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STATE OF WASHINGTON

A PAMPHLET

CONTAINING

Copies of all Measures "Proposed by Initiative Petition," together with "Amendments to the Constitution Proposed by the Legislature."

To be Submitted to the Legal Voters
of the State of Washington for Their
Approval or Rejection at the GEN-
ERAL ELECTION to be held on

Tuesday, November 8, 1932

Division of Reserve Documents
This copy must not leave the files.



Compiled and Issued by

J. GRANT HINKLE, Secretary of State

Under and by Authority of Chapter 30,
Laws of 1917

Ballot Titles Prepared by

JOHN H. DUNBAR, Attorney General

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Initiative Measure No. 58

BALLOT TITLE

"AN ACT providing for the Permanent Registration of Voters, defining the duties of certain officers in connection therewith, repealing certain acts and parts of acts in relation thereto and prescribing penalties."

AN ACT providing for the Permanent Registration of Voters, defining the duties of certain officers in connection therewith, repealing certain acts and parts of acts in relation thereto and prescribing penalties.

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

SECTION 1. There shall be, beginning on the first day of September, 1933, a new and complete registration of the legal voters residing in each precinct of the state, as in this act provided. *Provided, however,* That in precincts lying outside of incorporated cities and towns, such new registration shall be made beginning January 2, 1936.

SEC. 2. The word "precinct" whenever used in this act shall, unless the same be inconsistent with the context, be construed to mean a subdivision for voting or polling purposes, within or without the limits of an incorporated city or town, and whether established by the county commissioners, or by the city council, or other governing body of any city or town, or a township, or a subdivision of a township established by the supervisors thereof.

SEC. 3. The county auditor of each county shall be the registrar of voters for all precincts within the county lying outside of incorporated cities and towns, hereinafter designated as rural precincts, and the clerk, or comptroller, of each incorporated city or town shall be the registrar of voters for all precincts within the city or town. The county auditor shall appoint, from time to time, a deputy registrar of voters for each rural precinct of the county, who shall be a legal voter, and shall hold office at the pleasure of the county auditor. It shall be permissible, however, for one person to act as

deputy registrar for several precincts, at the discretion of the county auditor: *Provided,* That in case a precinct lies partly within and partly without the corporate limits of a city or town, the registrar of voters of such city or town shall be the registration officer of that portion of such precinct without the city or town, but the voters within the city or town, and those without, shall be registered in separate registration files.

SEC. 4. The registrar of voters, deputy registrars of voters, and such clerks in his office as the registrar of voters shall deputize to take registrations, shall take and subscribe to the following oath or affirmation before taking any registrations: "I, A. B., do swear (or affirm) that I will truly, faithfully and impartially perform my duties as registration officer, to the best of my judgment and abilities, and that I will register no person except upon his personal application before me." This oath shall be administered and certified to by an officer legally authorized to administer oaths, and shall be filed with the registrar. The registrar and all persons authorized by him under the provisions of this act to take registrations, after themselves taking and subscribing to the above oath, are hereby authorized to administer such oaths and affidavits as are required by this act. The expense of registration in all cities and towns shall be paid by such cities and towns, respectively, and the expense of registration in precincts outside cities and towns shall be paid by the county in which such precincts, respectively, are situated.

SEC. 5. It shall be the duty of the registration officer of each incorporated city and town to procure and open on the first day of September, 1933, sepa-

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rate registration files for the registration of voters residing in each precinct of such city or town; and it shall be the duty of the county auditor of each county in the state in like manner to procure and open on the second day of January, 1936, separate registration files for the registration of voters residing in each precinct of his respective county, outside of the incorporated cities and towns.

SEC. 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 city council or other governing body, may, by ordinance or resolution, direct that in all, or certain, of the voting precincts of such city, designated in such ordinance or resolution, 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 in such ordinance or resolution, 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 designated in the ordinance or resolution, between the hours of 9:00 a. m. and 9:30 p. m., on the days designated in such ordinance or resolution, 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 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.

SEC. 7. It shall be the duty of the registrar of each incorporated city or town to cause to be published, in a newspaper of general circulation in such city or town, once each week for two successive weeks, immediately preceding the first day of September, 1933, a notice that the legal voters of such city or town are required to register in order to be qualified to vote at any election held after January 1, 1934, that the registration files of each precinct in said city or town will be open for the registration of voters at the office of the city or town comptroller or clerk, on and after the first day of September, 1933; and it shall be the duty of the registration officer of each city, immediately preceding the time when the registration files will be open in the precincts as provided by ordinance or resolution of the city council, or other governing body, to cause to be published in a newspaper of general circulation in said city, once each week for two successive weeks, a notice that the registration files of the respective precincts in such city will be open for the registration of voters during the times designated in such ordinance or resolution, at the respective places designated in such notice; and it shall be the duty of the county auditor of each county, respectively, to cause to be published in a newspaper of general circulation in such county, once each week for two successive weeks, immediately preceding the second day of January, 1936, a notice that the legal voters of the respective precincts of such county outside the corporate limits of any city or town are required to register in order to be qualified to vote at any election held after January 2, 1936, and that the registration offices of each precinct will be open for the registration of voters at the residence or place of business of the deputy registrars, respectively, of the precincts of said county outside of the corporate limits of cities and towns, on and after the second day of January, 1936, giving the names and places of residence or business as near as may

be of such precinct registration officers, respectively.

SEC. 8. The registration files for each precinct, respectively, provided for by this act, shall consist of cabinets, or binders, arranged to permit the insertion and securely fastening therein by means of a lock and key, of cards or records for the separate registration of the individual voters of such precinct, and there shall be prepared for each voter registered two registration cards or records, an original and a duplicate. The original cards or records shall be filed alphabetically by the surnames of the voters by precincts, and constitute the official registration files of the voters of such precincts, respectively. The original registration files of each precinct, respectively, shall be delivered to the precinct election officers for use on the day of any election to be held in such precinct, and shall be returned to the registrar of the county, or city or town, as the case may be, upon the completion of the canvass of the votes cast at such election. At all other times they shall be retained at the office of the registrar and shall be open to public inspection under such reasonable rules and regulations as the registrar may prescribe. The duplicate registration cards or records shall contain the same information and signature of the voter as the original, except they shall not contain spaces to record the voting record, and may be of a different size, form, and color as may be prescribed by the State Auditor, by and through the Division of Municipal Corporations. The duplicate cards or records may be filed alphabetically, without regard to precincts, in the discretion of the registrar, and shall be retained in the office of the registrar at all times, but shall not be open to public inspection.

