

## CHAPTER 45.

[H. B. 228.]

## KEEPING AND DEPOSIT OF PUBLIC FUNDS.

AN ACT relating to the deposit of public funds in banks by city treasurers, providing for the rate of interest thereon, creating city finance committees, prescribing the duties of such committees, amending sections 5569 and 5572 of Remington's Revised Statutes, amending chapter 103 of the Laws of 1905 by adding a new section thereto to be known as section 4, amending chapter 22 of the Laws of 1907 by adding a new section thereto to be known as section 5, and declaring an emergency.

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

Amends  
§ 5569 Rem.  
Rev. Stat.

SECTION 1. That section 5569 of Remington's Revised Statutes be amended to read as follows:

Deposit of  
funds.

Interest on  
funds.

Surety bond  
or sufficient  
security  
required.

Section 5569. 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 and corporation counsel; and such bank shall also file with the comptroller of such city a surety bond or bonds to such city 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 good and sufficient municipal,

school district, county or state bonds or warrants, United States bonds or local improvement bonds or warrants, or public utility bonds or warrants, issued by or under the authority of any municipality of the state for water power or light plants or maintenance, replacements or additions thereof or any domestic railway, industrial or public utility bonds as provided for in section 5549 upon which principal or interest is not in default at the time of such deposits. Such surety bonds or securities shall be 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 up to the amount of surety bonds or securities, so filed: *And provided further*, That in the event repayment of deposits in any such depository 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 depository elects to deposit securities in lieu of such bond, it shall be required 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.

Approval of surety.

Depository insured.

SEC. 2. That chapter 103 of the Session Laws of 1905 be amended by adding a new section to be known as section 4, to read as follows:

Amends and adds to ch. 103, Laws 1905.

City finance  
committee.

Duties.

Section 4. The president of the city council (the mayor, in those cities having a commission form of government), the city treasurer, and the city comptroller (or the city controller or the city auditor as the case may be) ex officio, shall constitute the city finance committee. The city treasurer shall act as chairman of the committee and the city comptroller (or the city controller or city auditor as the case may be) as secretary thereof, and the office of the committee shall be in the office of the city comptroller (or the city controller or the city auditor as the case may be). The committee shall keep a full and complete record of its proceedings in appropriate books of record and all such records and all correspondence relating to the committee shall be kept in the office of the city comptroller (or the city controller or the city auditor as the case may be) and shall be open to public inspection. The committee shall make appropriate rules and regulations for the carrying out of the provisions of this act, not inconsistent with law.

Amends  
§5572, Rem.  
Rev. Stat.

SEC. 3. That section 5572 of Remington's Revised Statutes be amended to read as follows:

Sufficient  
security  
required.

Section 5572. Before any such designation shall 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 or town clerk, file with the comptroller or town clerk of such city or town a surety bond to such city or town in the maximum amount of deposits designated by said treasurer to be carried in such bank, conditioned for the prompt payment thereof on checks fully drawn by the treasurer, which surety bond shall be approved by the mayor and comptroller or town clerk of said city or town, or in lieu thereof shall deposit with the treasurer 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 not be less than the amount required in said deposit: (1) bonds, notes or other obligations constituting a general obligation of the United States or any state thereof; (2) direct and general obligation bonds, notes or warrants issued by any county, city, school district or port district of the State of Washington or of any other state of the United States having the power to levy taxes for the payment of principal and interest thereof; (3) bonds of any municipality 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; (4) domestic railway, industrial and public utility bonds currently quoted on the New York stock exchange; and (5) local improvement bonds and warrants issued under chapter 26 of title 60 (sec. 9351-1 et seq.); *Provided*, That any surety bond or securities offered to qualify any bank as a depository for the funds of any city or town shall not be considered sufficient unless and until the same be approved by the mayor and comptroller or town clerk of said city or town. Such banks shall also at the same time file with said comptroller or town clerk a contract with said city or town wherein said bank shall agree to pay such rate of interest on the average daily balances where such balances exceed one thousand dollars (\$1,000) 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 or town while said deposits continue in said depository; said contracts shall run to said city or town and be in such form as shall be approved by the treasurer, mayor and corporation counsel: *And provided further*, That in the event repayment of

In lieu of  
surety bond.

Approval of  
securities  
or bond  
necessary.

Payment of  
interest on  
deposits.

Depository insured.

deposits in any such depository 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 depository elects to deposit securities in lieu of such bond, it shall be required 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.

Amends and adds to ch. 22, Laws 1907.

SEC. 4. That chapter 22 of the Session Laws of 1907 be amended by adding a new section to be known as section 5, to read as follows:

City finance committee.

Section 5. The mayor, the city treasurer and one member of the city council or the commission, as the case may be, ex officio, shall constitute the city finance committee. The member of the city council or the commission, as the case may be, shall be appointed by the council or commission and shall hold his office as a member of the city finance committee at the pleasure of the council or commission. The mayor shall act as chairman of the committee and the city treasurer as secretary thereof and the office of the committee shall be in the office of the city treasurer. The committee shall keep a full and complete record of its proceedings in appropriate books of record and all such records and all correspondence relating to the committee shall be kept in the office of the city treasurer and shall be open to public inspection. The committee shall make appropriate rules and regulations for the carrying out of the provisions of this act, not inconsistent with law.

Duties.

SEC. 5. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Effective immediately.

Passed the House February 28, 1935.

Passed the Senate March 7, 1935.

Approved by the Governor March 11, 1935.

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## CHAPTER 46.

[H. B. 262.]

### COUNTY DEPOSITARIES.

AN ACT relating to the deposit of public funds in banks by the several county treasurers of this state and repealing section 4 of chapter 45 of the Laws of the Extraordinary Session of 1933.

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

SECTION 1. That section 4 of chapter 45 of the Laws of the Extraordinary Session of 1933 be and the same is hereby repealed.

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

Effective immediately.

Passed the House February 28, 1935.

Passed the Senate March 7, 1935.

Approved by the Governor March 11, 1935.