

CHAPTER 41.

[H. B. 177.]

HIGHWAY FUNDS.

AN ACT relating to public roads in the State of Washington; abolishing the General Road and Bridge Fund, the Permanent Highway Fund and the County Permanent Highway Maintenance Fund, and providing for the use of a portion of the receipts in the Motor Vehicle Fund in lieu thereof; creating the Secondary Highway Fund; classifying the public roads in the state as primary and secondary roads, and providing how and by whom the same shall be administered; affecting the authority of the state and county officials to perform work upon state roads by force account or day labor; amending section 18 of chapter 163 of the Laws of 1929 (section 6330 of Remington's Compiled Statutes), section 5 of chapter 88 of the Laws of 1929 (section 6851-5 of Remington's Compiled Statutes), and section 6 of chapter 88 of the Laws of 1929 (section 6851-6 of Remington's Compiled Statutes); repealing section 1 of section 2 of chapter 95 of the Laws of 1921 (section 6821 of Remington's Compiled Statutes) and all acts in conflict herewith; making appropriations, and declaring that this act shall take effect immediately.

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

Public roads
classified.

SECTION 1. All public roads in the State of Washington, for the purpose of this act, are classified and divided into two classes:

Primary.

(a) Primary roads, which shall include such highways and roads as have been established as either primary or secondary state highways by legislative enactment; and

Secondary.

(b) Secondary roads, which shall include all other public roads in the State of Washington not heretofore established as state highways or roads by legislative enactment.

Director of
highways.

SEC. 2. All primary roads shall be constructed, improved and maintained by the director of highways, who shall be appointed by the governor as head of the department of highways of the State of

Washington and who shall exercise all powers and perform all duties formerly vested in the state highway committee, the state highway engineer, and the state highway board, as modified by this act.

SEC. 3. All secondary roads, as herein defined, shall be constructed, improved and maintained by the county commissioners of the respective counties as agents of the State of Washington, subject to the approval of the director of highways, from and after the taking effect of this act.

County commissioners.

SEC. 4. That section 18 of chapter 163 of the Laws of 1929 (section 6330 of Remington's Compiled Statutes) be and the same is hereby amended to read as follows:

Amends § 18, ch. 163, Laws of 1929.

Section 18. There is hereby created in the state treasury a state fund to be known as the "motor vehicle fund." All fees collected by the state treasurer, as herein provided, shall be paid into the state treasury and placed to the credit of the motor vehicle fund, from which shall be paid or transferred annually:

"Motor vehicle fund."

(a) The amount required to be repaid to the counties composed entirely of islands, as provided by law.

Disposition of:

Island counties.

(b) To each city of the first or second class in the state in which there are streets forming a part of the route of any primary state highway or extension thereof into or through such city, there shall be remitted by the state auditor, annually, by warrant drawn on the state treasurer and payable from the motor vehicle fund, a sum equal to five hundred dollars (\$500.00) per mile, less any vouchered amounts for maintenance and/or repairs, as hereinafter authorized, for each mile of primary state highway in such city, to be expended for the maintenance and improvement and repair of the

1st and 2nd class cities with primary state highway.

\$500 per mile.

streets forming a part of the route of the state highways in such city.

3rd and 4th
class cities
with primary
state high-
way.

(c) To each city of the third or fourth class in which there are paved streets forming a part of the route of any primary state highway or extension thereof into or through such city, there shall be remitted by the state auditor, annually, by warrant drawn on the state treasurer and payable from the motor vehicle fund, a sum equal to five hundred dollars (\$500.00) per mile, less any vouchered amounts for maintenance and/or repairs, as hereinafter authorized, for each mile of paved primary state highway in such city, to be expended for the maintenance and improvement and repair of the paved streets forming a part of the primary state highways in such city.

\$500 per
mile.

Expenditure
on streets
other than
state high-
way.

(d) The director of highways may give the city authorities permission to expend said maintenance money upon the other streets in such city provided repairs and improvements on streets forming state highways are maintained as near as possible equal to the standard of the original construction, subject to the approval and direction of the director of highways. When the repair of any damaged portion of the state highway street is delayed for an unreasonable length of time the director of highways shall notify the proper authorities of such city to make the necessary repairs within a specified time not to exceed thirty days. Non-compliance with this notice will authorize the director of highways to direct the state highway department to make the necessary repairs to the extent of, and not to exceed, the amount of the allotment made to such city during the fiscal year, and forward a statement of the cost of such repairs and/or maintenance to the state auditor and the state treasurer directing this amount be paid from the motor vehicle fund on proper voucher for material and labor, and deducted from

State high-
way repair
delayed.