SEC. 9. The registration files of the respective precincts, provided for in this act, shall be closed against original registration for fifteen (15) days immediately preceding every election at which voters are required by this act to be registered, to be held in such precincts, respectively, but the registration files of the precincts within the corporate limits of any city or town, shall be open, except on the day of any election, and the day previous thereto,

for transfers of registration from one precinct within such city or town, to another precinct within such city or town, as hereinafter provided. The city or town registration officer, and the county auditor, when the election concerns precincts outside of incorporated cities or towns, shall give notice of the closing of said files for original registration, by publication once each week for two successive weeks immediately preceding the closing of said files, in a newspaper of general circulation in such city, town or county, as the case may be, or by posting such notice in three (3) of the most public places in such city, town or county, as the case may be, at least two weeks preceding such closing: *Provided*, That in the case of special city, town, township or district elections, such notice shall be given by posting as aforesaid only, at least five (5) days before such closing.

SEC. 10. It shall be the duty of the registrar having charge of the files in an incorporated city or town and of the registrar having charge of the registration files of rural precincts, immediately upon the close of registration preceding any election to be held in such city, town, county or rural precinct or precincts, to insert in such files his certificate as to the authenticity thereof, and in time for the opening of the polls as provided by law, to have the original certified registration files at the polling places of the respective precincts, and deliver them to the inspector, or one of the judges, of said election and take his receipt therefor: *Provided*, That in the case of any general, state or county election, the county auditor may, in his discretion, require the delivery of the registration files to himself to be, by said auditor, delivered to the officers of election. The fees and expenses of the registrars of precincts lying within the corporate limits of any city or town, for the delivery of registration files to election officers, or the county auditor, as in this section provided, shall be fixed and paid as election expenses by the county commissioners, but mileage in no case shall exceed ten (10) cents per mile for each mile necessarily traveled.

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

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 the manner provided by law; whether applicant has resided in the State of Washington, not less than eleven months and fifteen days; length of residence in the county in which registration is applied for, not

less than seventy-five days; length of residence in the precinct in which registration is applied for, not less than fifteen days; 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.

SEC. 12. If it shall appear to the satisfaction of the registration officer that the applicant is a qualified elector of a precinct within his jurisdiction, it shall be the duty of the registration officer to register the applicant by entering on an original and duplicate registration card, under the proper headings, the surname of the applicant, followed by his given name, or names, if any; sex; whether he will be twenty-one years of age on the day of the next election; occupation; whether a native born or naturalized citizen of the United States, or a voter of the Territory of Washington; whether able to read and speak the English language, or a voter of this state prior to November 3, 1896; whether a taxpayer of the State of Washington; the name of the county, and the city or town, and name and number of the precinct in which registered, and the post office address, or street and number address, if any, of the applicant; and to require the applicant to sign an oath on the original and duplicate registration cards, which oath shall be in the following form: "I, the undersigned, do solemnly swear that the foregoing facts touching my qualifications as a voter, entered in my presence by the registration officer, are true"; and the registration officer shall sign and date each of such cards in verification of the fact that the same were signed and sworn to before him in the following form: "Subscribed and sworn to before me this.....day of....., 19.....

Registration Officer"; otherwise the registration officer shall refuse to register the applicant.

SEC. 13. It shall be the duty of each registration officer, at the time of registering any voter, as above provided, to also require such voter to sign his name upon a third card upon which the registration officer shall enter the surname, followed by the

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given name, or names, if any; the name of the county and city or town; the name or number of the precinct, in which the voter is registered; and the post office address, and street and number address, if any, of the voter registered; which card shall be of such size, shape, color and quality as the State Auditor, by and through the Division of Municipal Corporations shall determine and prescribe will be most suitable and convenient for filing in the office of the secretary of state, for use in checking initiative and referendum petitions, and mailing pamphlets containing constitutional amendments, initiative and referendum measures, and arguments for and against the same, to the voters, as required by law.

It shall be the duty of the registrar of voters in each county, city or town, on the Saturday next following the registration of any voter, to cause all such third cards filed in his office during the current week, to be transmitted to the secretary of state for filing in his office, together with a certificate of the registrar that the cards so transmitted are the original third cards; signed by the voters whose names appear thereon, respectively, and that such voters are duly registered in the precincts and from the addresses shown thereon, respectively.

It shall be the duty of the registrar of voters of each county, city and town, on the Saturday next following the transfer or cancellation of the registration of any voter, as hereinafter in this act provided, to certify all such transfers or cancellations, made during the current week, to the secretary of state, giving the name of each voter whose registration has been so transferred, or cancelled, the county, city or town, and precinct in which said voter was registered, and, in case of a transfer, giving the name of the county, city or town, and precinct, and the post office address, or street and number address, if any, to which the registration of such voter was transferred.

The cards provided for in this section shall be kept on file in the office of the secretary of state, in such manner as will be most convenient for, and for the sole purpose of, checking initiative and referendum petitions

and mailing pamphlets containing constitutional amendments and initiative and referendum measures and arguments for and against the same, and shall not be open to public inspection, or used for any other purposes.

SEC. 14. Any registered voter who changes his residence from one address to another within the same incorporated city or town, may have his registration transferred to his new address by sending, to the registrar of voters of such city or town, a signed request stating his present address and the address from which he was last registered, or by appearing in person before a registration officer to have his registration transferred and signing such request; and any registered voter who changes his residence from one rural precinct to another within the same county, more than thirty days before any election, may have his registration transferred to his new address by sending to the registrar of voters of such county a signed request stating his present address and precinct and the address and precinct from which he was last registered, or by appearing in person before the registrar to have his registration transferred, and signing such request. Upon the receipt of such request the registrar of voters shall cause the signature of the voter on the request to be compared with the signature of the voter on the registration cards of such voter, and if it appears that the signatures have been made by the same person, the registrar shall thereupon enter the new place of residence and precinct name or number upon both the original and duplicate registration cards of the voter signing such request, in the space provided for that purpose, and remove such cards from the files of the precinct of the former residence and insert them in the files of the precinct of the present residence, and thereupon the voter shall become and be a duly registered voter of the precinct to which he has thus transferred his registration.

SEC. 15. Any voter registered under the provisions of this act, who changes his residence from an incorporated city or town to another incorporated city or town, or to a rural precinct, or from a rural precinct to an incorporated city or town, in the same county,

shall be required to register anew. Before registering anew the voter shall sign an authorization to cancel his present registration in substantially the following form: "I hereby authorize the cancellation of my registration in.....precinct of.....(city or town), county or.....precinct of.....county." Such authorization shall be filed with the registration officer before whom the voter registers anew, and shall be forwarded promptly to the registrar of the county, or city or town, in which the voter was previously registered. Upon the receipt of such authorization, the registrar of the county, or city or town, where the previous registration was made, shall cause the signature on the authorization to be compared with the signature on the registration cards of such voter, and if it appears that the signatures were made by the same person, the former registration shall be cancelled forthwith; but if it shall not so appear, it shall be the duty of the registrar receiving such authorization to notify the registrar of the county, or city or town, forwarding such authorization of the apparent fraud, and the registrar receiving such notification shall cancel the new registration, and note on the cards the reason for such cancellation, and shall notify the person so registered anew, by mail, of such cancellation and the reason therefor.

