONS, FIRMS, CORPORATIONS AND
CLUBS IN THE STATE WHO, OR WHICH,
ARE OPERATING OR HAVE OPERATED
SLOT MACHINES, ETC.....

\$25,000.00

Governor.

FOR THE GOVERNOR:

Allotments to
be filed with
Secretary of
State.

To be allocated to various state
departments, offices and institu-
tions for salaries, wages and
operations: *Provided*, That this
appropriation shall become avail-
able only upon filing with the
Secretary of State, from time
to time, allotments to said de-
partments, offices and institu-
tions, setting forth the purpose
and amount allotted therefor,
approved by the Governor:
And provided further, That no
such allotment shall become
available until thirty (30) days
subsequent to such filing with
the Secretary of State.....

\$1,000,000.00

Board of
Prison Terms
and Paroles.

FOR THE BOARD OF PRISON TERMS AND
PAROLES:

Salaries and Wages..... \$63,000.00
Operations 10,000.00
Total

 \$73,000.00

Department
of Agricul-
ture.

FOR THE DEPARTMENT OF AGRICUL-
TURE:

Salaries and Wages..... \$27,500.00
Operations 27,500.00

Additional Veterinary and Dairy Inspectors:		Additional veterinary and dairy inspectors.
Salaries, Wages and Operations	90,000.00	
Seed Inspection:		Seed inspection.
Salaries, Wages and Operations..	37,500.00	
Total	<u> </u>	\$182,500.00
FOR THE DEPARTMENT OF CONSERVATION AND DEVELOPMENT:		Department of Conservation and Development.
Salaries and Wages.....	\$9,500.00	
Operations	15,000.00	
Division of Forestry:		Division of Forestry.
Reforestation:		
Salaries, Wages and Operations	100,000.00	
Flood Control:		Flood control.
To be expended in accordance with the provisions of Chapter 204, Laws of 1941.....	100,000.00	
Total	<u> </u>	\$224,500.00
FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:		Department of Public Institutions.
General Office, including Division of Public Institutions and Division of Purchasing:		
Salaries and Wages.....	\$75,000.00	
Operations	7,500.00	
Division of Banking:		Division of Banking.
Salaries and Wages.....	17,400.00	
Operations	5,850.00	
Division of Savings and Loan Associations:		Division of Savings and Loan Associations.
Salaries and Wages.....	12,610.00	
Operations	5,375.00	
Total	<u> </u>	\$123,735.00
FOR THE DEPARTMENT OF FISHERIES:		Department of Fisheries.
Salaries and Wages.....	\$200,000.00	
Operations	175,000.00	
Total	<u> </u>	\$375,000.00
FOR THE DEPARTMENT OF HEALTH:		Department of Health.
Salaries and Wages.....	\$114,000.00	
For Crippled Children's Program:		
Salaries and Wages.....	14,000.00	
Total	<u> </u>	\$128,000.00

Department of Labor and Industries.	<p>FOR THE DEPARTMENT OF LABOR AND INDUSTRIES: General Office, including Division of Safety and Division of Industrial Relations: Salaries and Wages..... \$150,000.00 Operations 100,000.00 Total <u> </u> \$250,000.00</p>
Department of Licenses.	<p>FOR THE DEPARTMENT OF LICENSES: Salaries and Wages..... \$85,000.00 Operations 75,000.00 Total <u> </u> \$160,000.00 To carry out the provisions of House Bill No. 42: Salaries, Wages and Operations \$20,000.00</p>
Military Department.	<p>FOR THE MILITARY DEPARTMENT: Salaries and Wages..... \$20,000.00 Operations 15,000.00 Total <u> </u> \$35,000.00</p>
Tax Commission of the State of Washington.	<p>FOR THE TAX COMMISSION OF THE STATE OF WASHINGTON: Salaries and Wages..... \$455,240.00 Operations 150,000.00 Total <u> </u> \$605,240.00</p>
Department of Public Institutions.	<p>FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:</p>
State School for the Blind.	<p>State School for the Blind: Salaries and Wages..... \$21,239.80 Operations 12,686.00 Total <u> </u> \$33,925.80</p>
State School for the Deaf.	<p>State School for the Deaf: Salaries and Wages..... \$25,744.60 Operations 13,429.00 Total <u> </u> \$39,173.60</p>
Eastern State Custodial School.	<p>Eastern State Custodial School: Salaries and Wages..... \$87,566.60 Operations 124,326.25 Total <u> </u> \$211,892.85</p>
Eastern State Hospital.	<p>Eastern State Hospital: Salaries and Wages..... \$147,106.00 Operations 137,541.00 Total <u> </u> \$284,647.00</p>
State School for Girls.	<p>State School for Girls: Salaries and Wages..... \$18,899.20 Operations 14,331.00 Total <u> </u> \$33,230.20</p>
McKay Memorial Research Hospital.	<p>McKay Memorial Research Hospital: Salaries, Wages and Operations. \$50,000.00</p>

Northern State Hospital:		Northern State Hospital.
Salaries and Wages.....	\$155,243.40	
Operations	124,640.00	
Total	—————	\$279,883.40
Washington State Penitentiary:		Washington State Penitentiary.
Salaries and Wages.....	\$71,101.80	
Operations	102,185.50	
Total	—————	\$173,287.30
Washington State Reformatory:		Washington State Reformatory.
Salaries and Wages.....	\$54,308.20	
Operations	60,067.00	
Total	—————	\$114,375.20
State Soldiers' Home and Colony:		State Soldiers Home and Colony.
Salaries and Wages.....	\$17,486.60	
Operations	15,729.00	
Total	—————	\$33,215.60
State Training School:		State Training School.
Salaries and Wages.....	\$33,708.20	
Operations	29,986.00	
Total	—————	\$63,694.20
Washington Veterans' Home:		Washington Veterans' Home.
Salaries and Wages.....	\$39,429.00	
Operations	40,893.00	
Total	—————	\$80,322.00
Western State Custodial School:		Western State Custodial School.
Salaries and Wages.....	\$95,980.60	
Operations	71,488.00	
Total	—————	\$167,468.60
Western State Hospital:		Western State Hospital.
Salaries and Wages.....	\$199,739.40	
Operations	181,877.00	
Total	—————	\$381,616.40
THERE IS HEREBY APPROPRIATED FROM THE STATE SCHOOL EQUALIZATION FUND FOR APPORTIONMENT TO SCHOOL DISTRICTS AS PROVIDED IN HOUSE BILL NO. 229 AS ENACTED BY THE 1947 LEGISLATURE.....		For apportionment to school districts.
		\$1,400,000.00

FROM THE VETERANS' REHABILITATION COUNCIL FUND.

FOR THE VETERANS' REHABILITATION COUNCIL:		Veterans' Rehabilitation Council.
To carry out the provision of House Bill No. 59.....		\$1,000,000.00

SEC. 3. This act is necessary for the immediate preservation of the public peace, health and safety, and for the support of the state government and its

Effective immediately.

existing public institutions, and shall take effect immediately.

Passed the Senate March 13, 1947.

Passed the House March 13, 1947.

Approved by the Governor March 22, 1947, with the exception of a certain item which is vetoed.

CHAPTER 287.

[H. B. 383.]

GENERAL APPROPRIATIONS.

AN ACT making appropriations for the payment of salaries of certain officers and employees of the state and for the operation, maintenance and other expenses of certain state institutions, departments and offices, for the purchase, condemnation and improvement of land, the construction of buildings and improvements for the various state institutions designated and mentioned, and for emergencies, and for refunds, and for sundry civil expenses of the state government, and for public assistance, and for purposes specified in certain acts of Congress, and for miscellaneous purposes, for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided, defining terms, limiting allowances and payments, prescribing penalties, and declaring that this act shall take effect immediately.

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

Definitions.
"Capital
outlay."

SECTION 1. The words "capital outlay," whenever used in this act, shall mean and include the purchase, condemnation and improvement of land and erection of buildings, including necessary salaries and wages incident thereto.

"Salaries and
wages."

The words "salaries and wages," whenever used in this act, shall mean and include salaries of executive officers and employees of state offices, departments and institutions, and all compensation for direct labor or personal service rendered to the state.

The word "operations," whenever used in this act, shall mean and include necessary traveling expenses of officers and employees, and all expenses necessary for housing cost, supplies, material, services and maintenance of the various institutions, departments and offices of the state government, other than salaries and wages: *Provided*, That no portion of the appropriations made hereunder shall be expended for coupon or scrip books, or other evidences of advance payment for future delivery: *Provided further*, That allowances made for subsistence and lodging for the elective or appointive officers and employees while away from their domicile on state business shall equal actual expenses incurred therefor or *per diem* rates as provided by law, but in no event shall actual expenses claimed exceed such *per diem* rates provided by law.

"Opera-
tions."

Expenses not
to exceed *per*
diem rates.

SEC. 2. The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated out of any of the monies in the several funds in the State Treasury hereinafter named for the payment of salaries of certain officers and employees of the state, and for the operation of certain state institutions, departments and offices, and for the purchase, condemnation and improvement of land and construction of buildings, and improvements for the various state institutions, and for emergencies, and for refunds, and for sundry civil expenses of the state government, and for public assistance, and for purposes specified in certain acts of Congress, and for miscellaneous purposes hereinbelow designated and mentioned and hereinafter expressed, for the fiscal biennium beginning April 1, 1947, and ending March 31, 1949, except as otherwise provided: *Provided*, That no part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the State of Washington, or any office,

Appropriation.

Payments
to persons
striking
against
government
prohibited.

department or agency thereof, or against any political subdivision of the state; nor to any person who is a member of an organization of government employees that asserts the right to strike against the United States, state, or local governments, or who advocates, or is a member of an organization that advocates the overthrow of the government of the United States by force or violence: *Provided further*, That for the purposes hereof an affidavit shall be considered *prima facie* evidence that the person making it has not acted contrary to the provisions herein set forth: *And provided further*, That any person who engages in a strike against the state or any office, department or agency thereof, or against a political subdivision of the state, or who is a member of an organization of government employees that asserts the right to strike against the United States, state, or local governments, or who advocates, or is a member of an organization that advocates, the overthrow of the government of the United States by force or violence, and accepts employment the salary or wages for which are paid from any appropriation contained in this act, shall be guilty of a gross misdemeanor and shall be fined not more than one thousand dollars (\$1,000) or imprisoned in the county jail for not more than one (1) year, or both.

Affidavit
prima facie
evidence of
compliance.

Person
who strikes
against
government
and accepts
wages pay-
able from
these appro-
priations
guilty of
gross mis-
demeanor.

Penalty.

FROM THE GENERAL FUND.

Governor.

FOR THE GOVERNOR:

Salaries, Wages and Operations...	\$72,000.00	
Investigation and Emergency Pur- poses, to be distributed on vouch- ers approved by the Governor...	14,000.00	
Extradition Expenses (including Deficiencies)	18,000.00	
Auditing Records of the State Audi- tor	2,500.00	
Total		\$106,500.00

Governor's
mansion.

FOR THE GOVERNOR'S MANSION:

Maintenance, to be distributed on vouchers approved by the Gov- ernor		\$18,000.00
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FOR THE LIEUTENANT GOVERNOR:		Lieutenant Governor.
Salary of the Lieutenant Governor.	\$2,400.00	
Other Salaries, Wages, Operations and Compensation when serv- ing as Governor.....	15,600.00	
Total	—————	\$18,000.00
FOR THE SECRETARY OF STATE:		Secretary of State.
Salaries and Wages.....	\$102,250.00	
Operations	33,800.00	
Checking, Printing, Advertising and Mailing Initiative and Referen- dum Measures and Constitutional Amendments: <i>Provided</i> , That no portion of this appropriation shall be expended for salaries of regular employees or office ex- pense of the Secretary of State..	60,000.00	
Bureau of Statistics and Immigra- tion:		
Salaries, Wages and Operations	12,500.00	
Total	—————	\$208,550.00
FOR THE STATE TREASURER:		State Treasurer.
Salaries and Wages.....	\$100,000.00	
Operations	26,500.00	
Seattle Office:		
Salaries and Wages.....	24,000.00	
Operations	9,750.00	
Total	—————	\$160,250.00
FOR THE STATE AUDITOR:		State Auditor.
Salaries and Wages.....	\$102,000.00	
Operations	12,000.00	
Special Printing	4,000.00	
Total	—————	\$118,000.00
FROM THE MOTOR VEHICLE FUND.		
Salaries and Wages.....	\$35,000.00	
Operations	8,000.00	
Total	—————	\$43,000.00
FROM THE GENERAL FUND.		
Departmental Audits:		Departmen- tal audits.
Salaries and Wages.....	\$185,400.00	
Operations	35,000.00	
Total	—————	\$220,400.00
Division of Municipal Corporations:		Division of Municipal Corporations.
Salaries and Wages.....	\$63,600.00	
Operations	17,500.00	
Total	—————	\$81,100.00

Attorney General.	FOR THE ATTORNEY GENERAL:		
	Salaries and Wages.....	\$322,700.00	
	Operations	62,500.00	
	Indexing Session Laws.....	500.00	
	Printing Briefs, Court Costs and Expenses of litigation in Federal Courts	25,000.00	
	Total	<u> </u>	\$410,700.00
	FROM THE CURRENT SCHOOL FUND.		
Superintendent of Public Instruction.	FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION:		
	Salaries and Wages.....	\$300,000.00	
	Operations	130,000.00	
	Total	<u> </u>	\$430,000.00
	FROM THE GENERAL FUND.		
Commissioner of Public Lands.	FOR THE COMMISSIONER OF PUBLIC LANDS:		
	Salaries and Wages.....	\$301,000.00	
	Operations	106,000.00	
	Total	<u> </u>	\$407,000.00
Insurance Commissioner.	FOR THE INSURANCE COMMISSIONER:		
	Salaries and Wages.....	\$229,000.00	
	Operations	75,000.00	
	Total	<u> </u>	\$304,000.00
Legislative expense.	FOR LEGISLATIVE EXPENSE:		
	Printing, Indexing, Binding and Editing Session Laws, Senate and House Journals, Other Legislative Printing, and Binding Public Documents of the Thirtieth Session..		\$30,000.00
Supreme Court.	FOR THE SUPREME COURT:		
	Salaries and Wages.....	\$300,000.00	
	Operations	19,000.00	
	Total	<u> </u>	\$319,000.00
State Law Library.	FOR THE STATE LAW LIBRARY:		
	Salaries and Wages.....	\$30,000.00	
	Operations and Equipment.....	30,000.00	
	Total	<u> </u>	\$60,000.00
Code Revision and Re-compilation Committee.	FOR THE CODE REVISION AND RECOMPILATION COMMITTEE:		
	Salaries, Wages and Operations....	\$45,000.00	
	Printing, Publishing and Distribution of Interim Releases.....	35,000.00	
	Total	<u> </u>	\$80,000.00
Judicial Council.	FOR THE JUDICIAL COUNCIL:		
	Salaries, Wages and Operations....		\$3,500.00
Uniform Law Commission.	FOR THE UNIFORM LAW COMMISSION:		
	Operations		\$972.00

FOR THE SUPERIOR COURT JUDGES:		
Salaries and Wages.....	\$359,000.00	Superior Court Judges.
Expenses, Judges in Joint Districts.	7,500.00	
Total	<u> </u>	\$366,500.00
FOR THE ASSOCIATION OF SUPERIOR JUDGES:		Association of Superior Judges.
Operations		\$1,500.00
FOR THE JUDGES' RETIREMENT FUND:		Judges' Retirement Fund.
To be expended in accordance with the provisions of Chapter 229, Laws of 1937.....		\$26,171.88
FOR THE STATE ATHLETIC COMMISSION:		State Athletic Commission.
Salaries and Wages.....	\$4,800.00	
Operations	1,200.00	
Total	<u> </u>	\$6,000.00
FOR THE BOARD OF STATE LAND COMMISSIONERS:		Board of State Land Commissioners.
Salaries and Wages.....	\$48,000.00	
Operations	24,500.00	
Total	<u> </u>	\$72,500.00
FOR THE STATE BOARD FOR THE CERTIFICATION OF LIBRARIANS:		State Board for the Certification of Librarians.
Salaries, Wages and Operations....		\$300.00
FOR THE STATE LIBRARY COMMISSION:		State Library Commission.
Salaries and Wages.....	\$53,000.00	
Operations	29,000.00	
Public Library Services and Facilities:		
Salaries, Wages and Operations..	60,000.00	
Total	<u> </u>	\$142,000.00
FOR THE STATE BOARD OF EDUCATION:		State Board of Education.
General Office, including Supervision of Junior Colleges:		
Salaries and Wages.....	\$35,000.00	
Operations	10,000.00	
In-service Training for Teachers:		
Operations	18,000.00	
To be expended in accordance with the provisions of Chapter 154, Laws of 1935, providing assistance for Blind Students.....		2,000.00
Total	<u> </u>	\$65,000.00
FROM THE UNITED STATES VOCATIONAL EDUCATION FUND.		
FOR THE STATE BOARD FOR VOCATIONAL EDUCATION:		State Board for Vocational Education.
To be expended in accordance with the provisions of Acts of Con-		

Vocational development.	gress approved February 23, 1917, and August 1, 1946, and Acts amendatory or supplementary thereto, providing for the promotion and development of Vocational Education	\$1,151,331.33	
Civilian Vocational rehabilitation.	To be expended in accordance with the provisions of Acts of Congress approved June 2, 1920, and July 6, 1943, and subsequent amendments, providing for Civilian Vocational Rehabilitation	928,168.00	
Veterans' training.	To be expended for special veterans' training in cooperation with the United States Veterans' Administration, expenditures not to exceed receipts from the Federal Government	500,000.00	
	Total	\$2,579,499.33	

FROM THE GENERAL FUND.