Repair by
state high-
way depart-
ment.

any monies due such city as hereinbefore set forth in (b) and (c) of this section. There shall be submitted to the director of highways not later than the fifteenth day of January of each year a certified statement by the city clerk of each city affected by the foregoing provisions showing in detail the repairs and/or improvements made on streets forming the state highway in such city and the amount of money expended on such repairs and/or improvements during the calendar year last passed. The state shall maintain the roadway of all unpaved streets, or portions thereof, forming a part of the route of any primary state highway through cities of the third and fourth class, in the manner provided by law for the maintenance of primary state highways outside of incorporated cities and towns: *Provided*, This act shall not be construed to include the maintenance of sidewalks, cross-walks, structures and drainage facilities, including repairs of damage caused by water, sewer or gas mains, and telephone conduits.

Certificate of repairs and improvements.

State to maintain unpaved portions.

Sidewalks, etc., not included.

The director of highways shall determine what streets in cities form a part of the route of any primary state highway and shall, between the fifteenth day of February and the fifteenth day of March of each year, certify in duplicate, one copy to the state treasurer, and one copy to the clerk of each city affected by the foregoing provisions, the number of miles of such constructed highways within such city forming a part of the route of a primary state highway.

Route of primary state highway in cities, determined.

(e) For the period beginning January 1, 1934, and ending March 31, 1935, there shall be transferred to the lateral highway fund on the fifteenth day of each calendar month, as monies are received in the motor vehicle fund, a sum equivalent to two (2) cents per gallon on all liquid fuel sold during the preceding month. The balance remaining in the

Lateral highway fund.

motor vehicle fund, after the payments and remittances hereinabove provided for, less any sums appropriated for administrative expenses in the office of the state treasurer, the department of licenses, and the office of the director of highways and any sums distributed to counties for construction and/or maintenance of secondary roads, shall be applied annually to construction and/or maintenance of state primary highways and the construction of secondary state highways, as provided by appropriation.

Amends § 5,
ch. 88, Laws
of 1929.

SEC. 5. That section 5 of chapter 88 of the Laws of 1929 (section 6851-5 of Remington's Compiled Statutes) be and the same is hereby amended to read as follows:

Section 5. Said excise tax of one cent additional per gallon shall be paid on or before the fifteenth of each month to the state treasurer of the State of Washington, who shall issue a receipt therefor, and on the next business day after the receipt of any such excise taxes, deposit in the state treasury the balance of monies received for such excise taxes remaining on hand at the close of the preceding business day, after making all deductions and refunding all overpayments and all other sums required to be refunded by law in the following manner: Such balance to be placed in a fund which is hereby created in the state treasury, to be known as the lateral highway fund, to the credit of each county of the state in the following manner: For the period ending July 1, 1933, one-half of such fund to be credited and divided equally among all the counties of the state; and one-fourth of such fund to be credited to the respective counties in proportion to the number of registered motor vehicles in such county in the last preceding calendar year; and one-fourth of such fund to be credited to the respective

Lateral high-
way fund,
apportion-
ment of.

Counties,
No. of motor
vehicles.

counties in the proportion which the number of farms in each county bears to the total number of farms in the state as defined and enumerated in the last preceding federal census: *And provided*, That one-third of any monies to which any first class county is entitled under the provisions of this act shall be placed in the lateral highway fund to the credit of and may be expended by the first class cities within such county, such credit to be given to and expenditure to be made by such cities in proportion to the assessed valuation of the property within such cities, and such expenditures to be made by the governing authorities of such cities for the construction and/or improvement of any arterial street or highway within such city, which leads to and connects directly or indirectly with any state highway, such expenditures to be made either independently or in conjunction with any other monies that may be provided by such cities.

Number of farms.

1st class county.

1st class city.

Expenditure in proportion to assessed property value.