SEC. 16. Any registered voter who changes his or her name by marriage, or otherwise in the manner provided by law, without a change of residence, shall notify the election officers at the next ensuing election, when offering to vote, of such change of name, and the election officers shall note such change of name on the registration card of the voter, and any registered voter who changes his or her name by marriage, or otherwise in the manner provided by law, and changes his or her place of residence to another precinct, and desires to transfer his or her registration, or to register anew as hereinabove provided, shall notify the registrar of such change of name, and the transfer of registration, or registration anew, shall be made in the new name of the voter.

SEC. 17. In case the board of county commissioners of any county, or the

city council or other governing body of any city or town, or the supervisors of any organized township, shall change the boundaries of any precinct or precincts within such county, city or town, or township, as the case may be, in the manner provided by law, it shall be the duty of the county auditor of such county, or registrar of such city or town, to transfer the registration cards of every registered voter whose place of residence is affected by such change of boundary, to the files of the proper precinct, noting thereon the name or number of such new precinct, and it shall not be necessary for any registered voter whose residence has been changed from one precinct to another, by such change of boundary, to apply to the registration officer for a transfer of registration. It shall be the duty of the proper registration officer to mail to each registrant in the new precinct a notice that his precinct has been changed from.....to....., and that thereafter he or she will be entitled to vote in the new precinct, giving the name or number.

SEC. 18. In case any territory lying outside the corporate limits of any city or town shall be annexed to such city or town in the manner provided by law, it shall be the duty of the registrar of such city or town to notify the county auditor of the county, in writing, of the annexation of such territory to such city or town, giving the boundaries of such annexed territory, and it shall be the duty of the county auditor, upon receiving such notice, to remove the registration cards of all voters residing within the territory annexed to such city or town, in their respective precincts, from the original and duplicate registration files of such precinct and deliver said original and duplicate registration cards to the registrar of such city or town, and such registrar shall insert such cards in the registration files of the proper precincts of such city or town. It shall be the duty of the registrar to mail to each registrant in the new precinct a notice that the precinct has been changed from.....to....., and that thereafter he or she will be entitled to vote in the new precinct, giving the name and number: *Provided*, That if by reason of the fact

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that the location of the residence of any registered voter as shown upon such registration cards is so indefinite that the registrar of such city or town is unable to determine the precinct in which such residence is located, he shall mail a notice thereof to such registered voter, and, if necessary, register him anew.

SEC. 19. It shall be the duty of each registrar, on the first day of December of each even numbered year, or as soon thereafter as is practicable, to examine the registration files in his custody, and if, from such examination, he shall find that any registered voter has failed, for a period of two (2) years preceding, to vote at at least one election, he shall remove the registration cards of such voter from the original and duplicate files, and cancel the same by entering thereon over his signature the words "cancelled for failure to vote for two years" and the date of such cancellation, and shall notify the voter whose registration has been cancelled, by mail, at his last registration address, of the fact that his registration has been cancelled, and that he will not be entitled to vote at any election until he shall have registered anew.

SEC. 20. It shall be the duty of the local registrar of vital statistics in cities of the first class to submit monthly to the registrar of voters a list of the names and addresses, if known, of all persons over twenty-one years of age who have died; and for the registrar of vital statistics of the state to supply monthly such lists for each county of the state, exclusive of cities of the first class, to the county auditor thereof. The county auditor shall prepare from said lists a separate list of deceased persons for each city or town within the county, except cities of the first class, and mail the same to the registrars thereof. The registrar of voters shall compare such lists with the registration records and cancel the registrations of deceased electors.

SEC. 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 pre-

ceding 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 duplicate cards that have been cancelled for a period of ten (10) years or more.

SEC. 22. The provisions of this act shall apply to all elections held for the purpose of electing United States presidential electors, or members of the United States Senate or House of Representatives, and to all elections held for the election, or recall, of any officer of the state, or of any state senatorial or representative district, county, city, town, first or second class school district, port district, metropolitan park district, water district, or other taxing district, except third class school districts and townships in which the officers thereof are elected by the residents thereof as may be provided by law, or held for the submission to the voters of the state, or any county, city, town, first or second class school district, port district, metropolitan park district, water district, or such other taxing district, except third class school districts and townships, of any measure or proposition required by law to be submitted to the voters thereof, and to all primary elections held in the manner provided by law. Whenever any otherwise legally qualified voter shall be registered in the precinct of his residence, as in this act provided, such registration shall be *prima facie* evidence of the right of such registered voter to vote at any such election, until such registration is cancelled, as in this act provided, but such registration shall not be conclusive evidence of the right of any registered person to vote, and such person may be challenged and required to establish his right at the polls in such manner as may be required by law.

SEC. 23. From and after this act goes into effect in any precinct, no per-

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son shall be entitled to vote at any election, specified in section 22 of this act, who is not registered in the precinct of his residence, as provided in this act. Voters registered under existing registration laws of the state shall be permitted to vote at any election that may be held during the year 1933.

SEC. 24. If any person shall appear and offer, or demand the right, to vote at any election, as a registered voter in the precinct where such election is held, the election officers shall require such person to sign his name in one of the official poll books, which shall be designated the voter's signature copy, and shall compare such signature with the signature upon the registration card of the person registered under the same name. If the election officers, or a majority of them, upon comparing such signatures shall be satisfied that the person offering to vote is the identical person registered, they shall permit him to vote: *Provided*, That in case the person registered shall have signed his registration card with a cross or a mark, and such signing is identified by the signature of some other person, as provided in this act, then and in that event, the election officers shall have the right, and it shall be their duty, to require the person offering to vote to be identified by the person who signed the registration card as an identifying witness, or some registered voter of the precinct, and unless such identifying witness is personally known to the election officers, or some of them, they may require such identifying witness to sign his name in the presence of the election officers for the purpose of identification.

SEC. 25. At every election, as each voter casts his vote, the inspector, or one of the judges of election, shall enter on the registration card of such voter in the space provided for that purpose the month, day and year of such election (for example, 11/4/30), which entry may be with pen and ink or by a stamp provided for that purpose.