State Board of Pharmacy.	FOR THE STATE BOARD OF PHARMACY:		
	Salaries and Wages	\$15,000.00	
	Operations	9,000.00	
	Total	\$24,000.00	

FROM THE PUGET SOUND PILOTAGE FUND.

State Board of Pilotage Commissioners.	FOR THE STATE BOARD OF PILOTAGE COMMISSIONERS:		
	Salaries and Wages	\$4,200.00	
	Operations	1,000.00	
	Total	\$5,200.00	

FROM THE GENERAL FUND.

Board of Prison Terms and Paroles.	FOR THE BOARD OF PRISON TERMS AND PAROLES:		
	Salaries and Wages	\$153,000.00	
	Operations	50,000.00	
	Total	\$203,000.00	
State Capitol Committee.	FOR THE STATE CAPITOL COMMITTEE:		
	Salaries and Wages	\$14,500.00	
	Operations	5,500.00	
	Total	\$20,000.00	
State Finance Committee.	FOR THE STATE FINANCE COMMITTEE:		
	Salaries, Wages and Operations	\$17,400.00	
State Forest Board.	FOR THE STATE FOREST BOARD:		
	Salaries and Wages	\$20,000.00	
	Operations	5,000.00	
	Total	\$25,000.00	

FROM THE PARKS AND PARKWAY FUND.

FOR THE STATE PARKS COMMITTEE:

State Parks
Committee.

Salaries and Wages	\$175,000.00	
Operations	55,000.00	
Total	—————	\$230,000.00

FROM THE MILLERSYLVANIA PARK CURRENT FUND.

Improvement, Maintenance and Upkeep of Millersylvania Park..		\$400.00
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FROM THE TEACHERS' RETIREMENT FUND.

FOR THE BOARD OF TRUSTEES OF THE
STATE TEACHERS' RETIREMENT
SYSTEM:

Board of
Trustees of
the State
Teachers'
Retirement
System.

Salaries and Wages.....	\$105,000.00	
Operations	30,507.75	
For the Payment of Annuities, Awards, Pensions and Refunds as provided by law.....	5,911,401.00	
Total	—————	\$6,046,908.75

FROM THE GENERAL FUND.

FOR THE POLLUTION CONTROL COM-
MISSION:

Pollution
Control
Commission.

Salaries and Wages.....	\$98,736.00	
Operations	45,000.00	
Total	—————	\$143,736.00

FOR THE DEPARTMENT OF AGRICUL-
TURE:

Department
of Agricul-
ture.

Salaries and Wages.....	\$235,000.00	
Operations	90,000.00	
Noxious Weed Control:		
Salaries and Wages	13,320.00	
Operations	5,375.00	
Plant Introduction and Quarantine Station:		
Salaries and Wages.....	19,113.00	
Operations	15,875.00	
Destruction of Predatory Animals.	40,000.00	
Total	—————	\$418,683.00

FROM THE FEED AND FERTILIZER FUND.

Salaries, Wages and Operations (Expenditures not to exceed fees heretofore or hereafter collected)		\$58,666.00
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FROM THE GRAIN AND HAY INSPECTION FUND.

Salaries and Wages.....	\$491,910.30	
Operations	68,850.00	
(Expenditures not to exceed fees heretofore or hereafter collected)		
Total	—————	\$560,760.30

FROM THE COMMISSION MERCHANTS FUND.

Salaries, Wages and Operations (Expenditures not to exceed fees heretofore or hereafter collected)	\$122,434.00
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FROM THE NURSERY INSPECTION FUND.

Salaries, Wages and Operations (Expenditures not to exceed fees heretofore or hereafter collected)	\$54,047.00
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FROM THE SEED FUND.

Salaries, Wages and Operations (Expenditures not to exceed fees heretofore or hereafter collected)	\$60,000.00
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FROM THE GENERAL FUND.

Director of Budget.	FOR THE DIRECTOR OF BUDGET:		
	Salaries and Wages.....	\$175,600.00	
	Operations	25,000.00	
	Total	<u> </u>	\$200,600.00
Department of Conservation and Development.	FOR THE DEPARTMENT OF CONSERVATION AND DEVELOPMENT:		
	Salaries and Wages.....	\$130,500.00	
	Operations	49,500.00	
Columbia Basin Commission.	Columbia Basin Commission:		
	Salaries and Wages.....	50,000.00	
	Operations	30,000.00	
Division of Forestry.	Division of Forestry, including Forest Practices:		
	Salaries and Wages.....	600,000.00	
	Operations	240,000.00	
Stream gauging and ground water surveys.	Stream Gauging and Ground Water Surveys:		
	Operations	30,000.00	
Flood control.	Flood Control:		
	To be expended in accordance with the provisions of Chapter 204, Laws of 1941.....	100,000.00	
	Total	<u> </u>	\$1,230,000.00

FROM THE RECLAMATION REVOLVING FUND.

Reclamation Division.	Reclamation Division:	
	Salaries and Wages.....	\$35,000.00
	Operations	15,500.00
Natural resources surveys.	Natural Resources Surveys:	
	Salaries, Wages and Operations.	60,000.00

Financing of reclamation districts as provided by law.....	250,000.00	Financing of reclamation districts.
(Expenditures from Reclamation Revolving Fund not to exceed cash on hand and available for expenditure)		
Total	—————	\$360,500.00

FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF PUBLIC IN- STITUTIONS:		Department of Public Institutions.
General Office, including Division of Public Institutions and Di- vision of Purchasing:		
Salaries and Wages.....	\$275,000.00	
Operations	45,000.00	
Division of Banking:		Division of Banking.
Salaries and Wages.....	75,200.00	
Operations	20,000.00	
Division of Savings and Loan As- sociations:		Division of Savings and Loan Associations.
Salaries and Wages.....	40,600.00	
Operations	14,000.00	
Capitol Buildings and Grounds:		Capitol buildings and grounds.
Salaries and Wages.....	460,000.00	
Operations	200,000.00	
Parole, Transportation and Depor- tation:		Parole, transporta- tion and deportation.
Salaries and Wages.....	14,000.00	
Operations	35,355.00	
Food Processing Plants:		Food processing plants.
Care, Dismantling and Disposal of Plants and Equipment....	7,500.00	
Total	—————	\$1,186,655.00
FOR THE DEPARTMENT OF FISHERIES:		Department of Fisheries.
Salaries and Wages.....	\$400,000.00	
Operations	250,000.00	
Biological Research Division:		
Salaries and Wages.....	140,250.00	
Operations	84,328.00	
Technological Studies:		
Salaries, Wages and Operations.	15,000.00	
Total	—————	\$889,578.00
FROM THE LEWIS RIVER HATCHERY FUND.		Lewis River Hatchery Fund.
Salaries and Wages.....	\$23,710.00	
Operations	16,560.00	
Total	—————	\$40,270.00

FROM THE GAME FUND.

Department of Game.

FOR THE DEPARTMENT OF GAME:

Salaries and Wages.....	\$1,544,750.00	
Operations	1,204,949.32	
Prevention and Relief of Deer and Elk Damages:		
To carry out the provisions of Chapter 237, Laws of 1943...	70,000.00	
Wild Life Restoration and Research, including the Purchase, Condemnation or Leasing of Lands (Expenditures to be limited to approved projects upon which reimbursement of 75% will be made by the Federal Government)	260,000.00	
Total		<u>\$3,079,699.32</u>

FROM THE GENERAL FUND.

Department of Health.

FOR THE DEPARTMENT OF HEALTH:

Salaries and Wages	\$450,000.00
Operations	148,500.00
For Crippled Children's Program:	
Salaries and Wages.....	36,200.00
Operations and Assistance.....	130,200.00
For Public Health Work (Expenditures not to exceed amounts received and credited to the General Fund from the Federal Government for Public Health Work)	1,540,604.00
For County Public Health Work...	125,000.00
Rapid Treatment Center for Venereal Diseases:	
Salaries, Wages and Operations..	35,000.00
Salaries, Wages and Operations (Expenditures not to exceed amounts received and credited to the General Fund from the Federal Government for Venereal Disease Treatment).....	157,165.00
For Tuberculosis Hospitalization, to be distributed in the manner provided by Chapter 162, Laws of 1943 (including Deficiencies)	1,000,000.00
For Emergency Maternity and Infant Care:	
Salaries, Wages and Operations (Including Deficiencies: <i>Provided</i> , That expenditures shall not exceed amounts received and	

credited to the General Fund from the Federal Government for Emergency Maternity and Infant Care)	975,000.00	
Total	<u> </u>	\$4,597,669.00
FOR THE DEPARTMENT OF LABOR AND INDUSTRIES:		Department of Labor and Industries.
General Office, including Division of Safety and Division of Indus- trial Relations:		
Salaries and Wages.....	\$750,000.00	
Operations	225,351.30	
Total	<u> </u>	\$975,351.30
FROM THE MEDICAL AID FUND.		Medical Aid Fund.
Salaries and Wages.....	\$635,000.00	
Operations	190,000.00	
Appeal Costs:		Appeal costs.
Salaries and Wages.....	8,000.00	
Operations	8,600.00	
Claims and Awards (including De- ficiencies)	6,000,000.00	Claims and awards.
Total	<u> </u>	\$6,841,600.00
FROM THE ACCIDENT FUND.		
Appeal costs:		Appeal costs.
Salaries and Wages.....	\$8,000.00	
Operations	8,600.00	
Claims and Awards (including De- ficiencies)	20,000,000.00	Claims and awards.
Total	<u> </u>	\$20,016,600.00
FROM THE ELECTRICAL LICENSE FUND.		Electrical License Fund.
Salaries and Wages.....	\$95,040.00	
Operations	40,810.00	
Total	<u> </u>	\$135,650.00
FROM THE GENERAL FUND.		
FOR THE DEPARTMENT OF LICENSES:		Department of Licenses.
Salaries and Wages.....	\$140,000.00	
Operations	75,000.00	
Total	<u> </u>	\$215,000.00
FROM THE MOTOR VEHICLE FUND.		Motor Vehicle Fund.
Salaries and Wages.....	\$560,000.00	
Operations	400,000.00	
Liquid Fuel Tax Refunds.....	4,000,000.00	
Total	<u> </u>	\$4,960,000.00
FROM THE HIGHWAY SAFETY FUND.		Highway Safety Fund.
Salaries and Wages.....	\$140,000.00	
Operations	\$55,000.00	
Total	<u> </u>	\$195,000.00

FROM THE GENERAL FUND.

Military Department.

FOR THE MILITARY DEPARTMENT:

Salaries and Wages.....	\$192,000.00	
Operations	150,000.00	
Uniform Allowance	30,000.00	
Armory Drill Pay.....	20,000.00	
Total		\$392,000.00

FROM THE PUBLIC UTILITIES REVOLVING FUND.

Department of Public Utilities.

FOR THE DEPARTMENT OF PUBLIC UTILITIES:

Salaries and Wages.....	\$390,000.00	
Operations	150,000.00	
Special Investigations:		
Salaries, Wages and Operations.	150,000.00	
(Expenditures not to exceed fees heretofore or hereafter collected, but in no event shall any warrant be drawn on the Public Utilities Revolving Fund in excess of actual cash on deposit in the State Treasury)		
Total		\$690,000.00

FROM THE GENERAL FUND.

Department of Social Security.

FOR THE DEPARTMENT OF SOCIAL SECURITY:

General Supervision:		
Salaries and Wages.....	\$865,000.00	
Operations	100,000.00	
Administration:		
Salaries and Wages.....	3,110,000.00	
Operations	200,000.00	
Division for Children:		
Assistance as provided by law..	15,000,000.00	
Division for the Blind:		
Assistance as provided by law.	1,000,000.00	
Total		\$20,275,000.00

FROM THE HIGHWAY SAFETY FUND.

Washington State Patrol.

FOR THE WASHINGTON STATE PATROL:

Salaries and Wages.....	\$1,750,000.00	
Operations	709,000.00	
Total		\$2,459,000.00

FROM THE MOTOR VEHICLE FUND.

Motor Vehicle Fund.

Weight Control:		
Salaries, Wages and Operations.	\$244,000.00	
Vehicle Safety Inspection:		
Salaries, Wages and Operations.	750,000.00	
Total		\$994,000.00

FROM THE GENERAL FUND.

FOR THE TAX COMMISSION OF THE STATE OF WASHINGTON:		Tax Commission.
Salaries and Wages.....	\$985,000.00	
Operations	210,000.00	
Purchase of Tax Tokens and Cigarette Stamps	80,000.00	
Refund of Taxes, Costs, Penalties, Interest and Redemption of Tokens as provided by Chapter 191, Laws of 1933, and Chapter 180, Laws of 1935, and all laws amendatory thereto	300,000.00	
Total	—————	\$1,575,000.00

FROM THE TRANSPORTATION REVOLVING FUND.

FOR THE DEPARTMENT OF TRANSPORTATION:		Department of Transportation.
Salaries and Wages.....	\$483,780.00	
Operations	262,570.00	
Investigation and Emergency Purposes:		
Salaries, Wages and Operations.	5,000.00	
Total	—————	\$751,350.00

FROM THE GENERAL FUND.

FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:		Department of Public Institutions.
State School for the Blind:		State School for the Blind.
Salaries and Wages.....	\$191,080.00	
Operations	114,185.00	
Total	—————	\$305,265.00
State School for the Deaf:		State School for the Deaf.
Salaries and Wages.....	\$231,687.00	
Operations	\$120,856.00	
Total	—————	\$352,543.00
Eastern State Custodial School:		Eastern State Custodial School.
Salaries and Wages.....	\$788,095.00	
Operations	1,118,926.00	
Total	—————	\$1,907,021.00
Eastern State Hospital:		Eastern State Hospital.
Salaries and Wages.....	\$1,324,096.00	
Operations	1,237,864.00	
Total	—————	\$2,561,960.00
State School for Girls:		State School for Girls.
Salaries and Wages.....	\$170,100.00	
Operations	128,979.00	
Total	—————	\$299,079.00
McKay Memorial Research Hospital:		McKay Memorial Research Hospital.
Salaries, Wages and Operations.		\$10,000.00

Northern State Hospital.	Northern State Hospital:		
	Salaries and Wages.....	\$1,397,187.00	
	Operations	1,121,755.00	
	Total	—————	\$2,518,942.00
Washington State Penitentiary.	Washington State Penitentiary:		
	Salaries and Wages.....	\$639,905.00	
	Operations	919,664.00	
	Total	—————	\$1,559,569.00
Penitentiary Revolving Fund.	FROM THE PENITENTIARY REVOLVING FUND.		
Industrial operations.	Industrial Operations:		
	Salaries and Wages.....	\$225,800.00	
	Operations	502,900.00	
	Total	—————	\$728,700.00
	FROM THE GENERAL FUND.		
Washington State Reformatory.	Washington State Reformatory:		
	Salaries and Wages.....	\$488,775.00	
	Operations	540,598.00	
	Total	—————	\$1,029,373.00
Reformatory Revolving Fund.	FROM THE REFORMATORY REVOLVING FUND.		
Industrial operations.	Industrial Operations:		
	Salaries and Wages.....	\$95,200.00	
	Operations	115,000.00	
	Total	—————	\$210,200.00
	FROM THE GENERAL FUND.		
State Soldiers' Home and Colony.	State Soldiers' Home and Colony:		
	Salaries and Wages.....	\$157,367.00	
	Operations	141,556.00	
	Total	—————	\$298,923.00
State Training School.	State Training School:		
	Salaries and Wages.....	\$303,367.00	
	Operations	269,870.00	
	Total	—————	\$573,237.00
Washington Veterans' Home.	Washington Veterans' Home:		
	Salaries and Wages.....	\$354,855.00	
	Operations	368,037.00	
	Total	—————	\$722,892.00
Western State Custodial School.	Western State Custodial School:		
	Salaries and Wages.....	\$863,817.00	
	Operations	643,387.00	
	Total	—————	\$1,507,204.00
Western State Hospital.	Western State Hospital:		
	Salaries and Wages.....	\$1,797,645.00	
	Operations	1,636,889.00	
	Total	—————	\$3,434,534.00

FROM THE UNIVERSITY OF WASHINGTON FUND.