For the period beginning January 1, 1934, and ending March 31, 1935, all monies accruing to the lateral highway fund shall be credited to the counties of the state, including counties composed entirely of islands, in the following percentages: Adams 1.52, Asotin .78, Benton 1.48, Chelan 2.15, Clallam 1.96, Clark 2.89, Columbia 1.06, Cowlitz 2.29, Douglas 1.07, Ferry .74, Franklin 1.04, Garfield 1.02, Grant 1.08, Grays Harbor 3.20, Island .61, Jefferson 1.05, King 20.11, Kitsap 2.00, Kittitas 1.78, Klickitat 1.84, Lewis 2.76, Lincoln 1.90, Mason 1.32, Okanogan 1.36, Pacific 1.64, Pend Oreille 1.11, Pierce 7.53, San Juan .53, Skagit 3.03, Skamania 1.01, Snohomish 4.72, Spokane 5.78, Stevens 1.51, Thurston 1.99, Wahkiakum .69, Walla Walla 2.15, Whatcom 3.56, Whitman 2.89, Yakima 4.85.

Apportionment to counties.

From and after the first day of January, 1934, it shall be the duty of the state treasurer to transfer and remit to the counties, including counties com-

Funds to be remitted to counties.

posed entirely of islands but not cities, of the state each month the amount which shall have been collected and placed to their credit, as hereinabove provided. He shall at the same time remit to the respective counties, upon the same basis of distribution, the amount transferred to the lateral highway fund from the motor vehicle fund under the provisions of this act.

Monies to be paid by counties to cities.

From the monies remitted to the respective counties under the provisions of this section there shall be paid to the first, second and third class cities, and cities with a commission form of government whose population would entitle them to at least the rank of third class cities, within each respective county, an amount of money equal to ten one-hundredths of one per cent of the assessed valuation of such city or town, which money shall be expended by the governing authorities of such cities and towns for the construction and/or maintenance of any street or highway therein, such expenditure to be made either independently or in conjunction with any other monies that may be provided by such cities and towns.

Roads and bridges fund abolished.

SEC. 6. The general road and bridge fund is hereby abolished and from and after the taking effect of this act the county commissioners shall make no levy for such fund, but may expend for construction, maintenance, and repair of secondary roads, bridges, and wharves and for any proper road purpose including payment of interest or principal of road bonds, according to existing laws, any and all monies hereafter realized under the provisions of this act. Such monies may be expended either independently or in conjunction with the state or any city, town or other taxing district within the county.

Interest on road bonds.

Payment of interest or principal of general obligation county road bonds and/or independent

highway district bonds is hereby declared to be a proper road purpose.

SEC. 7. On the going into effect of this act any outstanding obligations that may have been incurred under the provisions of chapter 88 of the Laws of 1929, are hereby declared to be obligations which shall be paid out of the secondary highway fund.

Obligations incurred under ch. 88, Laws of 1929.

SEC. 8. That section 6 of chapter 88 of the Laws of 1929 (section 6851-6 of Remington's Compiled Statutes), be and the same is hereby amended to read as follows:

Amends § 6, ch. 88, Laws of 1929.

Section 6. On or before the tenth day of July in the year 1933, the state treasurer shall prepare and file with the board of county commissioners of each county an estimate of the receipts of the lateral highway fund which will be credited to such county for the period ending March 31, 1935, in order that the county officials may prepare the necessary budget. No monies realized by a county under the provisions of this act shall be expended or obligated until and unless budgeted at the time and in the manner required by law: *Provided*, That in an emergency by unanimous vote of the county commisioners and with the consent of the director of highways monies may be spent without having been budgeted.

Estimate of receipts.

Expending of monies.

Emergency.

SEC. 9. County commissioners are hereby given authority to use the monies realized under this act for eminent domain or any other proper road purpose in any manner provided by law.

Eminent domain.

SEC. 10. Immediately on the going into effect of this act, it shall be the duty of the state treasurer to pay to the counties and/or cities all monies on hand credited to said counties and/or cities which he shall have in his possession under chapter 88 of the Laws of 1929, and thereafter to pay to the coun-

Payment to counties.

ties and/or cities monthly, in the proportions hereinabove set forth, all collections which he shall receive by virtue of said act on sales of liquid fuel for the period ending July 1, 1933; and in the event that the lateral highway fund should be abolished it shall be the duty of the state treasurer to pay to the counties and/or cities sums equivalent to those which would have been credited in the lateral highway fund.