SEC. 26. If any officer shall willfully neglect or refuse to perform any duty required by this act, or shall willfully neglect or refuse to perform any such duty in the manner required by this act, or shall enter, or cause or permit to be entered on the registration files

of any precinct the name of any person in any other manner, at any other time than as prescribed by this act, or shall enter, or shall cause or permit to be entered, on such files the name of any person not entitled to be registered thereon according to the provisions of this act, or shall destroy, secrete, mutilate, or alter or change any such registration files, except in the manner provided by this act, he shall be guilty of a gross misdemeanor, and in addition to the penalty otherwise provided by law shall forfeit any office he may then hold.

SEC. 27. If any person shall falsely swear, or affirm, in taking the oath, or making the affirmation, prescribed for registration, as in this act provided, or shall falsely personate another and procure himself to be registered as the person so personated, or shall cause himself to be registered under two or more different names, or shall cause any name to be registered otherwise than in the manner provided in this act, he shall be deemed guilty of a felony.

SEC. 28. Each deputy registration officer of a precinct outside the corporate limits of any city or town shall be entitled to receive a fee of ten cents for each elector registered. This fee shall be paid by warrant drawn on the county treasurer by order of the board of county commissioners: *Provided*, That no employee of the county receiving a salary shall be entitled to such fees. The compensation of registrars of cities and towns shall be provided by the governing body of such cities or towns, respectively.

SEC. 29. It shall be the duty of all officers charged by law with the duty of canvassing the returns of elections, upon the completion of the canvass of any such election, to transmit to the registration officer of each county, city and town, respectively, the registration records used at such election and by law required to be returned by the election officers to the officials charged with the duty of canvassing the returns of elections.

SEC. 30. Upon the taking effect of this act it shall be the duty of the State Auditor, by and through the Division of Municipal Corporations to prescribe the style, form, color, quality

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and dimensions of all forms, cards and records required to carry out the provisions of this act, and to prescribe the requirements of the cabinets or binders for filing the original and duplicate registration cards; but the State Auditor, by and through the Division of Municipal Corporations, shall not prescribe any particular design for such cabinets or binders; and it shall be the duty of the State Auditor, by and through the Division of Municipal Corporations, to notify the county auditor of each county, and the city comptroller or clerk of each city or town in the state, of the style, form, color, quality and dimensions of forms, cards and records, and the requirements of cabinets and binders prescribed; and it shall be the duty of the registrar of each county, city or town, respectively, to procure and use the cabinets or binders and the forms, cards and records as prescribed by the State Auditor, by and through the Division of Municipal Corporations.

Sec. 31. From and after the second day of January, 1934, the acts and parts of acts enumerated in the following schedule shall be repealed; provided that said acts and parts of acts insofar as they apply to the registration of voters in precincts lying outside of incorporated cities and towns shall continue in effect until the second day of January, 1936:

SCHEDULE

An act entitled "An act to provide for and to regulate the registration of voters in cities and towns, and in pre-

cinets having a voting population of two hundred and fifty (250) or more," approved March 27, 1890, Laws of 1889-90, pages 414-419;

An act entitled "An act to amend section five (5) of an act entitled 'An act to provide for and to regulate the registration of voters in cities and towns, and in precincts having a voting population of two hundred and fifty or more' and declaring an emergency," approved September 11, 1890, Laws of the Special Session held September 3d to 11th, inclusive, 1890;

Section 5 of chapter III (3) of the Laws of 1891, page 4;

Chapter CIV (104) of the Laws of 1891, page 198;

Chapter XLV (45) of the Laws of 1893, pages 72-75;

Chapter CXXIX (129) of the Laws of 1895, page 340;

Chapter CXXXV (135) of the Laws of 1901, pages 284-289;

Chapter 63 of the Laws of 1903, pages 80-81;

Chapter 171 of the Laws of 1905, pages 346-349;

Chapter 118 of the Laws of 1907, pages 216-217;

Chapter 168 of the Laws of 1909, pages 628-629;

Chapter 16 of the Laws of 1915, pages 33-43;

Sections 2, 3, 4, 5, 6, 7, 8, 9, and 11 of chapter 163 of the Laws of 1919, pages 462-469;

Sections 5114 to 5137, both inclusive, of Remington's Compiled Statutes;

Sections 2322 to 2347, both inclusive, of Pierce's 1919 Code.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State, January 9, 1932.

J. GRANT HINKLE, *Secretary of State.*

Initiative Measure No. 61

BALLOT TITLE

"AN ACT relating to intoxicating liquors; amending the statute relating to the sale thereof to minors, but continuing in force the provision that such sales shall be a felony; repealing certain statutes relating to intoxicating liquors and to the importation, receipt, purchase, transportation, manufacture, gift, exchange, possession, use, sale and disposition thereof, and providing that such repeals shall not have the effect of reviving or making effective any law providing for the licensing and operation of saloons."

AN ACT relating to intoxicating liquors, providing penalties; amending section 1 of chapter 200 of the Laws of 1929 and repealing chapter 28 of the Laws of 1903, chapter 2 of the Laws of 1915, chapter 25 of the Laws of 1919, chapter 19 of the Laws of 1917, chapter 122 of the Laws of 1921, chapter 30 of the Laws of 1923, chapter 126 of the Laws of the Extraordinary Session of 1925, chapter 98 of the Laws of 1927, and chapter 68 of the Laws of 1931.

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

SECTION 1. That section 1 of chapter 200 of the Laws of 1929 be amended to read as follows:

Section 1. Every person who shall sell any intoxicating liquor to any minor shall be guilty of a felony.

Sec. 2. That chapter 28 of the Laws of 1903, chapter 2 of the Laws of 1915, chapter 25 of the Laws of 1919, chapter 19 of the Laws of 1917, chapter 122 of the Laws of 1921, chapter 30 of the Laws of 1923, chapter 126 of the Laws of the Extraordinary Session of 1925, chapter 98 of the Laws of 1927, and chapter 68 of the Laws of 1931, (sections 7306, 7307, 7308, 7309, 7310, 7311, 7312, 7313, 7314, 7315, 7316, 7317, 7318, 7319, 7320, 7321, 7322, 7323, 7324, 7325, 7326, 7327, 7328, 7329, 7330, 7331, 7332, 7333, 7334, 7335, 7336, 7337, 7338, 7339, 7340, 7341, 7342, 7343, 7344, 7345 and 7346 of Remington's Compiled Statutes, and sections 7309, 7320-1, 7320-2, 7320-3, 7320-4 and 7320-5 of Remington's Compiled Statutes, 1927 Supplement) be and the same are hereby repealed: *Provided*, That the repeals herein provided for shall not be construed or held to revive or make effective any statute or law providing for the licensing and operation of saloons.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, January 9, 1932.