FOR THE UNIVERSITY OF WASHINGTON:

Salaries and Wages.....	\$13,145,047.33	
Operations, including Repairs...	2,307,540.22	
Total	—————	\$15,452,587.55

University of Washington.

FROM THE GENERAL FUND.

School of Medicine and Dentistry:

Salaries, Wages and Operations		\$2,251,357.00
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School of Medicine and Dentistry.

Arboretum:

Salaries and Wages	\$35,600.00	
Operations	14,400.00	
Total	—————	\$50,000.00

Arboretum.

FROM THE MOTOR VEHICLE EXCISE FUND.

Bureau of Governmental Research:

Municipal Research and Service.		\$95,000.00
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Bureau of Governmental Research. Municipal Research and Service.

FROM THE WASHINGTON STATE COLLEGE FUND.

FOR THE STATE COLLEGE OF WASHINGTON:

Salaries and Wages	\$6,000,000.00	
Operations	1,737,472.86	
Total	—————	\$7,737,472.86

State College of Washington.

For Agricultural Experiment Stations:

Salaries, Wages and Operations.		\$2,058,373.71
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Agricultural Experiment Stations.

Provided, That expenditures herefrom be allocated as follows:

Main Experiment Station, Pullman and Walla Walla.....	\$857,189.85
Western Washington Experiment Station, Puyallup.....	556,797.56
Irrigation Branch Station, Prosser	301,126.30
Tree Fruit Branch Station, Wenatchee	132,097.00
Dry Land Branch Station, Lind	35,371.00
Cranberry - Blueberry Branch Station, Ilwaco	23,100.00
Vegetable Seed Investigations, Mount Vernon	108,000.00
Horticultural Investigation, Clark County	44,692.00

For Agricultural Extension Work:

Salaries, Wages and Operations	\$550,000.00
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For Division of Industrial Research:

Salaries, Wages and Operations	\$450,094.00
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Central Washington College of Education.

FOR THE CENTRAL WASHINGTON COLLEGE OF EDUCATION:

From the Normal School Current Fund	\$42,000.00	
From the Ellensburg Normal School Fund	\$1,053,000.00	
Salaries and Wages.....	\$975,000.00	
Operations	120,000.00	
Total		\$1,095,000.00

Eastern Washington College of Education.

FOR THE EASTERN WASHINGTON COLLEGE OF EDUCATION:

From the Normal School Current Fund	\$42,000.00	
From the Cheney Normal School Fund	\$1,053,000.00	
Salaries and Wages.....	\$965,000.00	
Operations	130,000.00	
Total		\$1,095,000.00

Western Washington College of Education.

FOR THE WESTERN WASHINGTON COLLEGE OF EDUCATION:

From the Normal School Current Fund	\$42,000.00	
From the Bellingham Normal School Fund	\$1,053,000.00	
Salaries and Wages.....	\$975,000.00	
Operations	120,000.00	
Total		\$1,095,000.00

Capital Outlays, Major Repairs and Maintenance.

FOR CAPITAL OUTLAYS, MAJOR REPAIRS AND MAINTENANCE:

To be expended independently of, or in conjunction with funds allocated by the Federal, county or municipal governments or agencies or in conjunction with funds allocated for unemployment relief: *Provided*, That the following appropriations shall become available only upon written approval of the Governor.

FROM THE GENERAL FUND.

Department of Public Institutions.

FOR THE DEPARTMENT OF PUBLIC INSTITUTIONS:

Interior Painting and Alterations, Rewiring and Power Plant Alterations	\$50,000.00
Painting, Alterations and Repairs in the Temple of Justice.....	\$25,000.00

State Institutions:

Capital Outlays, Major Repairs,
Buildings and Equipment:
Provided, That this appropriation shall become available only upon filing with the Secretary of State, from time to time, allotments to the several institutions under the control of the department, setting forth the work to be performed and the amount allotted therefor, approved by the Governor:
And provided further, That no work shall be commenced nor expenditures made until thirty (30) days subsequent to such filing with the Secretary of State \$8,000,000.00

State Institutions. Allotments to be filed with Secretary of State.

FOR THE DEPARTMENT OF AGRICULTURE:

Plant Introduction and Quarantine Station:
Residence and Water System. . . \$2,500.00

Department of Agriculture.

FOR THE DEPARTMENT OF FISHERIES:

Capital Outlays and Major Repairs \$432,500.00

Department of Fisheries.

FROM THE LEWIS RIVER HATCHERY FUND.

Capital Outlays and Major Repairs \$2,100.00

Lewis River Hatchery Fund.

FROM THE GAME FUND.

FOR THE DEPARTMENT OF GAME:

Capital Outlays and Major Repairs \$250,000.00

Department of Game.

FROM THE GENERAL FUND.

FOR THE MILITARY DEPARTMENT:

Capital Outlays, Major Repairs and Betterments \$150,000.00

Military Department.

FROM THE HIGHWAY SAFETY FUND.

FOR THE WASHINGTON STATE PATROL:

Capital Outlays, Major Repairs and Betterments \$100,000.00

State Patrol.

FROM THE MOTOR VEHICLE FUND.

Weight Control:

Capital Outlays, Major Repairs and Maintenance \$6,000.00

Motor Vehicle Fund. Weight Control.

Vehicle Safety Inspection:

Capital Outlays, Major Repairs and Maintenance \$250,000.00

Vehicle Safety Inspection.

FROM THE PARKS AND PARKWAY FUND.

State Parks
Committee.

FOR THE STATE PARKS COMMITTEE:
Capital Outlays and Major Repairs \$400,000.00

FROM THE UNIVERSITY OF WASHINGTON
BUILDING FUND.

University of
Washington.

FOR THE UNIVERSITY OF WASHINGTON:
Construction of new Buildings,
Equipment and Remodeling . . . \$2,250,000.00

FROM THE STATE COLLEGE OF WASHINGTON
BUILDING FUND.

State College
of Washing-
ton.

FOR THE STATE COLLEGE OF WASH-
INGTON:
Capital Outlays, Major Repairs and
Betterments \$540,000.00

FROM THE GENERAL FUND.

Institutions
of Higher
Education.

Allotments
to be filed
with Secre-
tary of State
and approved
by Governor.

FOR THE INSTITUTIONS OF HIGHER ED-
UCATION:
Capital Outlays, Construction of
new Buildings, Equipment and
Remodeling: *Provided*, That this
appropriation shall become avail-
able only upon filing with the
Secretary of State, from time to
time, allotments to the several
institutions, approved by the
Governor, setting forth the work
to be performed and the amount
allotted therefor: *And provided
further*, That no work shall be
commenced, nor expenditures
made until thirty (30) days sub-
sequent to such filing with the
Secretary of State \$10,000,000.00

Total Capital Outlays, Ma-
jor Repairs and Mainte-
nance \$22,458,100.00

Contingent
Receipts
Fund.

FROM THE CONTINGENT RECEIPTS FUND.

TO BE EXPENDED IN ACCORDANCE
WITH THE PROVISIONS OF CHAPTER
243, LAWS OF 1945, AND LAWS
AMENDATORY OR SUPPLEMENTARY
THERE TO \$10,000,000.00

Building
Construction
Fund.
For Bond Re-
tirement and
Interest.

FROM THE CAPITOL BUILDING CONSTRUCTION
FUND.

FOR BOND RETIREMENT AND INTEREST. \$1,738,250.00

FROM THE GENERAL FUND.

FOR THE COUNCIL OF STATE GOVERNMENTS:		Council of State Governments.
To be distributed on vouchers approved by the Governor.....	\$5,000.00	
FOR COURT COSTS IN INSANITY CASES (including Deficiencies)	\$60,000.00	Court Costs in Insanity Cases.
FOR CRIMINAL BILLS (including Deficiencies)	\$25,000.00	Criminal Bills.

FROM THE CURRENT SCHOOL FUND.

FOR APPORTIONMENT TO COUNTIES FOR SCHOOL DISTRICTS IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 141, LAWS OF 1945, AND ACTS AMENDATORY THERETO: <i>Provided</i> , That the funds apportioned hereunder on the basis of the number of certificated employees shall not exceed fourteen hundred dollars (\$1,400) per educational unit: <i>And provided further</i> , That such apportionment on said basis of number of certificated employees shall not exceed seven hundred dollars (\$700) per educational unit for any school district which fails to furnish the Superintendent of Public Instruction with satisfactory evidence that each certificated employee of such school district has received a salary increase of not less than five hundred dollars (\$500) per annum over the salary paid for the current school year ending June 30, 1947.....	\$88,555,962.00	Current School Fund. Apportionment to Counties for School Districts.
EDUCATIONAL AID FOR HANDICAPPED CHILDREN:		Educational Aid for Handicapped Children.
For Distribution to School Districts as provided by Chapter 120, Laws 1943	\$25,000.00	

FROM THE STATE SCHOOL EQUALIZATION FUND.

FOR DISTRIBUTION TO COUNTIES AS PROVIDED BY CHAPTER 226, LAWS OF 1937, AND CHAPTER 144, LAWS OF 1943	\$4,800,000.00	State School Equalization Fund. Distribution to Counties.
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FROM THE GENERAL FUND.

Nursery school support.	<p>NURSERY SCHOOL SUPPORT: For Distribution to School Districts as provided by Chapter 220, Laws of 1943.....</p>	\$250,000.00
School recreation programs.	<p>SCHOOL RECREATION PROGRAMS: For Distribution to School Districts as provided by Chapter 247, Laws of 1945.....</p>	\$150,000.00
Maintenance of Public Junior Colleges.	<p>MAINTENANCE OF PUBLIC JUNIOR COLLEGES: For Distribution to Junior Colleges as provided by Chapter 146, Laws of 1941, as amended by Chapter 63, Laws of 1943.....</p>	\$400,000.00
Payment of warrants drawn for emergency purposes.	<p>FOR THE PAYMENT OF WARRANTS DRAWN FOR EMERGENCY PURPOSES APPROVED DURING THE BIENNIUM APRIL 1, 1947, TO MARCH 31, 1949, PURSUANT TO SECTION 10, CHAPTER 9, LAWS OF 1925, AS AMENDED BY SECTION 6, CHAPTER 162, LAWS OF 1929..</p>	\$250,000.00
For Distribution of funds received under the Federal Act of June 28, 1934, 48 Stat. 1273, Section 10.	<p>FOR DISTRIBUTION OF FUNDS RECEIVED UNDER THE FEDERAL ACT OF JUNE 28, 1934, 48 STAT. 1273, SECTION 10 (including Deficiencies). THESE FUNDS TO BE DISTRIBUTED TO COUNTIES FROM WHICH RECEIPTS WERE DERIVED</p>	\$5,500.00

FROM THE FOREST RESERVE FUND.

Forest Reserve Fund.	<p>FOR DISTRIBUTION OF MONEYS RECEIVED FROM THE FEDERAL GOVERNMENT FROM FOREST RESERVES AS PROVIDED BY CHAPTER 185, LAWS OF 1907 (including Deficiencies).....</p>	\$1,786,300.00
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FROM THE GENERAL OBLIGATION BONDS OF 1933
 ' RETIREMENT FUND.

Bond Retirement and Interest.	<p>FOR BOND RETIREMENT AND INTEREST</p>	\$1,570,835.00
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FROM THE HARBOR IMPROVEMENT FUND.

Harbor Improvement Fund. Distribution in accordance with Chapters 168, 169 and 170, Laws of 1913.	<p>FOR DISTRIBUTION IN ACCORDANCE WITH CHAPTERS 168, 169 and 170, LAWS OF 1913, BASED ON RECEIPTS (including Deficiencies)</p>	\$160,000.00
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FROM THE MOTOR VEHICLE EXCISE FUND.

FOR DISTRIBUTION TO CITIES AND TOWNS AS PROVIDED BY CHAPTER 144, LAWS OF 1943 (including Deficiencies)	\$1,730,000.00	Cities and Towns.
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FROM THE GENERAL FUND.

FOR TUBERCULOSIS HOSPITALS (including Deficiencies)	\$400,000.00	Tuberculosis Hospitals.
FOR PRESIDENTIAL ELECTORS.....	\$450.00	Presidential Electors.

FROM THE VOLUNTEER FIREMEN'S RELIEF AND PENSION FUND.

FOR CLAIMS, AWARDS AND OTHER EXPENSES ALLOWED BY LAW (including Deficiencies)	\$70,000.00	Volunteer Firemen's Relief and Pension Fund.
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FROM THE WAR LIQUOR TAX FUND.

FOR DISTRIBUTION IN ACCORDANCE WITH THE PROVISIONS OF CHAPTER 173, LAWS OF 1943.....	\$11,375,000.00	War Liquor Tax Fund. Distribution in accordance with the provisions of Chapter 173, Laws of 1943.
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FROM THE GENERAL FUND.

FOR THE STATE CAPITOL HISTORICAL ASSOCIATION:		State Capitol Historical Association.
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Salaries and Wages.....	\$3,600.00	
Operations	6,300.00	
Total	—————	\$9,900.00

FOR THE WASHINGTON STATE HISTORICAL SOCIETY:		Washington State Historical Society.
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Salaries and Wages.....	\$35,000.00	
Operations	10,000.00	
Total	—————	\$45,000.00

FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY:		Eastern Washington State Historical Society.
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Salaries and Wages.....	\$6,840.00	
Operations, including Repairs to Building and Equipment.....	4,660.00	
Total	—————	\$11,500.00

FOR TRANSFERS:		Transfers.
To United States Vocational Education Fund:		To United States Vocational Education Fund.

To Secure Federal Vocational Funds	\$250,000.00	To Secure Federal Vocational Funds.
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To Secure Federal Vocational Rehabilitation Funds	250,000.00	To Secure Federal Vocational Rehabilitation Funds.
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(Transfers to be made from time to time and in such amounts as the Governor shall determine.)

Total Transfers.....	—————	\$500,000.00
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FROM THE GENERAL FUND.

Commissioner of Public Lands.	FOR THE COMMISSIONER OF PUBLIC LANDS: Deficiency, Salaries, Wages and Operations (Emergencies Approved February 1, 1946, and October 2, 1946).....	\$110,000.00
Board of State Land Commissioners.	FOR THE BOARD OF STATE LAND COMMISSIONERS: Deficiency, Salaries, Wages and Operations (Emergencies Approved May 1, 1945, June 29, 1945, and January 8, 1946).....	\$72,200.00
Board of Prison Terms and Paroles.	FOR THE BOARD OF PRISON TERMS AND PAROLES: Deficiency, Salaries, Wages and Operations (Emergencies Approved March 22, 1945, and April 17, 1945)	\$4,116.60
State Capitol Committee.	FOR THE STATE CAPITOL COMMITTEE: Deficiency, Salaries, Wages and Operations (Emergencies Approved July 21, 1945).....	\$10,000.00
State Forest Board.	FOR THE STATE FOREST BOARD: Deficiency, Salaries, Wages and Operations (Emergencies Approved May 23, 1945, and June 29, 1945)	\$21,438.00
Department of Finance, Budget and Business.	FOR THE DEPARTMENT OF FINANCE, BUDGET AND BUSINESS: Parole, Transportation and Deportation: Deficiency, Operations (Emergency Approved March 22, 1945)	\$1,060.27
Washington State Reformatory.	Washington State Reformatory: Deficiency, Salaries, Wages and Operations (Emergency Approved March 21, 1945).....	\$8,725.53

FROM THE HIGHWAY SAFETY FUND.