Secondary
highway
fund.

There is hereby created in each county treasury a fund to be known as the secondary highway fund, composed of any and all monies in the county treasury now credited to the general road and bridge fund and any monies which shall hereafter be received from any levy made for the general road and bridge fund and any and all monies which shall hereafter be received under the provisions of this act, including monies formerly credited to the counties under the permanent highway and lateral highway acts and the additional monies credited to the lateral highway fund from the motor vehicle fund by reason of this act, and said monies shall be by the county treasurer credited in such fund to be expended therefrom by the county officials as provided in this act, such monies to be used by the counties in carrying on their secondary highway program for the year 1933, as qualified by the provisions of this act.

Transfer
from lateral
highway
fund to
motor vehicle
fund.

Collections on sales of liquid fuel for the period beginning July 1, 1933, and ending December 31, 1933, shall be on and after January 15, 1934, transferred, and the same are hereby so transferred, from the lateral highway fund to the motor vehicle fund; and the State of Washington, through and by means of the director of highways, shall use and expend said monies in the performance of work on any primary or secondary road, as defined by this act. The director of highways, in carrying out the

Expending
of.

provisions of this section, shall be authorized to obligate said monies in anticipation of the transfer herein provided for to the motor vehicle fund.

Anticipatory obligation.

SEC. 11. For the purpose of carrying out the provisions of this act, there is hereby appropriated, for the biennium ending March 31, 1935, from the lateral highway fund to the extent the same may become available under the terms of this act, the sum of nine million dollars (\$9,000,000.00), or as much thereof as shall be necessary to carry into effect the provisions of this act; and there is further hereby appropriated, for the biennium ending March 31, 1935, from the lateral highway fund, the sum of one million dollars (\$1,000,000.00), or as much thereof as may be necessary to carry into effect the provisions of that portion of section 10 of this act relating to the transfer of funds from the lateral highway fund to the motor vehicle fund; said appropriation, however, not to exceed the amount transferred under said section from the lateral highway fund to the motor vehicle fund.

Appropriation.

SEC. 12. From and after the going into effect of this act, it shall be the duty of the state treasurer to transfer and remit to counties composed entirely of islands all monies which shall accrue to their credit under the provisions of this act monthly, which monies shall be by the county treasurers of such counties distributed and credited to the various road districts and incorporated towns in such counties in proportion to the assessed valuation of the property in such district or town.

Remittance to Island counties, monthly.

SEC. 13. That chapter 308 of the Laws of 1927 (section 6820-4, Remington's Compiled Statutes), be and it hereby is repealed.

Repeals ch. 308, Laws of 1927.

SEC. 14. From and after January 1, 1934, the permanent highway fund and the county permanent highway maintenance fund shall be and they hereby

Permanent highway fund abolished.

Monies transferred.

are abolished and any monies which may remain therein to the credit of the various counties shall be transferred to the lateral highway fund, as provided in this act. All monies which shall be credited and paid to the counties under the provisions of this act shall be placed in the secondary highway fund of such county and may be disbursed from such fund for any proper road purpose on any secondary road as defined in this act.

Repeals § 2-1, ch. 95, Laws of 1921.

SEC. 15. That section 1 of section 2 of chapter 95 of the Laws of 1921 (section 6821 of Remington's Compiled Statutes), be and it hereby is repealed.

Outstanding obligations.

SEC. 16. On the going into effect of this act, any and all outstanding obligations which may have been incurred under the provisions of the former permanent highway act shall be and hereby are declared to be obligations payable only out of the secondary highway fund.

Secondary roads; construction, improvement of.

SEC. 17. Secondary roads, as defined in this act, which shall be constructed from monies accruing under this act, shall be constructed, improved and maintained by the county commisisoners of the respective counties, subject to the approval of the director of highways as herein set forth, in the manner now provided by law for roads heretofore known as county roads. No construction work shall be done or paid for from monies accruing to the counties under this act unless on plans and specifications first approved by the director of highways. No final payment shall be made upon any construction work done on secondary roads by contract unless the director of highways shall have first inspected and approved the work, and upon the completion of every project done by day labor or force account, the county commissioners shall file with

Director of highways to approve.

the director of highways an itemized statement of the final cost thereof.