J. GRANT HINKLE, Secretary of State.

ARGUMENT "AGAINST" INITIATIVE MEASURE NO. 61

(1) Initiative No. 61 is Deceptive and Misleading.

Its title and text fail to reveal its meaning to the average voter. Its sponsors offer no explanation or argument in support. The real repeal purpose is disguised in legal terms. Section 1 is "stage thunder;" it makes no change in the present law. The closing proviso permits the return of the saloon without license or regulation.

(2) Initiative No. 61 Sweeps All State Liquor Control Aside.

It clears the statute books of every state enforcement law, except sale to minors; all laws and penalties, whether voted by the people, or enacted by legislatures, are nullified by this wholesale repeal.

We warn the average voter that Initiative Measure No. 61 bars all state, county and local courts from jurisdiction over liquor crimes and offenses. It relieves all sheriffs, police and constables, all state officers, mayors, prosecuting attorneys, and judges of all obligation to enforce liquor laws.

By approving Initiative No. 61, the state of Washington will declare all forms of liquor traffic free and unrestrained, neither prohibited nor regulated—a veritable liquor chaos!

(3) Initiative No. 61 Protects Every Form of Illicit Liquor Trade.

This is the inevitable result of the repeal of "chapter 28 of Laws of 1903." Through almost thirty years this wholesome law of 1903 has been the bulwark of state authority against the liquor lawbreakers of every description, and their accomplices in associated vices. Initiative No. 61 repeals this law and gives the "bootlegger" and all his nefarious train of illicit liquor makers and vendors, clubs and resorts, "joints and dives"—state immunity from all prosecutions and penalties.

(4) Initiative No. 61 Threatens Four-fold Increase in "Speakeasies," "Blind Pigs," etc.

Maurice Campbell, editor of the Prohibition Repeal Magazine, says: "There are 4,000 'speakeasies' in the state of Washington and 5,000 'speakeasies' in the state of Montana." Admitted for argument's sake.

Montana has one "speakeasy" for each 107 of population; Washington has one "speakeasy" for every 391. Why the difference? Answer: Mon-

tana, six years ago, repealed all state liquor enforcement laws while Washington retains hers in full force. If you want to increase "bootlegging" and "speakeasies," repeal your state liquor laws.

(5) Initiative No. 61 Will Deprive the State of \$950,000 in Gross and \$725,000 in Net Fines.

\$950,000 in gross fines are collected annually from "bootleggers" and other liquor lawbreakers penalized in state and local courts. Approximately \$725,000 of these fines go to the public treasury and state school funds. If Initiative No. 61 is adopted next November, this amount will have to be collected from the taxpayers in added taxes. All liquor cases will have to be tried in Federal courts and all fines and forfeitures turned into the Federal Treasury. Are you going to vote to increase your tax burden?

(6) The Iniquities of Initiative No. 61 are Beyond Remedy for at Least Two Years.

According to the Constitution, the laws repealed by Initiative No. 61 can not be restored, or new remedial, regulative liquor control laws enacted until the Legislature of 1935. And if such remedial laws be then adopted, it requires the signatures of only 30,000 voters to a Referendum Petition which will suspend the operation of any new law until ratified by a majority vote in November, 1936! Hence, we would be faced with four years of nullification and chaos and the loss of approximately a million dollars a year to state and local treasuries—all sunk in an immunity bath for protected "bootleggers."

Why turn backward from a hundred years of progress? Let's not be deluded; the universal experience of mankind is that the liquor traffic must submit to rigid control.

Vote November 8 "AGAINST" Initiative Measure No. 61 and prevent the return of the corrupt saloon and the liquor traffic.

L. J. Colman, James A. Duncan, Paul H. Weyrauch, Mark A. Matthews, Lillian M. Vincent, Albert S. Goss, B. N. Hicks.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 28, 1932.

J. GRANT HINKLE, Secretary of State.

Initiative Measure No. 62

BALLOT TITLE

AN ACT relating to wild animals, wild birds and game fish and providing for state control and regulation thereof; creating a state department of game, providing for the appointment of certain officers in connection therewith and defining their powers and duties; amending chapter 7, Laws of 1921, and chapter 178, Laws Extraordinary Session of 1925, and repealing certain acts and parts of acts.

AN ACT relating to the organization and administration of the state government, creating the department of fisheries, the department of game, and certain offices connected therewith, and defining the powers and duties thereof, and amending chapter 7 of the Laws of 1921, chapter 178 of the Laws of the Extraordinary Session of 1925, and repealing certain acts and parts of acts in relation thereto.

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

SECTION 1. That section 2 of chapter 7 of the Laws of 1921 be amended to read as follows:

Sec. 2. There shall be, and are hereby created, departments of the state government which shall be known respectively as (1) the department of public works, (2) the department of business control, (3) the department of efficiency, (4) the department of taxation and examination, (5) the department of health, (6) the department of conservation and development, (7) the department of labor and industries, (8) the department of agriculture, (9) the department of licenses, * * * (10) the department of fisheries, and (11) the department of game; which departments shall be charged respectively with the execution, enforcement, and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide.

SEC. 2. That section 3 of chapter 7 of the Laws of 1921 be amended to read as follows:

Sec. 3. There shall be a chief executive officer of each of the departments

of the state government created by this act, to be known respectively as, (1) the director of public works, (2) the director of business control, (3) the director of efficiency, (4) the director of taxation and examination, (5) the director of health, (6) the director of conservation and development, (7) the director of labor and industries, (8) the director of agriculture, (9) the director of licenses, * * * (10) the director of fisheries, and (11) the director of game; who, unless otherwise hereinafter specifically provided, shall be appointed by the governor, with the consent of the senate and hold office at the pleasure of the governor: *Provided*, That if the senate be not in session when this act takes effect, and in case a vacancy occurs while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate, when he shall present to the senate his nomination for the office.

SEC. 3. That section 107 of chapter 7 of the Laws of 1921 be amended to read as follows:

Sec. 107. The department of fisheries * * * shall be organized into and consist of, the state fisheries board and * * * the director of fisheries. The director of fisheries * * * shall have charge and general supervision of the department, and shall receive a salary of not to exceed six thousand dollars per annum, and shall have power to appoint and deputize such clerical and other assistants as may be necessary for the general administration of the department. No person shall be eligible to appointment as, or to hold the office of, director of fisheries * * * unless he has general

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knowledge of fishing conditions and of the fishing industry in this state, nor if he has any financial interest in the fishing industry or any industry directly connected therewith.

SEC. 4. That section 114 of chapter 7 of the Laws of 1921 be amended to read as follows:

SEC. 114. The director of fisheries * * * shall have the power to appoint * * * and employ such superintendents, inspectors, engineers, patrolmen, and such clerical and other assistants as may be necessary to carry on the work of the * * * department.