Washington State Patrol.	FOR THE WASHINGTON STATE PATROL: Deficiency, Operations (to reimburse the General Fund account Emergency Approved March 22, 1945)	\$8,767.11
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FROM THE REFORMATORY REVOLVING FUND.

FOR THE DEPARTMENT OF FINANCE,
BUDGET AND BUSINESS:

Department
of Finance,
Budget and
Business.

Washington State Reformatory:
Industrial Operations:

Deficiency, Salaries, Wages and
Operations (to reimburse the
General Fund account; Emer-
gency Approved March 21,
1945)

\$4,972.43

FROM THE SEED FUND.

FOR THE DEPARTMENT OF AGRICULTURE:
Seed Inspection:

Department
of Agricul-
ture.

Deficiency, Salaries, Wages and
Operations (to reimburse the
General Fund account; Emer-
gency Approved February 1,
1946)

\$10,000.00

SEC. 3. This act is necessary for the immediate
preservation of the public peace, health and safety,
and for the support of the state government and its
existing public institutions, and shall take effect im-
mediately.

Effective
immediately.

Passed the House March 7, 1947.

Passed the Senate March 9, 1947.

Approved by the Governor March 22, 1947.

CHAPTER 288.

[S. H. B. 396.]

OLD AGE ASSISTANCE AND PUBLIC WELFARE.

AN ACT relating to old-age assistance and public welfare; defining terms; prescribing eligibility therefor; providing for the payment thereof; authorizing appeals and the assertion and enforcement of certain claims and liens by the state; amending sections 2, 3, 4, 5, 9, and 12 of chapter 1, Laws of 1941, as amended (secs. 9998-35, -36, -37, -38, and -42, Rem. Rev. Stat.; secs. 921-3, -5, -7, -9, -17, and -23, PPC); repealing section 15, chapter 1, Laws of 1941, (sec. 9998-48, Rem. Rev. Stat.; sec. 921-29 PPC); declaring when this act shall take effect; and making an appropriation.

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

SECTION 1. Section 2, chapter 1, Laws of 1941 (sec. 9998-35, Rem. Rev. Stat.; sec. 921-3, PPC) is amended to read as follows:

Declaration of Intent.

Section 2. *Declaration of Intent.* It is the duty of the State of Washington to take full advantage of matching funds provided by the Federal government for old age assistance. It is therefore the intent of this act to provide for Washington's Senior Citizens over sixty-five years of age as liberally as is possible under the terms of the Federal Social Security Act.

SEC. 2. Section 3, chapter 1, Laws of 1941, as amended by section 1, chapter 7, Laws of 1945 (sec. 9998-36, Rem. Rev. Stat.; sec. 921-5, PPC) is amended to read as follows:

Definitions.

"Applicant."

Section 3. *Definitions.* (a) "Applicant" shall mean any person applying for a Senior Citizen Grant under the provisions of this act.

"Recipient."

(b) "Recipient" shall mean any person receiving a Senior Citizen Grant.

"Grant" or "Senior Citizen Grant."

(c) "Grant" or "Senior Citizen Grant" shall mean the funds, federal and/or state made available to recipients under the terms of this act.

(d) "Senior Citizen" shall mean a person eligible for a grant under the terms of this act, and shall not be construed as limiting eligibility for grants to citizens of the United States or the State of Washington. "Senior Citizen."

(e) "Department" shall mean the Department of Social Security or any other agency or department which may hereinafter be designated to administer the provisions of this act. "Department."

(f) "Director" shall mean the administrative head of the Department, whether an individual or a board. "Director."

(g) "Income" shall mean net income in cash or kind of applicant or recipient or his spouse, so long as they are living together, the receipt of which is regular and predictable enough to afford security in the sense that the applicant or recipient can rely upon it to contribute appreciably toward meeting his needs. Income in kind shall include payment in goods or services in exchange for the services or labor of the applicant or recipient, or basic maintenance items or services which he produces or which are available to him in a manner which substantially reduces or eliminates otherwise necessary money expenditures. "Income."

(h) "Resources" shall mean any asset in which an applicant or recipient or his spouse, so long as they are living together, has ownership rights and which may be applied toward meeting the cost of his requirements. The term shall include all real and personal property holdings contributing toward the maintenance of the applicant or recipient, or representing investments or savings, the capital value of which may be drawn upon or converted into cash for maintenance purposes. "Resources."

(i) The ability of friends or relatives, other than the spouse with whom he is living, to support or contribute to the support of the applicant or recipient shall not be considered as a resource in the Ability of others to support not a resource.

Proviso. administration of this act: *Provided*, That where such friends or relatives voluntarily make regular or periodic contributions which substantially affect the maintenance of the applicant or recipient, such contributions shall be considered as income except for small gifts commemorating special occasions.

SEC. 3. Section 4, chapter 1, Laws of 1941, as last amended by section 2, chapter 7, Laws of 1945 (sec. 9998-37, Rem. Rev. Stat.; sec. 921-7, PPC) is amended to read as follows:

Eligibility. Section 4. *Eligibility*. A Senior Citizen Grant shall be awarded to any person who:

Age 65. (a) Has attained the age of sixty-five, and

In need. (b) Is in need. For the purpose of this act a person shall be considered in need:

Without resources. (1) Who is without marketable property holdings, resources, savings or investments other than:

Excepted property. (a) A single piece of property which he retains in his possession and personally occupies and uses primarily for residential purposes; (b) Personal effects, including clothing, furniture, household equipment and a motor vehicle; (c) Insurance policies, the cash-surrender value of which does not exceed five hundred dollars (\$500); (d) Other real or personal holdings, the cash value of which does not exceed two hundred dollars (\$200); and

Insufficient cash income. (2) Who has income in cash or kind insufficient to meet his requirements as measured by the Department. For the purposes of measuring requirements the Department shall establish objective budgetary guides based upon actual living cost studies of the items in the budget. Such living cost studies shall be renewed or revised semi-annually. The budgetary guide shall provide for measuring the requirements of individuals in different living arrangements, include the cost of basic items essential to the maintenance of Senior Citizens, and

(c) Has been a resident of the State of Washington for at least five (5) years, of the last nine (9) years immediately preceding his application, and for one (1) year immediately preceding his application, and

Resident.

(d) Is not at the time of making application an inmate of a public institution of a custodial, correctional, or curative character: *Provided*, That this shall not prevent the Department from paying a grant to meet personal and incidental needs of Senior Citizens in county hospitals or infirmaries, and

Not an inmate of public institution.

(e) Has not made a voluntary assignment or transfer of property for the purpose of qualifying for a Senior Citizen Grant. The burden of proof shall be upon the applicant to show that any such assignment or transfer was not made for that purpose. With his application the applicant shall file an affidavit showing ownership of or any recorded or unrecorded assignments or transfers of property made by him within five (5) years immediately preceding his application.

Has not made voluntary assignment, etc. in order to qualify.

SEC. 4. Section 5, chapter 1, Laws of 1941, as last amended by section 3, chapter 7, Laws of 1945 (sec. 9998-38, Rem. Rev. Stat.; sec. 921-9, PPC) is amended to read as follows:

Section 5. *How and When Grants Shall Be Paid.*

(a) Senior Citizen Grants shall be awarded on a uniform state-wide basis to each eligible Senior Citizen in an amount equal to his requirements as determined by the Department, less his income, and there is hereby appropriated from the General Fund to the Department the sum of eighty-five million dollars (\$85,000,000), or so much thereof as may be necessary, for the payment of Senior Citizen Grants: *Provided*, That the total obligations or payments made from this appropriation during the six-month period immediately following the effective date of this act shall not exceed the sum of twenty-one

How and when grants shall be paid.

Equal to requirements less income.

Appropriation.

Total six months amount.

Total proportion for remainder of biennium.

Reductions to apply rateably to all grants.

If age limit lowered for Federal grants state to conform.

When grant is payable.

Court appeals.

million two hundred fifty thousand dollars (\$21,250,000), and the total obligations or payments made during any succeeding three-month period shall not exceed an amount equal to the proportion of the unobligated balance of this appropriation which said three-month period bears to the remaining months in the biennium: *Provided further*, That any reduction in any grant to stay within the provisions hereof shall apply rateably to all grants of the same class. Upon any determination or redetermination of the need of the recipients the department shall inform each Senior Citizen of the amount of the grant and the basis upon which it is determined. To each Senior Citizen residing in a county hospital or infirmary, the Department shall award a grant to meet his needs of a personal and incidental character.

(b) If the Federal government lowers the age limit at which matching funds will be granted for old age assistance, then and in that event the state shall award Senior Citizen Grants in the same manner as prescribed above to all eligible persons above the age as established by the Federal government.

(c) A grant shall become payable as of the first of the calendar month following establishment of eligibility. An applicant may apply for a grant thirty days prior to his sixty-fifth birthday.

SEC. 5. Section 9, chapter 1, Laws of 1941 (sec. 9998-42, Rem. Rev. Stat.; sec. 921-17, PPC) is amended to read as follows:

Section 9. *Court Appeals*. In the event an applicant feels himself aggrieved by the decision rendered in the hearing provided for in the foregoing section, he shall have the right to appeal to the Superior Court of the county of his legal residence, which appeal shall be taken by a notice filed with the Clerk of the Court and served upon the Director either by registered mail or by personal service

within sixty (60) days after the decision of the Department has been affirmed or modified as provided in the foregoing section. Upon receipt of the notice of appeal, the Clerk of the Superior Court shall immediately docket the cause for trial and no filing fee shall be collected of the applicant.

Notice and
service.

Within ten (10) days after being served with a notice of appeal, the director shall file with the clerk of the Court the record of the case on appeal, and no further pleadings shall be necessary to bring the appeal to issue.

Record.

The Court shall decide the case on the record and if it finds that the Director has been arbitrary or capricious, it shall remand the case to him for correction; otherwise the decision of the Director shall be affirmed. Either party may appeal from the decision of the Superior Court to the Supreme Court of the state, which appeal shall be taken and conducted in the manner provided by law or by the rules of Court applicable to civil appeals: *Provided, however,* That no bond shall be required on any appeal under this act. In the event that either the Superior Court or the Supreme Court renders a decision in favor of the applicant, said applicant shall be entitled to the statutory attorney's fees and costs.

Decision on
record.

Appeal to
Supreme
Court.

No bond
required.

Attorney's
fees and
costs.

SEC. 6. Section 12, chapter 1, Laws of 1941 (sec. 9998-45, Rem. Rev. Stat.; sec. 921-23, PPC) is amended to read as follows:

Section 12. When grants hereunder have been secured or received through fraud or deceit or in any other manner contrary to the provisions of this act, such grants shall be recoverable as a debt due the state. Upon the death of any recipient the director shall file with the County Clerk and County Auditor of the county in which the recipient resided or owned property a claim for the total amount of assistance granted such recipient since April 1, 1947.

Grants
secured
through
fraud
recoverable.

Claims to
be filed on
death.

Lien against estate.

Priority.

Claim not to be enforced against certain persons.

Limitation not to run against state.

Recoveries distributed between state and Federal governments.

Director may compromise or settle state's claim.

Repeal.

Such claim shall constitute a lien upon the property and estate of such recipient as of the date of the filing thereof and shall have priority over all claims against or liens upon the property and estate of such recipient except homestead exemptions, liens recorded prior to such recipient's death, and funeral expenses in a reasonable amount and expenses of administration. Such claim shall not be enforced against any real estate and household goods which are inherited by or devised or bequeathed to the surviving spouse, or while it is occupied or used by any person who is in need as defined in section 4, chapter 1, Laws of 1941, as amended by this act and other laws, and who receives it by inheritance, devise or bequest, nor shall such claim be enforced against any real estate or household goods for a period of three (3) years while it is occupied or used by any other person who inherits the same or receives it as a devise or bequest and who was living with the decedent for a period of one (1) year immediately prior to his death, but the statutes of limitation shall not run against such claim so long as the enforcement and collection thereof is delayed or prohibited as hereinabove provided. All recoveries under this section shall be distributed between the county, state and Federal governments in the proportion they have respectively contributed to the payments made to such recipient. The Director is authorized to settle, compromise, adjust or release the state's claim on any property.

SEC. 7. Section 15, chapter 1, Laws of 1941 (sec. 9998-48, Rem. Rev. Stat.; sec. 921-29, PPC) is hereby repealed.

SEC. 8. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect April 1, 1947. Effective immediately.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Permitted to become a law without the signature of the Governor.

BELLE REEVES,
Secretary of State.

CHAPTER 289.

[S. H. B. 397.]

PUBLIC WELFARE.

AN ACT relating to public welfare; defining terms; prescribing conditions and limitations upon grants of general assistance; prescribing duties of counties and certain county officers in connection therewith; changing the name of the Social Security Committee to Public Welfare Committee and the name of the Department of Social Security to the Department of Public Welfare and the name of the Director of the Department of Social Security to the Director of Public Welfare; amending section 1, chapter 216, Laws of 1939 (sec. 10007-101a, Rem. Rev. Stat.; sec. 922-3, PPC); further amending said chapter by adding thereto three new sections to be designated sections 17-a, 17-b, and 17-c; repealing section 13 of chapter 1, Laws of 1941, as amended, (sec. 9998-46, Rem. Rev. Stat.; sec. 921-25, PPC) and chapter 80, Laws of 1945 (sec. 10007-300, -301, and -302, Rem. Rev. Stat.; secs. 918-51, -53, -55, -57, PPC) and section 17a, chapter 216, Laws of 1939 as amended (sec. 10007-117c, Rem. Rev. Stat.; 922-36, PPC); making an appropriation; and declaring when this act shall take effect.

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

SECTION 1. Section 1, chapter 216, Laws of 1939 (sec. 10007-101a, Rem. Rev. Stat.; sec. 922-3, PPC) is amended to read as follows:

Section 1. For the purposes of this act, unless otherwise clearly indicated by the context: Definitions.

The word "assistance" shall mean public aid to persons in need thereof for any cause, and shall in- "Assistance."

clude services, direct relief, work relief, medical and institutional care.

"Budgetary basis."

The term "budgetary basis" shall mean a basis taking into consideration an applicant's need and resources, and shall be measured in relation to a basic minimum family budget determined by the Department.

"Committee."

The word "committee" shall mean the Social Security Committee created by this act.

"Department."

The word "Department" shall mean the Department of Social Security.

"Director."

The word "Director" shall mean the Director of Social Security.

"Direct relief."

The term "direct relief" shall mean payment by cash or voucher to provide the necessities of life to a person and his dependents, and shall include materials furnished or services rendered for such purposes to such person and dependents in his own home.

"Federal-aid assistance."

The term "Federal-aid assistance" shall mean the specific categories of assistance for which provision is made in the Federal Social Security Act of August 14, 1935, including old-age assistance, aid to dependent children, services to crippled children, child welfare services, other handicapped persons, aid to the needy blind and any other category for which the Federal government provides or for which it may hereafter provide matching funds.

"General assistance."

The term "general assistance" shall mean assistance and/or service of any character provided to needy persons, not otherwise provided for, to the extent of their need and the availability of funds, including necessary medical, dental, optical, surgical, hospital and nursing care, drugs, medicines, artificial limbs, eyes, hearing aids and other needed appliances, and the funeral expenses of needy persons to the extent of one hundred dollars (\$100) in cases where the total funeral expenses do not exceed the

sum of one hundred fifty dollars (\$150) exclusive of the cost of the burial plot.

The term "grant-in-aid" shall mean an allocation of public funds by the state to counties for public assistance purposes. "Grant-in-aid."

The term "institutional care" shall mean care provided by counties through hospitals, sanitoria and homes or farms. "Institutional care."

The term "public assistance" shall mean and include Federal-aid assistance and general assistance. "Public assistance."

