

to the State of Washington, without suit, action or proceedings whatsoever.

Passed the House March 6, 1931.

Passed the Senate March 10, 1931.

Approved by the Governor March 19, 1931.

CHAPTER 87.

[H. B. 281.]

DEPOSITARIES FOR PUBLIC FUNDS.

AN ACT relating to depositaries for public funds, including funds of the state, counties, cities and towns; and requiring of such depositaries a surety bond, or in lieu thereof the deposit of certain securities, and amending Sections 5549, 5551, 5563, 5569 and 5572 of Remington's Compiled Statutes.

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

SECTION 1. That section 5549 of Remington's Compiled Statutes be amended to read as follows:

Section 5549. Every state depository, before it shall be entitled to receive any state moneys, shall file with the state treasurer a good and sufficient bond of a surety company authorized to do business in this state, to be approved by said finance committee as security and pledge for the payment on demand to him or his order, free of exchange, at any place in this state designated by him, of all such moneys deposited with it, and of interest thereon at the rate fixed by said finance committee, which bond shall be at least equal to the amount of the moneys to be received by said depository of said state, and shall, before deposit, be approved by said finance committee. The finance committee may require the state auditor or the supervisor of banking to thoroughly investigate and report to it concerning the condition of any bank which makes application to become a state depository, and may also as often as it deems necessary require such investigation and report con-

Amends
§ 5549, Rem.
Comp. Stat.

State funds.

Surety bond
required.

Interest
rate.

Investiga-
tion.

cerning the condition of any bank which may have been designated as such depository, the expense of such investigation to be borne by the depository examined: *Provided*, That said depository may deposit with the state treasurer in lieu of the surety bond herein provided for any of the following enumerated securities if there has been no default in the payment of principal or interest thereon: (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 maintainance 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 209, page 308, of the Session Laws for 1927, known as the Local Improvement Guaranty Fund of the Laws of 1927.

Securities
in lieu of
bond.

Amends
§ 5551, Rem.
Comp. Stat.

SEC. 2. That section 5551 of Remington's Compiled Statutes be amended to read as follows:

State treas-
urer author-
ized to de-
posit.

Section 5551. The state treasurer may deposit with any depository which has fully complied with all requirements of law any state moneys in his hands or under his official control not exceeding the limit herein prescribed, and any sum so on deposit shall be deemed to be in the state treasury, and such treasurer shall not be liable for any loss thereof resulting from the failure or default of any such depository without fault or neglect on his part or on

Treasurer
not liable.

the part of his assistants or clerks. The amount at any time on deposit with any depository shall not exceed the actual paid-up capital and surplus, nor the penalty of the bond filed by it, nor ninety per cent of the value of the securities deposited by it, described in subdivision (1) of section 1 of this act, nor seventy-five per cent of the value of the securities described in subdivisions (2), (3), (4) and (5) of section 1 of this act, nor the amount prescribed by the state finance committee, if any be prescribed: *Provided, however,* That the aggregate amount of money so on deposit at any time may equal ninety per cent of the value of the securities deposited described in subdivision (1) section 1 of this act, and/or seventy-five per cent of the value of the securities deposited described in subdivisions (2), (3), (4) and (5) of section 1 of this act.

Amount of deposit.

SEC. 3. That section 5563 of Remington's Compiled Statutes be amended to read as follows:

Amends § 5563, Rem. Comp. Stat.

Section 5563. Before any such designation or designations shall become effectual and entitle the said treasurer to make deposits in such bank or banks, the bank or banks so designated shall within ten days after such designation or designations have been filed, file with the county clerk of such county a surety bond to such county treasurer, properly executed by some reliable surety company qualified under the laws of this state to do business therein, in the maximum amount of deposits designated by said treasurer to be carried in such bank or banks, conditioned for the prompt and faithful payment thereof on checks drawn by such treasurer, which bond must be approved by the chairman of the board of county commissioners, the prosecuting attorney and the county treasurer, or any two of such officers of said county, before being filed with the county clerk, and unless so approved, the same shall not be received or filed by the county clerk: *Provided,* That said depository or depositories may

County funds.

Surety bond required.

Conditions.

Securities
in lieu
of bond.

deposit with the county treasurer in lieu of the surety bond herein provided for, 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 209, page 308, of the Session Laws for 1927, known as the Local Improvement Guaranty Fund of the Laws of 1927.

Amends
§ 5569, Rem.
Comp. Stat.

SEC. 4. That section 5569 of Remington's Compiled Statutes be amended to read as follows:

Cities over
75,000 in-
habitants.

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 not less than one and one-half percentum on the cash daily balance of all municipal funds kept by such treasurer in said bank, while acting as such depository; such payments to be made monthly to said city while said

Interest
contract
with city.

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 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 up to the amount of surety bonds or securities, so filed.

Surety bond required.

Securities in lieu of bond.

SEC. 5. That section 5572 of Remington's Compiled Statutes be amended to read as follows:

Amends § 5572, Rem. Comp. Stat.

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

Cities less than 75,000 inhabitants.

Surety bond filed with town comptroller or clerk.

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 209, page 308, of the Session Laws for 1927, known as the local improvement guaranty fund of the Laws of 1927: *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 not less than two per centum

Conditions.

Securities deposited in lieu of bond.

Approved by mayor and comptroller.

on the average daily balances where such balances exceed one thousand (\$1,000) dollars of all municipal funds kept by such treasurer in said bank, while acting as such depositary; such payments to be made monthly to said city or town while said deposits continue in said depositary; 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.

Passed the House March 11, 1931.

Passed the Senate March 10, 1931.

Approved by the Governor March 19, 1931.

CHAPTER 88.

[H. B. 3.]

HOMESTEAD.

AN ACT relating to homesteads, amending Section 1, of Chapter 193, Laws of 1927.

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

SECTION 1. That section 1 of chapter 193 of the Laws of 1927 (section 528, Remington's Compiled Statutes, 1927 Supplement) (Pierce's Code, section 7860), be amended to read as follows:

Amends § 1, ch. 193, Laws of 1927; § 528, Rem. Comp. Stat. 1927 Sup.; § 7860, Pierce's Code.

Section 1. The homestead consists of the dwelling house, in which the claimant resides, and the land on which the same is situated, selected at any time before sale, as in this chapter provided, but unless such homestead is selected before or within thirty days after a notice in writing of the entry of a judgment, served in the manner provided by law for the service of summons in civil actions, it shall not be exempt from sale.

Definition.

Selection.

Exemption.

Passed the House March 12, 1931.

Passed the Senate March 12, 1931.

Approved by the Governor March 19, 1931.