SEC. 5. That section 116 of chapter 7 of the Laws of 1921 be amended to read as follows:

SEC. 116. The director of fisheries * * * shall have the power and it shall be his duty * * * to exercise all the powers and perform all the duties related to food fish and shell fish, now vested in and required to be performed by * * * the director of fisheries and game * * * ; to exercise such other powers and perform such other duties as may be required by law.

SEC. 6. That section 115 of chapter 7 of the Laws of 1921 be amended to read as follows:

SEC. 115. * * * The department of game shall be organized into and 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 shall receive a salary of not to exceed six thousand dollars per annum, and shall have power to 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, and no person shall be eligible to appointment as or hold the office of director of game unless he has practical knowledge of the habits and distribution of the game and game fish of this state.

SEC. 7. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107A.

SEC. 107A. The wild animals, wild birds, and game fish within and in the waters of the state of Washington, shall be preserved, protected, and per-

petuated, and to that end such wild animals and wild birds and game fish shall not be taken at such times or places or by such means or in such manner as will impair the supply thereof.

SEC. 8. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107B.

SEC. 107B. The governor shall have the power and it shall be his duty to 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, unless sooner removed as hereinafter provided, at least three of whom shall be residents of that portion of the state lying east of the summit of the Cascade Mountains, and at least three of whom shall be residents of that portion of the state lying west of the summit of the Cascade Mountains, no two of whom shall be residents of the same county.

Of the members of the commission first appointed, two, one of whom shall be a resident of that portion of the state lying east of the summit of the Cascade Mountains and one of whom shall be a resident of that portion of the state lying west of the summit of the Cascade Mountains, shall be appointed for a term of six years each; two, one of whom shall be a resident of that portion of the state lying east of the summit of the Cascade Mountains, and one of whom shall be a resident of that portion of the state lying 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.

SEC. 9. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107C.

SEC. 107C. 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 shall be

removed, the governor shall file in the office of the secretary of state a complete statement of all charges made against such commissioner, and his findings thereon, together with a complete record of the proceedings, and there shall be no right to review of the same in any court whatsoever.

Sec. 10. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107D.

Sec. 107D. 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 and birds and game fish in the state of Washington, or who shall hold any other elective or appointive office, state, county, or municipal.

Sec. 11. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107E.

Sec. 107E. The state game commission shall have the power and it shall be its duty from time to time, to investigate and determine the habits and distribution of the various species of wild animals and birds and game fish native to or capable of being adapted to the climatic conditions of the state of Washington, and to classify the wild animals as game animals, predatory animals, fur-bearing animals, and to classify the wild birds as game birds, predatory birds, non-game birds, and harmless or song birds.

Sec. 12. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107F.

Sec. 107F. The state game commission shall have the power and it shall be its duty from time to time to adopt, promulgate, amend and/or repeal, and enforce reasonable rules and regulations governing and/or prohibiting the taking of the various classes of game and predatory animals, game birds, predatory birds, non-game birds, and harmless or song birds, and game fish in the respective game areas and throughout the state of Washington: To investigate the geographic, climatic, and biological conditions of the various portions of the state of Washington, and to divide the state into contiguous areas of convenient size and location for administrative purposes,

having the same or similar geographic, climatic, and biological conditions, which areas shall be known as game areas and designated respectively by names appropriate to their geographic location.

Sec. 13. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107G.

Sec. 107G. All laws relating to wild animals and birds and game fish and regulating or prohibiting the times, places, and manner of taking the same and the quantities that may be taken, are hereby repealed as statutes and are hereby constituted and declared to be operative and to remain in force as the rules and regulations of the state game commission, until such time as they or any of them are amended, modified, or repealed by the commission as herein provided.

Sec. 14. That chapter 7 of the Laws of 1921 be further amended by adding thereto, a new section to be known as Sec. 107H.

Sec. 107H. All rules and regulations relating to wild animals and birds and game fish, providing for their protection and conservation, and in force at the time of the taking effect of this act, are hereby constituted and declared to be operative and to remain in force as the rules and regulations of the state game commission, until such time as they or any of them are amended by the commission as herein provided.

Sec. 15. All rules and regulations adopted by the state game commission as above provided, and all amendments to or all modifications or repeals of existing rules and regulations, shall be made and adopted by a two-thirds vote of the entire membership of the commission at a regular meeting, by resolution entered and recorded in the minutes of the commission, and shall be promulgated by publication in a newspaper of general circulation published at the state capitol, which newspaper shall be selected and designated as the official newspaper of the commission, and also by publication for such length of time and in such number of issues as the commission shall designate, in one or more newspapers to be selected and designated by the commission, published and of general circulation within the area affected

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by the rule or regulation adopted, amended, or repealed.

SEC. 16. The director of game shall have the power to appoint and employ and assign to duty in particular areas, such game protectors and deputy game protectors, and appoint such clerical and other assistants as may be necessary to carry on the work of the department.

SEC. 17. The state game commission shall maintain an office at such place in the state as it may designate for the transaction of its business. The state game commission shall hold regular meetings on the first Monday of January, April, July, and October of each year and special meetings at such times as may be called by the chairman or by a two-thirds majority of the members of the commission.

The state game 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 state game 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. At such meeting 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 of game 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. Each member of the state game commission shall receive ten dollars per diem for each day actually spent in the performance of his duties, and his actual necessary traveling and other expenses in going to, attending, and returning from meetings of the commission. The state game commission shall, on or before the last Monday of October 1934 and biennially thereafter, make a full and complete report of the official business transacted by it, which report shall be published in pamphlet form.

SEC. 18. That sections 11, 12, 13, 14 and 15 of chapter 178 of the Laws of

the Extraordinary Session of 1925, are hereby repealed.

SEC. 19. That section 16 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 16. * * * The state game commission shall have the power and authority to 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 of the same, and the distribution of fry and adult game fish in any of the rivers, lakes, and streams of the state and the right to import such spawn, fry and adult fish as may be deemed advisable, and, when so propagated, taken or imported, to distribute the same to the various counties as necessities and adaptabilities may require; and to purchase, sell, lease or exchange all real or personal property; and the right at any season of the year to take any specimen or specimens of game animals, fur-bearing animals, wild birds, or game fish, for informative, scientific or research purposes. The * * * state game commission shall have the power to authorize the importation of * * * game birds and non-game birds, game animals, fur-bearing animals, and game fish, and authority to regulate and license the sale and transportation thereof within the state.