The term "work relief" shall mean wages paid by a body politic or corporate to persons who are unemployed, or whose employment is inadequate to provide the necessities of life to themselves and dependents, out of money specifically appropriated or contributed for that purpose, for the performance of services or labor connected with work undertaken by such body independent of work under contract or for which an annual appropriation is made: *Provided*, That the expenditure of moneys made available for assistance purposes under this act in connection with work relief programs shall be limited to the payment of wages exclusively. "Work relief."

In the construction of words and phrases used in this act, the singular number shall include the plural, the masculine gender shall include both the feminine and neuter genders and the present tense shall include the past and future tenses, unless the context thereof shall clearly indicate to the contrary. Rule of construction.

SEC. 2. Section 17-a, chapter 216, Laws of 1939, as amended, is hereby repealed. Repeal.

SEC. 3. Chapter 216, Laws of 1939, as amended by chapter 128, Laws of 1941, and chapter 172, Laws of 1943, is further amended by adding thereto new sections to be designated sections 17-a, 17-b, and 17-c reading as follows:

Section 17-a. General assistance shall be granted under the provisions of this act on the basis of actual

Assistance based on need.

Appropriation.

Total six months amount.

Total proportions for remainder of biennium.

Reductions apply ratably to all grants.

Board to arrange for work relief and necessities.

Residence.

need, taking into account the income, resources and maintenance available to the individual from whatever source derived and his necessary expenditures, and the facts and circumstances existing in each case. There is hereby appropriated from the General Fund to the State Department of Social Security the sum of twenty-four million dollars (\$24,000,000), or so much thereof as may be necessary, to provide general assistance in accordance with the provisions of this act and other laws governing the matter: *Provided*, That the total obligations or payments made from this appropriation during the six months period immediately following the effective date of this act shall not exceed the sum of six million dollars (\$6,000,000) and the total obligations or payments made during any succeeding three month period shall not exceed an amount equal to the proportion of the unobligated balance of this appropriation which said three month period bears to the remaining months in the biennium: *Provided further*, That any reduction in any grant to stay within the provisions hereof shall apply ratably to all grants of the same class.

It shall be the duty of the Board insofar as possible to arrange for work relief for all unemployed employables, and all persons whose employment is inadequate to provide the necessities of life to themselves and dependents, in municipal employment and public works of any kind or character and to credit to such workers reasonable wages for their time.

Section 17-b. No person shall be eligible for general assistance under the provisions of this act unless he shall have lived within the state for a period of three years immediately preceding the date of his application therefor: *Provided*, That the Board of County Commissioners shall have authority to develop policies and establish rules for adminis-

tering general assistance to needy persons in unusual or emergency circumstances.

Section 17-c. Any person who shall knowingly or willfully procure or attempt to procure directly or indirectly any allowance for assistance under this act, for or on account of a person not entitled thereto, or who shall knowingly or willfully pay or permit to be paid any such allowance to a person not entitled thereto, shall be guilty of misdemeanor.

Unlawful
acts.

SEC. 4. Chapter 80, Laws of 1945 (secs. 10007-300, -301, and -302, Rem. Rev. Stat.; secs. 918-51, -53, -55, and -57, PPC) and section 13, chapter 1, Laws of 1941, as amended, (sec. 9998-46, Rem. Rev. Stat.; sec. 921-23, PPC) are hereby repealed.

SEC. 5. The "Social Security Committee" shall hereafter be known and officially designated as the "Public Welfare Committee" and the state "Department of Social Security" shall hereafter be known and officially designated as the state "Department of Public Welfare" and the Director thereof shall be known as the "Director of Public Welfare."

Names of
Committee
and Depart-
ment
changed.

SEC. 6. All applicants for or recipients of aid to dependent children grants, blind grants, and general assistance shall be entitled to a fair hearing under the terms and conditions established for fair hearings for Senior Citizens under Pierce's Perpetual Code 921-13-15-17, sections 7, 8, and 9, chapter 1, Laws of 1941, (sections 9998-40, 9998-41, and 9998-42, Remington's Revised Statutes).

Fair hearing.

SEC. 7. This act is necessary for the immediate preservation of the public peace, health and safety and shall take effect April 1, 1947.

Effective
immediately.

Passed the House March 9, 1947.

Passed the Senate March 9, 1947.

Permitted to become a law without the signature of the Governor.

BELLE REEVES,
Secretary of State.

AUTHENTICATION

I, Belle Reeves, Secretary of State of the State of Washington, do hereby certify that I have caused to be carefully compared the foregoing published laws passed by the Thirtieth Legislative Session of the State of Washington, held from January 13, 1947 until March 13, 1947, inclusive, with the original enrolled laws, now on file in this office, and find the same to be a full, true and correct copy of said originals with the exception of such corrections in spelling and use of words bracketed, thus [], in each case as provided by law.

In Testimony Whereof, I have hereunto set my hand and affixed hereto the seal of the State of Washington.

Dated at Olympia, Washington, this 2nd day of June, 1947.

BELLE REEVES,
Secretary of State.



**JOINT AND CONCURRENT RESOLUTIONS AND
MEMORIALS OF THE SENATE AND HOUSE**

**(Minor Resolutions and Memorials, of no public importance,
are not printed herein.)**

SENATE JOINT RESOLUTION NO. 4.

Be It Resolved, By the Senate and House of Representatives of the State of Washington in legislative session assembled:

That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1948, there shall be submitted to the qualified electors in this state, for their approval and ratification, or rejection, an amendment to the Constitution of the State of Washington, by adding thereto Article XXVIII, to be entitled "Compensation of State Officers", and section 1 thereof, which shall read as follows:

Section 1. All elected state officials shall each severally receive such compensation as the legislature may direct. The compensation of any state officer shall not be increased or diminished during his term of office, except that the legislature, at its thirty-first regular session, may increase or diminish the compensation of all state officers whose terms exist on the Thursday after the second Monday in January, 1949.

The provisions of sections 14, 16, 17, 19, 20, 21, and 22 of Article III and section 23 of Article II in so far as they are inconsistent herewith, are hereby repealed.

Be It Further Resolved, That the Secretary of State shall cause the foregoing amendment to be published for at least three (3) months next preceding the election in a weekly newspaper in every county wherein a newspaper is published throughout the state.

Passed the Senate March 7, 1947.

Passed the House March 5, 1947.

SENATE JOINT RESOLUTION NO. 5.

Be It Resolved, By the Senate and House of Representatives of the State of Washington in legislative session assembled:

That, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1948, there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Section 4 of Article XI of the Constitution of the State of Washington to read as follows:

Section 4. County Government and Township Organization. The legislature shall establish a system of county government, which shall be uniform throughout the state except as hereinafter provided, and by general laws shall provide for township organization, under which any county may organize whenever a majority of the qualified electors of such county voting at a general election shall so determine; and whenever a county shall adopt township organization, the assessment and collection of the revenue shall be made, and the business of such county and the local affairs of the several townships therein, shall be managed and transacted in the manner prescribed by such general law.

Any county may frame a "Home Rule" charter for its own government subject to the constitution and laws of this state, and for such purpose the legislative authority of such county may cause an election to be had, at which election there shall be chosen by the qualified voters of said county not less than fifteen (15) nor more than twenty-five (25) freeholders thereof, as determined by the legislative authority, who shall have been residents of said county for a period of at least five (5) years preceding their election and who are themselves qualified electors, whose duty it shall be to convene within thirty (30) days after their election and prepare and propose a charter for such county. Such proposed charter shall be submitted to the qualified electors of said county, and if a majority of such qualified electors voting thereon ratify the same, it shall become the charter of said county and shall become the organic law thereof, and supersede any existing charter, including amendments thereto, or any existing form of county

government, and all special laws inconsistent with such charter. Said proposed charter shall be published in two (2) legal newspapers published in said county, at least once a week for four (4) consecutive weeks prior to the day of submitting the same to the electors for their approval as above provided. All elections in this section authorized shall only be had upon notice, which notice shall specify the object of calling such election and shall be given for at least ten (10) days before the day of election in all election districts of said county. Said elections may be general or special elections and except as herein provided, shall be governed by the law regulating and controlling general or special elections in said county. Such charter may be amended by proposals therefor submitted by the legislative authority of said county to the electors thereof at any general election after notice of such submission published as above specified, and ratified by a majority of the qualified electors voting thereon. In submitting any such charter or amendment thereto, any alternate article or proposition may be presented for the choice of the voters and may be voted on separately without prejudice to others.

Any home rule charter proposed as herein provided, may provide for such county officers as may be deemed necessary to carry out and perform all county functions as provided by charter or by general law, and for their compensation, but shall not affect the election of the prosecuting attorney, the county superintendent of schools, the judges of the superior court, and the justices of the peace, or the jurisdiction of the courts.

Notwithstanding the foregoing provision for the calling of an election by the legislative authority of such county for the election of freeholders to frame a county charter, registered voters equal in number to ten (10) per centum of the voters of any such county voting at the last preceding general election, may at any time propose by petition the calling of an election of freeholders. The petition shall be filed with the county auditor of the county at least three (3) months before any general election and the proposal that a board of freeholders be elected for the purpose of framing a county charter shall be submitted to the vote of the people at said general

election, and at the same election a board of freeholders of not less than fifteen (15) or more than twenty-five (25), as fixed in the petition calling for the election, shall be chosen to draft the new charter. The procedure for the nomination of qualified electors as candidates for said board of freeholders shall be prescribed by the legislative authority of the county, and the procedure for the framing of the charter and the submission of the charter as framed shall be the same as in the case of a board of freeholders chosen at an election initiated by the legislative authority of the county.

In calling for any election of freeholders as provided in this section, the legislative authority of the county shall apportion the number of freeholders to be elected in accordance with either the legislative districts or the county commissioner districts, if any, within said county, the number of said freeholders to be elected from each of said districts to be in proportion to the population of said districts as nearly as may be.

Should the charter proposed receive the affirmative vote of the majority of the electors voting thereon, the legislative authority of the county shall immediately call such special election as may be provided for therein, if any, and the county government shall be established in accordance with the terms of said charter not more than six (6) months after the election at which the charter was adopted.

The terms of all elective officers, except the prosecuting attorney, the county superintendent of schools, the judges of the superior court, and the justices of the peace, who are in office at the time of the adoption of a Home Rule Charter shall terminate as provided in the charter. All appointive officers in office at the time the charter goes into effect, whose positions are not abolished thereby, shall continue until their successors shall have qualified.

After the adoption of such charter, such county shall continue to have all the rights, powers, privileges and benefits then possessed or thereafter conferred by general law. All the powers, authority and duties granted to and imposed on county officers by general law, except the prosecuting attorney, the county superintendent of schools, the judges of the superior court and the justices of the peace, shall be vested in the legis-

lative authority of the county unless expressly vested in specific officers by the charter. The legislative authority may by resolution delegate any of its executive or administrative powers, authority or duties not expressly vested in specific officers by the charter, to any county officer or officers or county employee or employees.

The provisions of sections 5, 6, 7, and the first sentence of section 8 of this Article as amended shall not apply to counties in which the government has been established by charter adopted under the provisions hereof. The authority conferred on the board of county commissioners by Section 15 of Article II as amended, shall be exercised by the legislative authority of the county.

And Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment to be published for at least three (3) months next preceding the election in a weekly newspaper in every county in the state in which such a newspaper is published.

Passed by the Senate January 28, 1947.

Passed by the House February 21, 1947.

SENATE JOINT MEMORIAL NO. 1.

To the President of the United States and the Honorable Senate and House of Representatives of the United States of America, in Congress Assembled:

We, your Memorialists, the Thirtieth Legislature of the State of Washington, convened in regular session, respectfully represent that:

WHEREAS, The water power resources of the State of Washington constitute the only adequate source of low cost fuel for industrial development, and

WHEREAS, The State of Washington has achieved a marked industrial growth, the existence and extension of which depends primarily upon a dependable supply of inexpensive hydroelectric power, and

WHEREAS, Low cost electric energy from the federal projects on the Columbia River has made feasible electrification of rural farms and homes in sparsely populated areas, and

WHEREAS, The program for reclaiming large bodies of arid land in the Pacific Northwest is primarily dependent upon the sale of large blocks of surplus hydroelectric energy, which can be marketed to basic industries only at the prevailing low rates, and

WHEREAS, A retention of existing wholesale power rates is essential to the further development of the natural resources of the state, the creation of new opportunities, employment, and taxable wealth, and

WHEREAS, Congress is being urged to seek an increase in power rates for energy from Bonneville and Grand Coulee Dams and other projects to be constructed on the Columbia River, because of the unfounded contention that prevailing rates are not sufficient to amortize the federal investment within a reasonable period of time, and

WHEREAS, Independent commercial audits for the operation of the Columbia River power system clearly indicate that electric power revenues have not only been sufficient to meet all costs of power operation but have provided a net surplus of sixteen million three hundred and twenty-six thousand and forty-seven dollars (\$16,326,047) as of June 30, 1946, and

WHEREAS, A comprehensive survey of existing and potential power markets, made by the Department of the Interior, indicates that existing power rates will provide adequate revenues to repay not only all costs allocated to power, but also to reimburse the Federal Government in excess of two hundred million dollars (\$200,000,000) of construction costs allocated to irrigation, and further to provide a substantial surplus;

Now, Therefore, Be It Resolved By the Senate of the State of Washington, the House of Representatives jointly concurring therein:

That your Memorialists hereby respectfully petition and memorialize the President and the Congress of the United States to take no action that would lead to an increase in the

wholesale power rates for energy generated at the Federal Projects on the Columbia River;

And Be It Further Resolved, That the Secretary of State of the State of Washington is hereby directed to forward certified copies of this joint memorial to the President of the United States, the President pro tempore of the United States Senate, the Speaker of the House of Representatives of the United States, and the members of the congressional delegation from the State of Washington.

Passed the Senate January 30, 1947.

Passed the House February 12, 1947.

HOUSE CONCURRENT RESOLUTION NO. 4.

Be It Resolved, By the House of Representatives, the Senate concurring, that the proposed Revised Code of Washington submitted by the Code Committee to the members of the legislature be referred to the Judiciary Committees of the House and Senate for their study; and

Be It Further Resolved, That said Judiciary Committees be authorized to make a joint report concerning the work done to date, together with their recommendations for legislative action.

Adopted by the House January 16, 1947.

Adopted by the Senate January 17, 1947.

HOUSE CONCURRENT RESOLUTION NO. 6.

Be It Resolved, By the House, the Senate concurring, that the Chief Clerk of the House, and the Secretary of the Senate, be authorized and directed to cause to be printed two thousand (2000) copies of the Legislative Manual for the session of 1947, said manual to be published on a page 6 x 3¾ inches, printed 17 ems pica wide; the joint rules, House and Senate rules to be set in eight-point leaded and the remainder to be set in six-point solid, with head notes only; the said Chief Clerk and Secretary

be authorized and instructed to cause a sufficient number of said manuals to be bound in red flexible cloth covers with thumb index, to supply all members of the House of Representatives and Senate, the assistant clerks of said houses, and elective state officers; the remainder of the total edition of two thousand (2000) copies to be in cloth binding.

Adopted by the House January 27, 1947.

Adopted by the Senate January 29, 1947.

HOUSE CONCURRENT RESOLUTION NO. 10.

