

wagon road through the Cascade mountains, and making an appropriation therefor, are hereby repealed.

Passed the senate March 8, 1895.

Passed the house March 13, 1895.

Approved March 22, 1895.

CHAPTER CLXIX.

[S. B. No. 104.]

RELATING TO THE FINANCIAL AFFAIRS OF THE STATE.

AN ACT relating to the fiscal affairs of the State of Washington, and declaring an emergency.

WHEREAS, It is of the utmost importance to the people of the State of Washington that its financial affairs be wisely and economically administered, and that the people be relieved of the heavy burden of interest on indebtedness in the form of warrants, and that the state should adopt a system of meeting all its expenses with cash payments.

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

SECTION 1. There is hereby created a fund in the treasury of the state known as the "loan and interest fund." There is hereby created a board, consisting of the governor, state auditor and state treasurer, known as the state board of finance. The governor shall be the chairman and the state treasurer shall be the secretary of said board. The secretary shall keep a full and complete record of the transactions of said board, which record shall at all times during office hours be open to public inspection.

Board of finance.

Officers of.

Warrants, how funded.

Interest.

SEC. 2. Immediately after this act shall go into effect it shall be the duty of the members of said state board of finance to meet and organize said state board of finance. Said board shall proceed to fund the outstanding warrants on the general, military and tide land funds of the state by the issue of bonds payable solely out of said "loan and interest fund." Said bonds shall bear interest at a rate not to exceed four per cent. per annum and shall run

twenty years, save that five per cent. of said bonds shall be redeemed annually, said interest and redemption payments to be made out of said "loan and interest fund."

Said board shall publish notice of the sale of said bonds in four cities of said state once a week for three consecutive weeks. Said bonds shall be sold after notice as herein-

Bonds, sale of; notice published.

after provided upon sealed bids to the highest bidder, each bidder stating in his bid the amount of bonds which, and the price at which, he offers to purchase, and accompanying his bid with a certified check, payable to said chairman as such, for ten per cent. of the amount of his bid, to be forfeited if his bid is accepted and he refuses to complete the purchase: *Provided*, That said bonds shall not be sold for less than par, and the board shall have the right to reject all bids. Said notice shall state the amount of the bonds to be sold, and the time to run, the rate of interest, when payable, the provisions for redemption, and the place and the day and the hour at which sealed bids shall be opened, and shall request bidders to state the price at which they shall offer to purchase said bonds, or any specified amount thereof. Such bonds shall be issued in such denominations as said board shall determine, and shall contain upon their face the date of issue, the series of issue, the rate of interest, where payable, the time to run and the provision for redemption. Each bond shall be printed, engraved or lithographed on good bond paper, and the bond shall state on its face that it [is] issued in accordance and in strict compliance with this act of the legislature, naming the title and the date of the approval of this act, and a copy of this act shall be printed on the back of each bond. Said bonds and each coupon shall be signed by the chairman of said board and attested by the secretary thereof, and the seal of the state treasurer shall be affixed to each bond, but not to the coupons. Said bonds shall be redeemed in numerical order.

Bidders to deposit certified check.

Notice to contain, what.

Bonds, denomination of.

Bonds to contain, what.

SEC. 3. After said issue of bonds shall have been made and whenever, at the beginning of any month, the treasurer has reason to believe that there will be an excess of expenditures during the ensuing month over the cash that will then be in the treasury to defray the same, he shall

Notes for
deficit,
when issued.

forthwith notify the chairman of such fact, who shall promptly call a meeting of the board. The board shall proceed to procure funds to make good the deficit by the issue of notes payable at such time, not later than a year from the time of issue, as the board shall deem best. Said notes shall be in such denominations as shall be fixed by the board, shall bear interest at a rate not to exceed five per cent. per annum, shall be payable solely out of said "loan and interest fund," shall be signed by the chairman and countersigned by the secretary of said board, and shall have the seal of the treasurer affixed. Said notes shall be sold on sealed bids to the highest bidder, each bidder stating in his bid the amount of notes which, and the price at which, he offers to purchase, and accompanying his bid with a certified check, payable to said treasurer of the State of Washington as such, for ten per centum of the amount of his bid, to be forfeited in case said bid is accepted and the bidder refuses to complete the purchase. Notice shall be given of the time and the place of opening bids, like that provided in section two. Said notes shall be sold at not less than par, and the board shall have the right to reject all bids [bids].

Notes, how
sold.

Loan and
interest
fund, how
apportioned.

SEC. 4. When the state board of equalization equalizes the general state tax for the State of Washington, they shall compute the amount payable out of the "loan and interest fund" during the following fiscal year, and shall apportion the same among the various counties in proportion to the amount of taxable property thereof as equalized by said board of equalization, and the rate of levy shall be ascertained by the several county auditors on the valuation within their respective counties, and all the provisions of the revenue act applicable to the levy for general state purposes shall be applicable to this levy for the "loan and interest fund."

Tax, how
applied.

SEC. 5. The proceeds of said tax and levy shall be applied to the payment of the interest on the bonds provided by this act, to the redemption of the bonds provided in this act and to the payment of the notes provided by this act. In case such proceeds prove insufficient to meet said payments, the funds requisite to make up the deficiencies shall

be obtained by the issue of notes in conformity with the provisions of section three of this act.

SEC. 6. The secretary shall keep a book called "bond and note registry," in which shall [appear] the numbers, date, amount, rate of interest, name of payee, date and place of payment of each and every note or bond executed, issued or sold pursuant to this act.

SEC. 7. From and after the sale of bonds provided in section two of this act no warrants shall be drawn on the general, military or tide land funds of the state unless there is cash in the treasury to pay the same. No money, no warrants.

SEC. 8. An emergency is declared to exist, and this act shall be in force from and after its passage and approval.

Passed the senate March 9, 1895.

Passed the house March 14, 1895.

Approved March 22, 1895.

CHAPTER CLXX.

[S. B. No. 125.]

AUTHORIZING COUNTIES, CITIES AND TOWNS TO ISSUE BONDS TO FUND OUTSTANDING INDEBTEDNESS.

AN ACT to authorize counties, cities and towns to issue bonds to fund their outstanding indebtedness, and to provide for the levy and collection of a specific tax to pay the principal and interest on such bonds, and declaring an emergency.

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

SECTION 1. That any county, city or town in the State of Washington which now has or may hereafter have an outstanding indebtedness evidenced by warrants or bonds, whether issued originally within the limitations of the constitution of this state, or of any law thereof, or whether such outstanding indebtedness has been or may hereafter be validated or legalized in the manner prescribed by law, may, by its corporate authorities, provide by ordinance or resolution for the issuance of funding bonds with which to Funding bonds, when and how issued.