SEC. 20. That section 17 of chapter 178 of the Laws of the Extraordinary Session of 1925, as amended by section 3 of chapter 258 of the Laws of 1927, be amended to read as follows:

SEC. 17. * * * The director of game 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, which 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 per-

son of good moral character and is possessed of sufficient scientific knowledge to warrant the issuance of such permit, and the applicant shall file a bond running to the state of Washington, with good and sufficient surety, to be approved by the *state game commission* * * *, in the penal sum of one thousand dollars (\$1,000.00), and conditioned for the faithful compliance with all the provisions of such permit and of this section. * * * The *director of game* may issue permits without bonds to any accredited representative of any museum or institute of natural history of the United States or of any state or county presenting credentials under the seal of such museum or institute. All permits issued as hereinabove provided, shall be valid for the time limited in such permit, but in no instance for a period of more than one year from the first day of March in the year in which they are issued unless sooner revoked.

It shall be unlawful for any person having a permit issued under the provisions of this section to sell or offer for sale any specimens collected, but the holder of any such permit may exchange such specimen 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 the authorities of another state.

Every holder of such permit who shall violate any of the provisions of this section shall forfeit his permit and the bond required for the issuance of the same and shall be prohibited from being issued a similar permit for a period of five years, and every holder of such permit who shall violate any provision of this act, shall forfeit his permit and shall be prohibited from being issued a similar permit for a period of one year.

Sec. 21. That section 18 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 18. * * * The *director of game*, all *game protectors*, and all *deputy game protectors*, shall have the power and authority to serve and execute all warrants and process of the law issued by the courts in enforcing the provisions of this act, or any other law of this state, relating to preserva-

tion and propagation of game animals, fur-bearing animals, game birds, non-game birds, *harmless or song birds*, game fish and salmon, for the purpose of enforcing this act and any law for the preservation of wild animals and birds and game fish may call to their aid any sheriff, deputy sheriff, constable, police officer or citizen and it shall be the duty of any such officer or person so called upon to render such aid. The * * * *director of game*, all *game protectors*, and all *deputy game protectors*, shall have the power to arrest without a warrant any person or persons found in the act of violating any of the provisions of this act or any law enacted for the purpose of protecting or propagating wild animals or birds, game fish and salmon.

Sec. 22. That section 19 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 19. * * * It shall be the duty of every *game protector*, *deputy game protector*, the sheriff, deputy sheriff, constable, city marshal, and police officer within their respective jurisdictions, to enforce all the provisions of this act and all laws and all *rules and regulations* adopted by the *state game commission* for the protection of game animals, fur-bearing animals, game birds, non-game birds, *harmless or song birds*, game fish and salmon, and such sheriffs, deputy sheriffs, constables, city marshal, police officers, United States game wardens, and any forest officer appointed by the United States government, and each of them by virtue of their election or appointment, are hereby created and constituted ex-officio * * * *deputy game protectors* for their respective jurisdictions.

Sec. 23. That section 20 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 20. * * * All *game protectors*, *deputy game protectors*, sheriff, deputy sheriff, city marshal, constable or police officer, United States game warden or forest officer may without warrant arrest any person found by him violating any of the provisions of this act or any law enacted or any *rule or regulation adopted and promulgated by the state game commission*

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for the purpose of propagating wild animals, wild birds, game fish and salmon.

Sec. 24. That section 21 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 21. * * * Any member of the *state game commission*, the *director of game*, and any *game protector*, *deputy game protector*, sheriff, constable, police officer, or United States game warden, or forest officer, shall have the power to search without warrant, any person, conveyance, vehicle, game bag, game basket, game coat or other receptacle for game or game fish and any cold storage plant, warehouse, market, tavern, boarding-house, restaurant, club, hotel, eating-house, fur store, tannery or other place where he has reason to believe that game animals, fur-bearing animals, game birds, non-game birds, *harmless or song birds*, or game fish or parts thereof are kept for sale, or sold, and to search all packages or boxes, which he has reason to believe contain evidence of violations of this act, and any hindrance or interference with any such officer while engaged in making such search shall be *prima facie* evidence that the person interfering with or hindering such officer is guilty of a violation of this act. Any of the officers above named may at any time seize and take possession of any game fish, game bird, non-game bird, *harmless or song bird*, game animals or fur-bearing animal, or any part thereof, which has been unlawfully caught, taken, or killed or which is unlawfully possessed in violation of the provisions of this act.

Sec. 25. That section 22 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 22. * * * Any member of the *state game commission*, the *director of game*, and all *game protectors*, and *deputy game protectors*, shall have the power and authority to seize without warrant all game birds, non-game birds, *harmless or song birds*, game animals, fur-bearing animals, game fish or parts thereof, taken, killed, transported or possessed contrary to law, and any dog, gun, trap, net, seine, decoy, bait, boat, light, fishing tackle or other device unlawfully used in hunt-

ing, fishing or trapping, or held with intent to use unlawfully in hunting, fishing or trapping, and any court of competent jurisdiction of the county in which the seizure is made shall have the power and jurisdiction in any prosecution for unlawfully hunting, fishing or trapping, in addition to any other penalty provided by law, to confiscate for the use of the * * * *state game commission* * * *, any article so seized and proven to have been unlawfully used or held with intent to unlawfully use, and in case it shall appear upon the sworn complaint of the officer making the seizure that any such articles so seized were not in the possession of any person and that the owner thereof is unknown the court shall have the power and jurisdiction to confiscate 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 action: *Provided*, That all dogs, guns, traps, nets, seines, decoys, baits, boats, lights, fishing tackle, or other device seized under the provisions of this act, unless forfeited, shall be returned, after the completion of the case and the fines, if any assessed, paid.

Sec. 26. That section 23 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 23. * * * The *state game commission* and the *director of game* may secure by purchase, gift, or exchange with the proper authorities of other countries, states, and territories * * * game birds, wild birds, their nests and eggs, game animals, fur-bearing animals, and game fish, fry or spawn for stocking or propagating purposes and may sell or otherwise dispose of game birds, game animals and game fish and salmon spawn so taken. No * * * *game protector* or *deputy game protector* shall sell or give away any game bird, game animal or game fish, eggs, spawn or fry to any person, firm or corporation outside the state of Washington without the written consent so to do by the * * * *director of game* * * *. Provided this section shall not apply to those holding a game farmer's license.