Be It Resolved, By the House of Representatives, the Senate concurring, of the State of Washington in legislative session assembled:

WHEREAS, These are times of public danger; subversive persons and groups are endangering our domestic unity, so as to leave us unprepared to meet aggression, and under cover of the protection afforded by the bill of rights these persons and groups seek to destroy our liberties and our freedom by force, threats and sabotage, and to subject us to the domination of foreign powers; and

WHEREAS, Recent announcements by responsible officers of the federal government indicate the seriousness of the problem. J. Edgar Hoover, Director of the Federal Bureau of Investigation recently said: "During the past five years American Communists have made their deepest inroads upon our national life. Their propaganda, skillfully designed and adroitly executed has been projected into practically every phase of our national life. The Communist influence has projected itself into some newspapers, books, radio and the screen, some churches, schools, colleges and even fraternal orders have been penetrated, not with the approval of the rank and file, but in spite of them"; and

WHEREAS, State legislation to meet the problem and to assist law enforcement officers can best be based on a thorough and impartial investigation by a competent and active legislative committee;

Now, Therefore, Be It Resolved, That there is hereby created a Joint Legislative Fact-finding Committee on Un-American Activities in the State of Washington which shall investigate, ascertain, collate and appraise all facts concerning individuals, groups or organizations whose activities are such as to indicate a purpose to foment internal strife, discord and dissension; infiltrate and undermine the stability of our American institutions; confuse and mislead the people, and impede the normal progress of our state and nation either in a war time or a peace time economy; and

Be It Further Resolved, That in addition to other duties imposed upon the committee, the committee shall investigate the activities of groups and organizations whose membership includes persons who are communists, or any other organization known or suspected to be dominated or controlled by a foreign power, which activities affect the conduct of this state, the functioning of any state agency, unemployment relief and other forms of public assistance, educational institutions of this state supported in whole or in part by state funds, or any political program; and

Be It Further Resolved, That the committee shall consist of four members of the House of Representatives, appointed by the speaker thereof; and three members of the Senate appointed by the president thereof and they shall be subject to confirmation of their respective bodies. The speaker of the House of Representatives shall appoint the chairman of the board; and

Be It Further Resolved, That the committee hereby created in exercising the powers and performing the functions vested in it by this resolution shall have: (I) All the powers conferred upon legislative committees by chapter 6, Laws of 1895 and chapter 33, Laws of 1897; (II) except when inconsistent with this resolution, all the powers conferred upon committees by the rules of the House of Representatives, the rules of the Senate, and the joint rules of the Senate and House of Representatives as they are enacted and amended from time to time and such rules are hereby incorporated herein and made a part hereof the same as if they were set forth in this resolution in full;

(III) all powers necessary or convenient to accomplish the objects and purposes of this resolution, including but not limited to the following duties and powers:

(1) To employ and fix the compensation of a secretary and such clerical, legal, expert and technical assistants as it may deem necessary, and to lease, rent or buy such supplies and facilities as may be required;

(2) The chairman shall have authority to create subcommittees from its membership, assigning to the subcommittee any study, inquiry, investigation or hearing which the committee itself has authority to undertake or hold, and the subcommittee for the purpose of this assignment shall have and exercise all of the powers conferred upon the committee limited by the express terms of the resolution or resolutions of the latter defining the powers and duties of the subcommittee, which powers may be withdrawn or terminated at any time by the committee;

(3) To adopt and from time to time amend such rules governing its procedure (including the fixing of its own quorum and the number of votes necessary to take action on any matter) as may to it appear appropriate;

(4) To contract with such other agencies, public or private, as it deems necessary for the rendition and affording of such services, facilities, studies and reports to the committee as will best assist it to carry out the purposes for which it is created;

(5) To hold public hearings at any place in the State of Washington at which hearings the people are to have an opportunity to present their views to the committee;

(6) To make a complete study, survey and investigation of every phase of the subject of this resolution, including but not limited to the operation, effect, administration, enforcement, and needed revision of any and all laws in anywise bearing upon or relating to the subject of this resolution;

(7) To meet at any and all places in this state, in public or executive session;

(8) To act during this session of the legislature, including any recess hereof, and after final adjournment hereof until commencement of the thirty-first legislature;

(9) To file a report with the thirty-first legislature;

(10) To summon and subpoena witnesses, require the production of papers, books, accounts, reports, documents, and records of every kind and description; to issue subpoenas and to take all necessary means to compel the attendance of witnesses and procure testimony; to pay fees and traveling expenses of witnesses to insure their attendance, if necessary; to procure from any court having jurisdiction, upon complaint showing probable cause to believe that pertinent evidence is being concealed or withheld from the committee, a search warrant and cause a search to be made therefor;

(11) To cooperate with and secure the cooperation of county, city, city and county and other local enforcement agencies in investigating any matter within the scope of this resolution, and to direct the sheriff of any county to serve subpoenas, orders, and other process issued by the committee; and

(12) To do any and all other things necessary or convenient to enable it fully and adequately to exercise its powers, perform its duties, and accomplish the objects and purposes of this resolution; and in case of disobedience on the part of any witness to comply with any subpoena issued by the committee or on the refusal of any person to testify regarding any matter on which he may be lawfully interrogated, the superior court of any county, or the judge thereof, on application of the committee, shall compel compliance by proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein; and

Be It Further Resolved, That the committee, each of its members, and any representative of the committee thereunto authorized by the committee or by its chairman, is authorized and empowered to administer oaths; and

Be It Further Resolved, That every department, commission, board, agency, officer and employee of the state government, including the attorney general, and their subordinates, and of any political subdivision, county, city, or public district of or in this state shall furnish the committee and any subcommittee, upon request, any and all such assistance, and information, records and documents as the committee or subcommittee deems proper for the accomplishment of the purposes for which the committee is created; and

Be It Further Resolved, That the Washington state patrol and all officers and members thereof shall furnish such assistance to the committee as the chairman may direct; and

Be It Further Resolved, That the members appointed to the joint Legislative Fact-finding Committee on Un-American Activities shall be reimbursed for their expenses incurred while attending sessions of the committee or subcommittee to the extent of fifteen dollars (\$15) per day plus five cents (5¢) per mile in going to and coming from meetings or hearings of the committee or subcommittee, the same to be paid upon their individual vouchers, approved by the chairman of the committee, from any moneys appropriated for the expense of the thirtieth legislature, or from such other funds as may be made available therefor; and that the salaries and expenses of any expert, clerical, and other assistants employed by the committee shall be paid upon vouchers approved by the chairman of the committee from such funds.

Passed the House March 3, 1947.

Passed the Senate March 8, 1947.

HOUSE CONCURRENT RESOLUTION NO. 11.

Be It Resolved, By the House, the Senate concurring, in legislative session assembled; that

WHEREAS, The Twenty-ninth Session of the Legislature of the State of Washington appointed and empowered three (3) Senate members and four (4) House members to serve as a committee to investigate, with a similar committee from the State of Oregon and a similar committee from the State of Idaho, the condition of the Columbia River fisheries, and suggest ways and means to prevent the depletion of salmon and steelhead runs and to negotiate with similar committees from the States of Oregon and Idaho to the end that some method for mutual control of Columbia River fisheries should be agreed upon; and

WHEREAS, This Interim Committee of Washington has conducted extensive investigations and has held numerous conferences and has met with other groups having an interest in

preserving and protecting the salmon runs in the Columbia River and has submitted its report to this Thirtieth Regular Session of the Legislature; and

WHEREAS, It appears that an Interim Committee on Food Fish and Fisheries should be appointed for the ensuing biennium with power to investigate and inspect all matters relating to production and protection of food fish in all waters of the State of Washington and all waters bordering thereon, and report back to the Thirty-first Regular Session of the Legislature, or to any Extraordinary Session which may convene previous to the convening of the Thirty-first Regular Session, as to its recommendations for protection and production of food fish which constitutes such an important industry of the state whose products have a wholesale value of over twenty-two million five hundred thousand dollars (\$22,500,000) and employing over twenty thousand (20,000) persons; and

WHEREAS, It appears that further negotiations with an interim committee or committees or the proper officials, boards, commissions or departments of the United States Government and States of Oregon, Idaho, and the Dominion of Canada or its provinces shall be beneficial to obtain interstate and international cooperation in the production and protection of food fish;

Now, Therefore, Be It Resolved, By the Senate and House of Representatives of the State of Washington in Legislative Session assembled:

That the President of the Senate be, and he is hereby empowered and directed to appoint three (3) Senate members and the Speaker of the House of Representatives be, and he hereby is, empowered and directed to appoint four (4) House members to serve as a committee to inspect, investigate and make recommendation to the Thirty-first Session of the Legislature, or to any Extraordinary Session of the Legislature which may be previously convened, as to all matters relating to the production and protection of food fish in all waters within and surrounding the State of Washington;

And Be It Further Resolved, That the committee so appointed be and it is hereby authorized and empowered to negotiate with similar committees and the officers, boards, com-

missions, departments or other official agencies of the United States Government and the States of Oregon, Idaho, and the Dominion of Canada or any of its provinces and the Columbia Valley Authority, when the same is established, and with representative groups of fishermen, sportsmen, packers and distributors of fish to the end that the fishing industry may be improved and enlarged and sound basic protection given to the industry;

And Be It Further Resolved, That the committee so appointed be and it is hereby authorized and empowered to negotiate with similar committees and the proper representatives of the United States Government and States of Oregon and Idaho and the Columbia Valley Authority, when and if such an authority is created, and any other official or non-official group to the end that some method for mutual control of Columbia River fisheries may be agreed upon;

And Be It Further Resolved, That such committee shall select its own chairman and officers and shall have authority to employ such employees and technical assistants as such committee deems proper;

And Be it Further Resolved, That the members so appointed and the employees of the committee shall be entitled to their actual traveling expenses, including lodging and sustenance while absent from their usual place of residence, in the service of the state, in attendance at meetings of the committee, and for traveling to and from such meetings, the same to be paid upon their individual vouchers, from any sums of money appropriated for the expense of this Thirtieth Session of the Legislature: *Provided*, That the total amount of money expended by this committee for its traveling, lodging, and sustenance expenses in carrying out its duties under this Resolution, shall not exceed the sum of five thousand dollars (\$5,000);

And Be It Further Resolved, That this Thirtieth Session of the Legislature of the State of Washington, pay from any sum of money appropriated for the expense of the Thirtieth Session of the Legislature, to the Attorney General of the State of Washington, the necessary legal expense incidental to advising the committee on the various legal problems which may con-

front it and aiding in the codification or revision of laws relating to food fish: *Provided*, That in no event shall such expenditures exceed the sum of two thousand five hundred dollars (\$2,500);

And Be It Further Resolved, That the committee so appointed make a report on their proceedings, including therein recommendations for consideration by the 1949 legislative sessions of the States of Washington, Oregon and Idaho.

Adopted by the House March 5, 1947.

Adopted by the Senate March 9, 1947.

HOUSE JOINT RESOLUTION NO. 4.

Be It Resolved, By the House of Representatives and the Senate of the State of Washington in legislative session assembled:

That, At the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1948, there shall be submitted to the qualified voters of this state, for their adoption or rejection, the following proposed amendment to the Constitution of the State of Washington:

Section 7, Article XI, Constitution of the State of Washington is hereby repealed.

Be It Further Resolved That the Secretary of State shall cause the foregoing constitutional amendment to be published for at least three (3) months preceding the election in a weekly newspaper in every county where a newspaper is published throughout the state.

Adopted by the House February 5, 1947.

Adopted by the Senate March 6, 1947.

HOUSE JOINT RESOLUTION NO. 13.

Be It Resolved, By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:

That, At the general election to be held in this state on the Tuesday next succeeding the first Monday of November, 1948, there shall be submitted to the qualified electors of the state, for their approval and ratification, or rejection, a proposed amendment to Article XI of the State Constitution by the addition thereto of a new section, to be known as section 16, which shall read as follows:

Section 16. The legislature shall, by general law, provide for the formation of combined city and county municipal corporations, and for the manner of determining the territorial limits thereof, each of which shall be known as a "city and county," and, when organized, shall contain a population of at least three hundred thousand (300,000) inhabitants. No such city and county shall be formed except by a majority vote of the qualified electors of the area proposed to be included therein and also by a majority vote of the qualified electors of the remainder of that county from which such area is to be taken. Any such city and county shall be permitted to frame a charter for its own government, and amend the same, in the manner provided for cities by section 10 of this article: *Provided, however*, That the first charter of such city and county shall be framed and adopted in a manner to be specified in the general law authorizing the formation of such corporations: *Provided further*, That every such charter shall designate the respective officers of such city and county who shall perform the duties imposed by law upon county officers. Every such city and county shall have and enjoy all rights, powers and privileges asserted in its charter, not inconsistent with general laws, and in addition thereto, such rights, powers and privileges as may be granted to it, or possessed and enjoyed by cities and counties of like population separately organized.

No county or county government existing outside the territorial limits of such county and city shall exercise any police, taxation or other powers within the territorial limits of such county and city, but all such powers shall be exercised by the

city and county and the officers thereof, subject to such constitutional provisions and general laws as apply to either cities or counties: *Provided*, That the provisions of sections 2, 3, 4, 5, 6, 7, and 8 of this article shall not apply to any such city and county: *Provided further*, That the salary of any elective or appointive officer of a city and county shall not be changed after his election or appointment or during his term of office; nor shall the term of any such officer be extended beyond the period for which he is elected or appointed. In case an existing county is divided in the formation of a city and county, such city and county shall be liable for a just proportion of the existing debts or liabilities of the former county, and shall account for and pay the county remaining a just proportion of the value of any real estate or other property owned by the former county and taken over by the county and city, the method of determining such just proportion to be prescribed by general law, but such division shall not affect the rights of creditors. The officers of a city and county, their compensation, qualifications, term of office and manner of election or appointment shall be as provided for in its charter, subject to general laws and applicable constitutional provisions.

And Be It Further Resolved, That the secretary of state shall cause the foregoing proposed constitutional amendment to be published for at least three (3) months next preceding said election, in a weekly newspaper in every county where a newspaper is published throughout the state.

Adopted by the House March 3, 1947.

Adopted by the Senate March 8, 1947.

HOUSE JOINT MEMORIAL NO. 2.

To The Honorable Harry S. Truman, President of the United States, and the Honorable Senate and House of Representatives of the United States in Congress Assembled:

We, your Memorialists, the House of Representatives and the Senate of the State of Washington, in legislative session assembled, most respectfully represent and petition your Excellency and Honorable Bodies as follows:

WHEREAS, The predatory animals within the national parks in the State of Washington, a natural breeding ground for such animals, are going outside of national park boundaries in the State of Washington and are causing great damage to livestock of farmers adjacent to such national parks; and

WHEREAS, The predatory animals in the national parks in the State of Washington also kill off many large game animals as well as birds such as blue grouse and native partridge; and

WHEREAS, The predatory animal population is increasing in national parks at a rapid pace; and

WHEREAS, Hunting of any kind is prohibited in national parks in the State of Washington by federal regulation; and

WHEREAS, The State of Washington has no jurisdiction of such areas and no control over the situation;

Now, Therefore, Be It Resolved, That, we, the Senate and the House of Representatives of the State of Washington do hereby respectfully memorialize and petition the President of the United States and the Congress of the United States to cause to be provided sufficient hunters to kill off and exterminate all predatory animals such as cougars, wild cats, wolves and coyotes in the national parks within the State of Washington; or, set aside a small area within the national parks in the State of Washington as a complete game sanctuary and allow hunting in the remaining portions and provide adequate bounties to attract sufficient hunters to exterminate such predatory animals;

Be It Further Resolved, That copies of this memorial be immediately transmitted to the President of the United States and to the Senate and the House of Representatives of the United States and to each Senator and Representative in Congress from the State of Washington.

Passed the House February 4, 1947.

Passed the Senate March 5, 1947.

HOUSE JOINT MEMORIAL NO. 3.

To the Honorable Harry S. Truman, President of the United States, and to the Senate and House of Representatives of the United States of America in Congress Assembled:

We, your memorialists, the Senate and House of Representatives of the State of Washington in legislative session assembled, most respectfully represent and petition as follows:

WHEREAS, There has long existed a need for a practicable, overland route from the United States to Alaska for commercial and military purposes; and

WHEREAS, The present military highway is inadequate for such purposes,

Now, Therefore, Be It Resolved, That we, the Senate and House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the President and the Congress that this government join with the Dominion of Canada and the Province of British Columbia to build a highway to connect with the present military highway in the vicinity of White Horse, Yukon Territory, and to extend to the Prince George area in British Columbia, and there connect with existing highways, thereby providing a feasible overland route from the Pacific Coast and the nation at large to Alaska.

Passed the House February 6, 1947.

Passed the Senate February 13, 1947.