SEC. 18. Immediately on the going into effect of this act, it shall be the duty of the state treasurer to pay to the counties, including counties composed entirely of islands, all monies in the permanent highway fund and the permanent highway maintenance fund credited to, or which should be credited to, the respective counties for the period ending December 31, 1933, which monies shall be by each county treasurer placed in the secondary highway fund hereby created for distribution on any secondary road as defined in this act, according to existing laws, for the maintenance and/or construction of roads formerly known as county roads, subject to the approval of the director of highways as provided in this act.

Permanent highway fund and maintenance fund to be paid to counties.

Placed in secondary highway fund.

SEC. 19. The county commissioners of each county shall by resolution adopted at their first meeting in January, 1934, and at their first January meeting of each succeeding year, set aside the proportion of monies derived under the provisions of this act which it is proposed to use for maintenance of secondary roads as herein defined, which proportion shall not exceed fifty per cent (50%) of the total monies accruing under the provisions of this act, and shall file a copy of such resolution with the director of highways. The county commissioners shall not use to exceed five per cent (5%) of the amount so set aside for maintenance for the purchase of equipment. The county commissioners shall furnish the director of highways with such reports regarding the expenditures of monies in the secondary highway fund at such times as he may in his discretion require.

Resolution of commissioners.

Money set aside for secondary roads.

5% for equipment.

SEC. 20. In order to secure greater efficiency in the administration of public roads in the State of

Highway
code.

Washington, and that expenditures upon such roads may be coordinated to the end that the greatest possible results may be obtained from the expenditure of public funds upon both primary and secondary roads and city streets, it shall be the duty of the governor, through and by means of the director of highways, to prepare and submit to the legislature at its regular session of 1935 a recommended "highway code."

Primary
road work.

Day labor.

SEC. 21. Inasmuch as an emergency exists at the present time and it is the desire to create as much employment as possible from the going into effect of this act until April 1, 1935, the director of highways in his discretion is hereby authorized to do or perform any and all types of highway work on primary roads, as defined in this act, by day labor or force account in any amount up to the sum of twenty-five thousand dollars (\$25,000.00) on any one project.

Secondary
road work.

Day labor.

SEC. 22. Inasmuch as an emergency exists at the present time and it is the desire to create as much employment as possible from the going into effect of this act until April 1, 1935, the county commissioners in their discretion are hereby authorized to do or perform any and all types of highway work on secondary roads, as defined in this act, by day labor or force account in any amount up to the sum of ten thousand dollars (\$10,000.00) on any one project. With the above exception the county commissioners shall expend all monies accruing to the counties under this act in the manner now provided by law for the administration of county road affairs, whether the said roads which are hereby called secondary roads were formerly called township roads, county roads, permanent highways or lateral highways.

SEC. 23. Nothing in this act contained shall be construed to amend, alter or modify any provisions of existing law or laws, excepting to the extent that such existing law or laws are by this act expressly repealed or are in such conflict with the provisions of this act as to be repealed by implication.

Existing laws.

SEC. 24. This act is necessary for the immediate preservation of the 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 February 18, 1933.

Passed the Senate February 18, 1933.

Approved by the Governor February 25, 1933.

CHAPTER 42.

[S. S. B. 132.]

BANKS AND TRUST COMPANIES.

AN ACT relating to banks, banking, trust companies and trust business, prohibiting corporate security affiliates, providing for segregated savings in commercial banks, restricting loans to directors, officers and employes of banks, amending sections 3217, 3221, 3222, 3240, 3243, 3245, 3246, 3255n, 3258, 3259, 3261, 3269, 3288 and 3289 of chapter 1 of Title 18 of Remington's Compiled Statutes (being chapter 80 of the Laws of 1917 as amended and supplemented), and adding new sections to such chapter to be numbered 3229-2, 3231-1, 3237-1, 3240-1, 3243-1, 3244-1, 3244-2, 3244-3, 3245-1, 3246-1, 3253-1, 3253-2 and 3260-1, prescribing penalties, and declaring an emergency.

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

SECTION 1. Section 3217 of Remington's Compiled Statutes is amended to read as follows:

Amends § 3217, Rem. Comp. Stat.

Section 3217. Whenever the supervisor of banking shall find that any director, officer or employe of any bank or trust company is dishonest, reckless or incompetent, or fails to perform any duty of his

Director, employee, etc., dishonesty of.