HOUSE JOINT MEMORIAL NO. 9

To the Honorable Harry S. Truman, President of the United States of America, and to the Senate and the House of Representatives of the United States, in Congress Assembled:

We, your Memorialists, the Senate and the House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

WHEREAS, Vancouver, Washington is one of the oldest cities of the western part of the United States having been established by the Hudson's Bay Company in the year 1825, with Fort Van-

couver thereafter becoming the center of all business, government, agriculture, commerce, education, culture and civilization on the Pacific slope of these United States;

AND WHEREAS, Vancouver Barracks, presently a United States Military Reservation located in Vancouver, Washington, contains the site of this historic landmark;

AND WHEREAS, The restoration of old Fort Vancouver is now mandatory in order to preserve for present and future generations this shrine of early American history, ranking equally in historical importance with those already perpetuated by the Nation on the Atlantic coast of the United States;

AND WHEREAS, The preservation of this historic shrine transcends local interest and concern and is of historic value and essence to each and every citizen of the United States of America;

AND WHEREAS, The probable cost of the restoration of this landmark is beyond the financial means of local, state and regional government and rightfully should be borne by all the citizens of this Nation, they being joint inheritors of the history and civilization here begun;

AND WHEREAS, Failure to keep and preserve for all time this historical site would constitute incalculable loss to all citizens of this Republic;

AND WHEREAS, Vancouver Barracks is now surplus to needs of the War Department and is to be disposed of as surplus property, thereby making immediate and effective action imperative;

Now, Therefore, Be It Resolved, That we, the Senate and the House of Representatives of the State of Washington, do hereby respectfully memorialize and petition the Congress of the United States, that the following tracts within the present boundaries of Vancouver Barracks be forever set aside as a National Monument under direction of the National Park Service:

- (1) That area south of what is known as Officers' Row to East Fifth Street and from the present eastern boundary of Vancouver Barracks Military Reservation to McLoughlin Road; and
- (2) That area within two hundred feet of what is known as the First Apple Tree now enclosed within a chain fence; and
- (3) The building known as "General Grant's Quarters," and
- (4) The Military Cemetery;

And Be It Further Resolved, That we do urge Congress to appropriate adequate funds for the immediate acquisition, research and construction of buildings reproduced in detailed dimension and exactness to those previously constituting old Fort Vancouver;

And Be It Further Resolved, That copies of this resolution be placed in the hands of the Honorable Harry S. Truman, President of the United States, the members of Congress, and in those of all persons, corporations, groups or agencies interested in the preservation for posterity of this their rightful heritage.

Passed the House February 18, 1947.

Passed the Senate March 6, 1947.

Initiative and Referendum Measures Filed with the Secretary of State and the Disposition Thereof

- INITIATIVE MEASURE NO. 1 (State Wide Prohibition)—Filed January 2, 1914. Re filed as Initiative Measure No. 3 (q.v.).
- INITIATIVE MEASURE No. 2 (Eight Hour Law)—Filed January 3, 1914. Re filed as Initiative Measure No. 5 (q.v.).
- INITIATIVE MEASURE NO. 3 (State Wide Prohibition)—Filed January 8, 1914. Submitted to the people November 3, 1914; passed.
- INITIATIVE MEASURE NO. 4 (Drugless Healers)—Filed January 13, 1914. No petition filed.
- INITIATIVE MEASURE NO. 5 (Eight Hour Law)—Filed January 15, 1914. No petition filed. See Initiative Measure No. 13, covering same subject.
- INITIATIVE MEASURE NO. 6 (Blue Sky Law)—Filed January 30, 1914. Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 7 (Abolishing Bureau of Inspection)—Filed January 30, 1914. Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 8 (Abolishing Employment Offices)—Filed January 30, 1914. Submitted to the people November 3, 1914; passed.
- INITIATIVE MEASURE NO. 9 (First Aid to Injured)—Filed January 29, 1914. Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 10 (Convict Labor Road Measure)—Filed January 29, 1914. Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 11 (Fish Code)—Filed January 29, 1914. Petition failed.
- INITIATIVE MEASURE NO. 12 (Abolishing Tax Commission)—Filed January 29, 1914. Petition failed.
- INITIATIVE MEASURE NO. 13 (Eight Hour Law)—Filed February 10, 1914. Submitted to the people November 3, 1914; failed to pass.
- INITIATIVE MEASURE NO. 14 (Reapportionment)—Filed May 13, 1914. No petition filed.
- INITIATIVE MEASURE NO. 15 (Fundamental Reform Act)—Filed May 15, 1914. No petition filed.
- INITIATIVE MEASURE NO. 16 (Reapportionment)—Filed May 20, 1914. No petition filed.
- INITIATIVE MEASURE NO. 17 (State Road Measure)—Filed June 13, 1914. No petition filed.
- INITIATIVE MEASURE NO. 18 (Brewers' Hotel Bill)—Filed December 14, 1914. Submitted to the people November 7, 1914; failed to pass.
- INITIATIVE MEASURE NO. 19 (Non-Partisan Election and Presidential Primary)—Filed February 11, 1916. No petition filed.

- INITIATIVE MEASURE NO. 20 (First Aid)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE NO. 21 (Home Rule)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE NO. 22 (Fisheries Code)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE NO. 23 (Politicians' Code)—Filed March 29, 1916. No petition filed.
- INITIATIVE MEASURE NO. 24 (Brewers' Bill)—Filed April 20, 1916. Submitted to the people November 7, 1916; failed to pass.
- INITIATIVE MEASURE NO. 25 (Repealing Chapter 2, Laws 1915, known as Initiative Measure No. 3)—Filed May 11, 1916. No petition filed.
- INITIATIVE MEASURE NO. 26 (Making the State a Prohibition District)—Filed October 13, 1916. No petition filed.
- INITIATIVE MEASURE NO. 27 (Repealing Chapter 57, Laws 1915)—Filed October 13, 1916. No petition filed.
- INITIATIVE MEASURE NO. 28 (Non-Partisan Elections)—Filed October 26, 1916. No petition filed.
- INITIATIVE MEASURE NO. 29 (Capitol Removal Bill)—Filed November 27, 1916. No petition filed.
- INITIATIVE MEASURE NO. 30 (Eight Hour Law)—Filed January 9, 1918. No petition filed.
- INITIATIVE MEASURE NO. 31 (Municipal Marketing Measure)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE NO. 32 (Picketing Measure)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE NO. 33 (Non-Partisan Elections and Presidential Primary)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE NO. 34 (Relating to Salmon Fishing)—Filed February 8, 1918. No petition filed.
- INITIATIVE MEASURE NO. 35 (Repealing Chapter 174, Laws 1919)—Filed October 7, 1920. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE NO. 36 (Municipal Marketing Measure)—Filed November 16, 1920. No petition filed.
- INITIATIVE MEASURE NO. 37 (Relating to Ownership of Land by Aliens)—Filed November 19, 1920. No petition filed.
- INITIATIVE MEASURE NO. 38 (Repealing Chapter 209, Laws 1907)—Filed January 11, 1922. No petition filed.
- INITIATIVE MEASURE NO. 39 (Repealing Chapter 138, Laws 1913)—Filed January 11, 1922. No petition filed.
- INITIATIVE MEASURE NO. 40 (Repealing Chapter 174, Laws 1921)—Filed January 18, 1922. Submitted to the people November 7, 1922; passed.

- INITIATIVE MEASURE NO. 41 (Non-Partisan Elections)—Filed January 18, 1922. No petition filed.
- INITIATIVE MEASURE NO. 42 (Workmen's Compensation Measure)—Filed January 24, 1922. Same as Initiative Measure No. 47; no petition filed.
- INITIATIVE MEASURE NO. 43 (Relating to Injunctions in Labor Disputes)—Filed January 24, 1922. No petition filed.
- INITIATIVE MEASURE NO. 44 (Relating to Municipal Ownership)—Filed January 28, 1922. No petition filed.
- INITIATIVE MEASURE NO. 45 (Reapportionment)—Filed February 14, 1922. No petition filed.
- INITIATIVE MEASURE NO. 46 ("30-10" School Plan)—Filed February 21, 1922. Submitted to the people November 7, 1922; failed to pass.
- INITIATIVE MEASURE NO. 47 (Workmen's Compensation Measure)—Filed March 27, 1922. No petition filed.
- INITIATIVE MEASURE NO. 48 (Compulsory School Attendance)—Filed January 7, 1924. No petition filed.
- INITIATIVE MEASURE NO. 49 (Compulsory School Attendance)—Filed January 15, 1924. Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 50 (Limitation of Taxation)—Filed February 21, 1924. Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 51 (Pertaining to Salmon Fishing)—Filed April 2, 1924. No petition filed.
- INITIATIVE MEASURE NO. 52 (Electric Power Measure)—Filed April 8, 1924. Submitted to the people November 4, 1924; failed to pass.
- INITIATIVE MEASURE NO. 53 (Relating to Sanipractic)—Filed February 4, 1926. No petition filed.
- INITIATIVE MEASURE NO. 54 (State Commission to license and regulate horse-racing, pool-selling, etc.—Pari-mutuel Measure)—Filed February 5, 1926. No petition filed.
- INITIATIVE MEASURE NO. 55 (Prohibiting use of purse seines, fish traps, fish wheels, etc.)—Filed February 16, 1928. No petition filed.
- INITIATIVE MEASURE NO. 56 (Re-districting state for legislative purposes)—Filed April 24, 1930. Re filed as Initiative Measure No. 57 (q.v.).
- INITIATIVE MEASURE NO. 57 (Re-districting state for legislative purposes)—Filed April 25, 1930. Submitted to the people November 4, 1930; passed.
- INITIATIVE MEASURE NO. 58 (Permanent Registration)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 59 (Tax Free Homes)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE NO. 60 (Licensing of Mercantile Establishments)—Filed January 9, 1932. No petition filed.

- INITIATIVE MEASURE NO. 61 (Relating to Intoxicating Liquors)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 62 (Creating Department of Game)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 63 (Exemption of Homes from Taxation)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE NO. 64 (Limits Tax Levy on Real and Personal Property to 40 Mills)—Filed January 9, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 65 (Cascade Mountain Tunnel)—Filed February 19, 1932. No petition filed.
- INITIATIVE MEASURE NO. 66 (Scientific Birth Control)—Filed February 26, 1932. No petition filed.
- INITIATIVE MEASURE NO. 67 (Abolishes Excise Tax on Butter Substitutes)—Filed March 7, 1932. No petition filed.
- INITIATIVE MEASURE NO. 68 (Unemployment Insurance)—Filed March 21, 1932. No petition filed.
- INITIATIVE MEASURE NO. 69 (Income Tax Measure)—Filed March 22, 1932. Submitted to the people November 8, 1932; passed.
- INITIATIVE MEASURE NO. 70 (Compulsory Military Training Prohibited)—Filed April 4, 1932. No petition filed.
- INITIATIVE MEASURE NO. 71 (Liquor Control)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE NO. 72 (Distribution of Highway Funds)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE NO. 73 (Catching of Fish)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE NO. 74 (Tax Free Homes)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE NO. 75 (Unemployment Insurance)—Filed January 19, 1934. No petition filed.
- INITIATIVE MEASURE NO. 76 (Tax Free Homes)—Filed January 22, 1934. No petition filed.
- INITIATIVE MEASURE NO. 77 (Fish Traps and Fishing Regulations)—Filed February 1, 1934. Submitted to the people November 6, 1934; passed.
- INITIATIVE MEASURE NO. 78 (Distribution of Highway Funds)—Filed February 9, 1934. No petition filed.
- INITIATIVE MEASURE NO. 79 (Liquor Control)—Filed February 20, 1934. No petition filed.
- INITIATIVE MEASURE NO. 80 (Liquor Control)—Filed February 24, 1934. No petition filed.
- INITIATIVE MEASURE NO. 81 (Liquor Control)—Filed February 28, 1934. No petition filed.

- INITIATIVE MEASURE NO. 82 (Fishing Regulations)—Filed March 10, 1934.
No petition filed.
- INITIATIVE MEASURE NO. 83 (State Sale of Gasoline)—Filed March 16,
1934. No petition filed.
- INITIATIVE MEASURE NO. 84 (Blanket Primary)—Filed March 17, 1934.
No petition filed.
- INITIATIVE MEASURE NO. 85 (State Fire Insurance)—Filed March 17,
1934. No petition filed.
- INITIATIVE MEASURE NO. 86 (State Fire Insurance)—Filed March 21,
1934. No petition filed.
- INITIATIVE MEASURE NO. 87 (Workmen's Compensation)—Filed March
22, 1934. No petition filed.
- INITIATIVE MEASURE NO. 88 (Liquor Control)—Filed March 24, 1934.
No petition filed.
- INITIATIVE MEASURE NO. 89 (One Man Grand Jury)—Filed March 30,,
1934. No petition filed.
- INITIATIVE MEASURE NO. 90 (Criminal Appeals)—Filed March 30, 1934.
No petition filed.
- INITIATIVE MEASURE NO. 91 (Regulating Motor Carriers)—Filed March
31, 1934. No petition filed.
- INITIATIVE MEASURE NO. 92 (Regulating Motor Carriers)—Filed April
9, 1934. No petition filed.
- INITIATIVE MEASURE NO. 93 (Distribution of Highway Funds)—Filed
May 10, 1934. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE NO. 94 (40-Mill Tax Limit)—Filed May 18, 1934.
Submitted to the people November 6, 1934; passed.
- INITIATIVE MEASURE NO. 95 (Liquor Control)—Filed May 26, 1934.
No petition filed.
- INITIATIVE MEASURE NO. 96 (Repeal of Business Occupation Tax)—
Filed June 4, 1934. No petition filed.
- INITIATIVE MEASURE NO. 97 (Dog Racing)—Filed June 7, 1934. Insuf-
ficient number of signatures on petition; failed.
- INITIATIVE MEASURE NO. 98 (Business and Occupation Tax)—Filed Jan-
uary 4, 1936. No petition filed.
- INITIATIVE MEASURE NO. 99 (Distribution of Highway Funds)—Filed
January 4, 1936. No petition filed.
- INITIATIVE MEASURE NO. 100 (40-Mill Tax Limit)—Filed January 4,
1936. No petition filed.
- INITIATIVE MEASURE NO. 101 (Civil Service)—Filed January 14, 1936.
Submitted to the people November 3, 1936; failed to pass.
- INITIATIVE MEASURE NO. 102 (Creating "State Government Bank" De-
partment)—Filed January 21, 1936. No petition filed.

- INITIATIVE MEASURE NO. 103 (Old Age Pension)—Filed January 17, 1936. No petition filed.
- INITIATIVE MEASURE NO. 104 (Tax on Gasoline)—Filed February 27, 1936. No petition filed.
- INITIATIVE MEASURE NO. 105 (Relating to Gill Nets)—Filed March 3, 1936. No petition filed.
- INITIATIVE MEASURE NO. 106 (Voter's Identification Certificate)—Filed March 3, 1936. No petition filed.
- INITIATIVE MEASURE NO. 107 (Tax on Gasoline)—Filed March 7, 1936. No petition filed.
- INITIATIVE MEASURE NO. 108 (40-Mill Tax Limit)—Filed March 12, 1936. No petition filed.
- INITIATIVE MEASURE NO. 109 (Admission of Sick to Hospitals)—Filed March 14, 1936. No petition filed.
- INITIATIVE MEASURE NO. 110 (Annuity for Crippled and Blind)—Filed March 27, 1936. No petition filed.
- INITIATIVE MEASURE NO. 111 (Admission of Sick to Hospitals)—Filed April 8, 1936. No petition filed.
- INITIATIVE MEASURE NO. 112 (Abolishing Compulsory Military Training)—Filed April 9, 1936. No petition filed.
- INITIATIVE MEASURE NO. 113 (Tax on Gasoline)—Filed April 15, 1936. No petition filed.
- INITIATIVE MEASURE NO. 114 (40-Mill Tax Limit)—Filed April 21, 1936. Submitted to the people November 3, 1936; passed.
- INITIATIVE MEASURE NO. 115 (Old Age Pension)—Filed April 21, 1936. Submitted to the people November 3, 1936; failed to pass.
- INITIATIVE MEASURE NO. 116 (Tax on Gasoline)—Filed April 24, 1936. No petition filed.
- INITIATIVE MEASURE NO. 117 (Production for Use)—Filed May 1, 1936. No petition filed.
- INITIATIVE MEASURE NO. 118 (Liens for Labor)—Filed May 5, 1936. No petition filed.
- INITIATIVE MEASURE NO. 119 (Production for Use)—Filed May 9, 1936. Submitted to the people November 3, 1936; failed to pass.
- INITIATIVE MEASURE NO. 120 (Tax on Gasoline)—Filed May 11, 1936. No petition filed.
- INITIATIVE MEASURE NO. 121 (Beer on Sunday)—Filed May 14, 1936. No petition filed.
- INITIATIVE MEASURE NO. 122 (Pertaining to Bribery and Grafting)—Filed May 21, 1936. No petition filed.
- INITIATIVE MEASURE NO. 123 (Business and Occupation Tax)—Filed January 27, 1938. No petition filed.

- INITIATIVE MEASURE NO. 124 (Distribution of Highway Funds)—Filed February 9, 1938. No petition filed.
- INITIATIVE MEASURE NO. 125 (Tax on Intoxicating Liquors)—Filed February 15, 1938. No petition filed.
- INITIATIVE MEASURE NO. 126 (Non-Partisan School Election)—Filed February 24, 1938. Submitted to the people November 8, 1938; passed.
- INITIATIVE MEASURE NO. 127 (Distribution of Highway Funds)—Filed March 14, 1938. No petition filed.
- INITIATIVE MEASURE NO. 128 (Civil Service)—Filed March 14, 1938. No petition filed.
- INITIATIVE MEASURE NO. 129 (40-Mill Tax Limit)—Filed March 18, 1938. Submitted to the people November 8, 1938; passed.
- INITIATIVE MEASURE NO. 130 (Regulation of Labor Disputes)—Filed April 6, 1938. Submitted to the people November 8, 1938; failed to pass.
- INITIATIVE MEASURE NO. 131 (Civil Service)—Filed April 7, 1938. No petition filed.
- INITIATIVE MEASURE NO. 132 (Old Age Assistance)—Filed April 12, 1938. No petition filed.
- INITIATIVE MEASURE NO. 133 (Relating to Licensing Gambling)—Filed April 15, 1938. No petition filed.
- INITIATIVE MEASURE NO. 134 (Old Age Assistance)—Filed April 19, 1938. No petition filed.
- INITIATIVE MEASURE NO. 135 (40-Mill Tax Limit)—Filed May 14, 1938. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE NO. 136 (Relating to Retail Beer and Wine Licenses)—Filed June 3, 1938. No petition filed.
- INITIATIVE MEASURE NO. 137 (Relating to Gambling)—Filed June 9, 1938. No petition filed.
- INITIATIVE MEASURE NO. 138 (Relating to Gambling)—Filed June 13, 1938. No petition filed.
- INITIATIVE MEASURE NO. 139 (P. U. D. Bonds)—Filed January 5, 1940. Submitted to the people November 5, 1940; failed to pass.
- INITIATIVE MEASURE NO. 140 (Liquor Control)—Filed January 9, 1940. No petition filed.
- INITIATIVE MEASURE NO. 141 (Old Age Pension)—Filed January 11, 1940. Submitted to the people November 5, 1940; passed.
- INITIATIVE MEASURE NO. 142 (Chain Store Tax)—Filed January 16, 1940. No petition filed.
- INITIATIVE MEASURE NO. 143 (Relating to State Sale of Gas and Oil)—Filed February 2, 1940. No petition filed.
- INITIATIVE MEASURE NO. 144 (Unicameral Legislature)—Filed February 23, 1940. Withdrawn. Refiled as Initiative Measure No. 147 (q. v.).

- INITIATIVE MEASURE NO. 145 (Government Re-organization)—Filed March 18, 1940. No petition filed.
- INITIATIVE MEASURE NO. 146 (Relating to Sabbath Breaking)—Filed March 22, 1940. No petition filed.
- INITIATIVE MEASURE NO. 147 (Unicameral Legislature)—Filed April 9, 1940. No petition filed.
- INITIATIVE MEASURE NO. 148 (Liquor Control)—Filed May 18, 1940. No petition filed.
- INITIATIVE MEASURE NO. 149 (Anti-Subversive Activities)—Filed May 23, 1940. No petition filed.
- INITIATIVE MEASURE NO. 150 (Intoxicating Liquor Sold by the Drink)—Filed January 3, 1942. No petition filed.
- INITIATIVE MEASURE NO. 151 (Old Age Assistance)—Filed January 3, 1942. Submitted to the people November 3, 1942; failed to pass.
- INITIATIVE MEASURE NO. 152 (Creating State Elective Offices of Director of Labor and Industries, Director of Social Security and Director of Agriculture)—Filed January 27, 1942. No petition filed.
- INITIATIVE MEASURE NO. 153 (Re-constitution of Board of State Land Commissioners)—Filed February 24, 1942. No petition filed.
- INITIATIVE MEASURE NO. 154 (After Discharge Benefits to Persons in the Armed Forces)—Filed April 28, 1942. No petition filed.
- INITIATIVE MEASURE NO. 155 (Washington Employment Peace Act)—Filed January 10, 1944. No petition filed.
- INITIATIVE MEASURE NO. 156 (Liberalization of Old Age Assistance Laws)—Filed February 19, 1944. Refiled as Initiative Measure No. 157.
- INITIATIVE MEASURE NO. 157 (Liberalization of Old Age Assistance Laws)—Filed March 3, 1944. Submitted to the people November 7, 1944; failed to pass.
- INITIATIVE MEASURE NO. 158 (Liberalization of Old Age Assistance Laws by the Townsend Clubs of Washington)—Filed March 28, 1944. Submitted to the people November 7, 1944; failed to pass.
- INITIATIVE MEASURE NO. 159 (Increase of Injured Workmen's Compensation)—Filed January 5, 1946. Insufficient signatures presented July 10, 1946 and measure not certified to General Election Ballot.
- INITIATIVE MEASURE NO. 160 (Increase of Injured Workmen's Compensation)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE NO. 161 (Changing Form of General Election Ballot to conform with Primary Election Ballot)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE NO. 162 (Prohibiting the Governor from employing members of the Legislature during the term for which he shall have been elected)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE NO. 163 (Prohibiting the sale of beer or wine by any person other than the State of Washington)—Filed January 9, 1946.

Insufficient signatures presented July 6, 1946 and measure not certified to General Election Ballot.

INITIATIVE MEASURE NO. 164 (Prohibiting the sale of fortified wines)—Filed February 25, 1946. No petition filed.

INITIATIVE MEASURE NO. 165 (Providing for the sale of liquor by the drink)—Filed March 1, 1946. Insufficient signatures presented July 8, 1946 and measure not certified to the General Election Ballot.

INITIATIVE MEASURE NO. 166 (Relating to Public Utility Districts; requiring approval of voters as prerequisite to acquisition of any operating electrical utility properties, etc.)—Filed April 24, 1946. Signature petitions filed June 29, 1946 and found sufficient. Measure rejected by voters at November 5, 1948 State General Election.

Referendum Measures

REFERENDUM MEASURE NO. 1 (Teachers' Retirement Fund)—Filed March 11, 1913. Submitted to the people November 3, 1914; failed to pass.

REFERENDUM MEASURE NO. 2 (Quincy Valley Irrigation Measure)—Filed March 25, 1913. Submitted to the people November 3, 1914; failed to pass.

REFERENDUM MEASURE NO. 3 (Chapter 54, Laws 1915, Relating to Initiative and Referendum)—Filed March 18, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 4 (Chapter 55, Laws 1915, Recall of Elective Public Officers)—Filed March 18, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 5 (Chapter 52, Laws 1915, Party Conventions Act)—Filed March 25, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 6 (Chapter 181, Laws 1915, Anti-Picketing)—Filed March 25, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 7 (Chapter 178, Laws 1915, Certificate of Necessity Act)—Filed March 25, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 8 (Chapter 46, Laws 1915, Port Commission)—Filed March 25, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 9 (Chapter 49, Laws 1915, Budget System)—Filed March 25, 1915. Submitted to the people November 7, 1916; failed to pass.

REFERENDUM MEASURE NO. 10 (Chapter 19, Laws 1917, Bone Dry Law)—Filed February 20, 1917. Submitted to the people November 5, 1918; passed.

REFERENDUM MEASURE NO. 11 (Chapter 167, Laws 1917, Capitol Building Fund Bonds)—Filed April 23, 1917. No petition filed.

- REFERENDUM MEASURE NO. 12A (Chapter 77, Laws 1919, Salary of Judges)—Filed April 14, 1919. No petition filed.
- REFERENDUM MEASURE NO. 13A (Chapter 112, Laws 1919, Death Penalty)—Filed April 14, 1919. No petition filed.
- REFERENDUM MEASURE NO. 14A (Senate Joint Resolution No. 1, Laws 1919, Intoxicating Liquor)—Filed March 20, 1919. Insufficient number of signatures on petition; failed.
- REFERENDUM MEASURE NO. 12B (Chapter 59, Laws 1921, Certificate of Necessity)—Filed March 26, 1921. Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 13B (Chapter 175, Laws 1921, Physical Examination of School Children)—Filed April 4, 1921. Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 14B (Chapter 177, Laws 1921, Primary Nominations and Registration)—Filed April 9, 1921. Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 15 (Chapter 176, Laws 1921, Party Conventions)—Filed April 9, 1921. Submitted to the people November 7, 1922; failed to pass.
- REFERENDUM MEASURE NO. 16 (Chapter 22, Laws 1923, Butter Substitutes)—Filed March 22, 1923. Submitted to the people November 4, 1924; failed to pass.
- REFERENDUM MEASURE NO. 17 (Chapter 115, Laws 1929, Creating Department of Highways)—Filed April 27, 1929. No petition filed.
- REFERENDUM MEASURE NO. 18 (Chapter 51, Laws 1933, Cities and Towns; Electric Energy)—Filed April 7, 1933. Submitted to the people November 6, 1934; passed.
- REFERENDUM MEASURE NO. 19 (Chapter 55, Laws 1933, Horse Racing)—Filed April 3, 1933. No petition filed.
- REFERENDUM MEASURE NO. 20 (Chapter 118, Laws 1935, Regulating Pilots)—Filed February 8, 1935. No petition filed.
- REFERENDUM MEASURE NO. 21 (Chapter 26, Laws 1935, Blanket Primary Ballot)—Filed April 8, 1935. No petition filed.
- REFERENDUM MEASURE NO. 22 (Chapter 209, Laws 1941, Industrial Insurance)—Filed April 3, 1941. Submitted to the people November 3, 1942; passed.
- REFERENDUM MEASURE NO. 23 (Chapter 158, Laws 1941, Providing for Legal Advisor for Grand Juries)—Filed April 16, 1941. Submitted to the people November 3, 1942; failed to pass.
- REFERENDUM MEASURE NO. 24 (Chapter 191, Laws 1941, Prosecuting Attorneys; Providing that they shall no longer give advice to Grand Juries)—Filed April 16, 1941. Submitted to the people November 3, 1942; failed to pass.

REFERENDUM MEASURE NO. 25 (Chapter 15, Laws 1943, Relating to Public Utility Districts)—Filed March 18, 1943. Submitted to the people November 7, 1944; failed to pass.

REFERENDUM MEASURE NO. 26 (Chapter 37, Laws 1945, Relating to appointment of State Game Commissioners by the Governor)—Filed April 3, 1945. Signature petitions filed June 6, 1945 and found sufficient. Submitted to the Electorate November 5, 1946. Law rejected.

REFERENDUM MEASURE NO. 27 (Chapter 202, Laws 1945, Relating to the creation of a State Timber Resources Board)—Filed April 3, 1945. Signature petitions filed June 6, 1945 and found sufficient. Submitted to the Electorate November 5, 1946. Law rejected.

Initiative Measures to the Legislature

INITIATIVE TO THE LEGISLATURE NO. 1 (District Power Measure)—Filed October 25, 1928. Submitted to the people November 4, 1930; passed.

INITIATIVE TO THE LEGISLATURE NO. 2 (Blanket Primary Ballot)—Filed August 21, 1934. Passed by the Legislature February 21, 1935.

INITIATIVE TO THE LEGISLATURE NO. 3 (Tax Free Homes)—Filed August 25, 1934. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 4 (Unemployment Insurance)—Filed September 5, 1934. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 5 (Prohibiting Fishing with Purse Seines)—Filed November 20, 1934. Insufficient number of signatures on petition; failed.

INITIATIVE TO THE LEGISLATURE NO. 6 (Legal Holiday on Saturday)—Filed August 17, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 7 (Pension for Blind)—Filed October 7, 1938. Refiled as Initiative to the Legislature No. 8 (q. v.).

INITIATIVE TO THE LEGISLATURE NO. 8 (Pension for Blind)—Filed October 10, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 9 (Relating to Intoxicating Liquors)—Filed December 8, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 10 (Unicameral Legislature)—Filed May 23, 1940. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 11 (Re-apportionment of State Legislative Districts)—Filed July 8, 1942. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 12 (Public Power Resources)—Filed August 29, 1942. Passed by the Legislature February 17, 1943. Act invalidated through Referendum Measure No. 25.

INITIATIVE TO THE LEGISLATURE NO. 13 (Same as Initiative 163)—Filed August 23, 1946. Signature petitions filed January 3, 1947 and found sufficient. Certified to 1947 Legislature which took no final action. Measure will be submitted to the Electorate for approval or rejection at the November 2, 1948 State General Election.

INITIATIVE TO THE LEGISLATURE NO. 14 (Re-apportionment of State Legislative Districts)—Filed September 19, 1946. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 15 (Establishing a Civil Service System for the employees of the State of Washington)—Filed October 16, 1946. No petition filed.

Referendum Bills

REFERENDUM BILL NO. 1 (Chapter 99, Laws 1919, State System Trunk Line Highways)—Filed March 13, 1919. Submitted to the people November 2, 1920; failed to pass.

REFERENDUM BILL NO. 2 (Chapter 1, Laws Extraordinary Session, 1920, Soldiers' Equalized Compensation)—Filed March 25, 1920. Submitted to the people November 2, 1920; passed.

REFERENDUM BILL NO. 3 (Chapter 87, Laws 1923, Electric Power Bill)—Filed March 22, 1923. Submitted to the people November 4, 1924; failed to pass.

REFERENDUM BILL NO. 4 (Chapter 164, Laws 1935, Flood Control; Creating Sinking Fund)—Filed March 22, 1935. Submitted to the people November 3, 1936; failed to pass.

REFERENDUM BILL NO. 5 (Chapter 83, Laws 1939, 40-Mill Tax Limit)—Filed March 10, 1939. Submitted to the people November 5, 1940; passed.

REFERENDUM BILL NO. 6 (Chapter 176, Laws of 1941, Taxation of Real and Personal Property)—Filed March 22, 1941. Submitted to the people November 3, 1942; passed.

Constitutional Amendments

- No. 1. To Section 5 of Article XVI. Re: Permanent School Fund. Adopted November, 1894.
- No. 2. To Section 1 of Article VI. Re: Qualification of Electors. Adopted November, 1896.
- No. 3. To Section 2 of Article VII. Re: Uniform Rates of Taxation. Adopted November, 1900.
- No. 4. To Section 11 of Article I. Re: Religious Freedom. Adopted November, 1904.
- No. 5. To Section 1 of Article VI. Re: Equal Suffrage. Adopted November, 1910.
- No. 6. To Section 10 of Article III. Re: Succession in Office of Governor. Adopted November, 1910.
- No. 7. To Section 1 of Article II. Re: Initiative and Referendum. Adopted November, 1912.
- No. 8. To Sections 33 and 34 of Article I. Re: Recall. Adopted November, 1912.
- No. 9. To Section 16 of Article I. Re: Taking of Private Property. Adopted November, 1922.

- No. 10. To Section 22 of Article I. Re: Right of Appeal. Adopted November, 1922.
- No. 11. To Section 4 of Article VIII. Re: Appropriations. Adopted November, 1922.
- No. 12. To Section 5 of Article XI. Re: Consolidation of County Offices. Adopted November, 1924.
- No. 13. To Section 15 of Article II. Re: Vacancies in the Legislature. Adopted November, 1930.
- No. 14. To Article VII. Re: Revenue and Taxation. Adopted November, 1930.
- No. 15. To Section 1 of Article XV. Re: Harbors and Harbor Areas. Adopted November, 1932.
- No. 16. To Section 11, Article XII. Re: Double Liability of Stockholders. Adopted November, 1940.
- No. 17. To Section 2, Article VII. Re: 40-Mill Tax Limit. Adopted November, 1944.
- No. 18. To Article II, creating a Section 40. Re: Restriction of motor vehicle license fees and excise taxes on motor fuels to highway purposes only. Adopted November, 1944.
- No. 19 To Article VII, creating a Section 3. Re: State to tax the United States and its instrumentalities to the extent that the laws of the United States will allow.

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* P. C. ref. on p. 546 incorrect. Should be 3131-2g and 3131-2h.

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* P.C. ref. on p. 542 is incorrect. Should be 7029n.

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