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SEC. 27. That sections 24 and 25 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

SEC. 28. That section 26 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 4 of chapter 253 of the Laws of 1927, be amended to read as follows:

SEC. 26. * * * The *director of game*, by and with the consent and approval in writing of * * * a two-thirds majority of the membership of the *state game commission*, shall have the power to entirely close, or to shorten to such time as * * * he may deem advisable * * * the open season fixed by statute or by any rule or regulation of the *state game commission* for any or all game animals, fur-bearing animals, game birds or game fish within the respective game areas and throughout the state * * * and after such season has been closed or shortened as aforesaid, to re-open the same for all or any portion of the time fixed by statute or any rule or regulation of the *state game commission* which he may deem advisable and shall have the authority to fix the daily, weekly, or season tag limit on any or all game animals, fur-bearing animals, game birds or game fish within any game area or areas or throughout the state * * *

The exercise of power herein granted to close or re-open seasons or fix tag limits shall be by a written order * * * signed by the *director of game* and filed in the office of the *state game commission* and in the office of the auditor of any county affected by the order * * *.

SEC. 29. That section 27 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 27. * * * The *director of game* shall cause to be published the order * * * closing, shortening, or re-opening of any season or seasons, or fix * * * any tag limit, in a newspaper published and of general circulation in each county affected, not less than two weeks prior to the opening of the season as fixed by statute or rule or regulation of the *state game commission* * * *.

SEC. 30. That sections 28 and 29 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

SEC. 31. That section 30 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 30. There is hereby established in the state treasury, a fund to be known as the state game fund, which shall consist of * * * all monies received * * * from fees for the sale of licenses and permits * * * issued under the provisions of this act * * * and all monies received from fines and costs imposed and collected for violations of this act or any statute for the protection of wild animals and birds and game fish and any rule or regulation of the *state game commission* for the protection and propagation of game and game fish * * *. All monies in the state game fund heretofore existing at the time of the taking effect of this act, and all monies in the county game fund of the respective counties at the time of the taking effect of this act, which monies are hereby transferred to and made a part of the state game fund created by this act, and from the taking effect of this act, it shall be the duty of the auditors of the respective counties to draw their warrants on the county treasurers in favor of the state treasurer for any money remaining in the county game fund after the payment of all claims and obligations against such county game funds; to transmit such monies to the state treasurer, to be placed to the credit of the state game fund, created by this act.

It shall be the duty of all state and county officers hereafter receiving any monies in payment of fees for licenses issued under the provisions of this act, or in payment of any fines, penalties, or costs imposed for violations of this act or from rentals or concessions authorized by the provisions of this act or from all monies received from the sale of property, real or personal, heretofore or hereafter acquired for the purpose of protecting, preserving and perpetuating the wild animals, birds or game fish, and authorized by law to be sold and disposed of, to pay the same into the state treasury to be placed to the credit of the state game fund created by this act.

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SEC. 32. That sections 31, 32, and 33 of chapter 178 of the Laws of the Extraordinary Session of 1925 are hereby repealed.

SEC. 33. That section 34 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 34. * * * The *director of game, with the approval of the state game commission*, shall have charge of the construction, control and management of all game farms and game fish hatcheries, trap sites, eyeing stations, rearing ponds, brood ponds, water rights and rights of way for access thereto, including the control of grounds owned or leased for such purposes, and shall have the power to purchase, sell, lease or exchange real or personal property *whenever funds are appropriated for such purpose*, and to acquire real property in the name of the state * * * by gift, lease, purchase, or condemnation in the manner provided by law for the acquisition of properties for public purposes *whenever funds are appropriated for that purpose* * * *.

SEC. 34. That section 35 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 35. * * * The *director of game* shall have the power and authority to acquire by gift, or, *whenever funds are appropriated for such purpose*, by purchase, lease or condemnation in the manner provided by law for condemnation of property for public use, * * * such lands, water supplies, and rights of way therefor, as may be deemed necessary for the use of said commission for hatchery sites, eyeing stations, rearing ponds, brood ponds, trap sites and game animal, fur-bearing animal, game bird, non-game bird and game fish sanctuaries and rights of way to the nearest public highway therefrom, and shall have the right from time to time to sell, convey or lease, or grant concessions upon any property acquired * * * *for such purpose, when in his judgment the property is not needed for use for the purpose for which it was acquired* * * *.

SEC. 35. That chapter 178 of the Laws of the Extraordinary Session of 1925 be further amended by adding

thereto a new section to be known as Section 35A.

SEC. 35A. It shall be the duty of the state game commission upon the taking effect of this act, and upon the organization of the commission and the appointment of the director of game to notify the respective county game commissioners and county auditors, that the state game commission is organized and ready to assume the powers and duties and responsibilities granted or imposed by this act, thereupon the county game commission shall have the power respectively and it shall be its duty by proper instruments of conveyance in writing, to convey to the state, all real and personal property heretofore acquired by the county game commission for the protection, propagation and distribution of wild animals and birds and game fish, and it shall be the duty of the county auditor of each county to draw his warrant upon the county treasurer, payable from the county game fund, in favor of the state treasurer, for the balance of money remaining in the county game fund after the payment of all obligations and claims outstanding against such fund, to be placed to the credit of the state game fund.

SEC. 36. That section 36 of chapter 178 of the Laws of the Extraordinary Session of 1925 is hereby repealed.

SEC. 37. That section 37 of chapter 178 of the Laws of the Extraordinary Session of 1925 as amended by section 5 of chapter 258 of the Laws of 1927, be amended to read as follows:

SEC. 37. All appointees and employees of the * * * *state game commission and the director of game* * * * 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, said bonds and oaths to be filed with the state auditor. * * *

SEC. 38. That section 38 of chapter 178 of the Laws of the Extraordinary Session of 1925, as amended by section 6, of chapter 258 of the Laws of 1927, be amended to read as follows:

Sec. 38. 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 the same or to practice taxidermy for profit, or to receive or to purchase or resell raw furs for profit, or to act as a guide for hire to any person or persons in hunting, trapping or fishing, without first 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, However, That nothing in this act shall prevent any minor under the age of sixteen years, who is an actual resident of this state, from fishing at any time when it is otherwise lawful to fish, and nothing in this act shall be construed as requiring any land owner or leaseholder of any land to obtain or have a license to hunt or trap predatory animals on the premises owned or leased by him and nothing in this act shall be construed as requiring any United States game warden, predatory animal hunter or forest ranger or any * * * member of the state game commission, the director of game, or any game protector or deputy game protector to obtain or have a license to hunt or trap predatory animals at any place within the state at any time.*

The licenses herein provided for shall be issued by * * * or under the authority of the director of licenses, who shall have the power and authority to deputize and invest with authority, the county auditor of any county in the state to issue such licenses and collect the fees therefor, and such county auditors, may upon receipt of the license fees or satisfactory indemnity, place books of blank forms of applications and blank forms of licenses * * * with any reputable citizen of his county, to be issued to applicants for such licenses and shall have authority on or before the first day of December of each year to redeem from such citizens all unused licenses. Each and every person, firm or corporation * * * issuing said licenses, shall return the stub book, filled out application blanks, and statement of game taken the previous year

by each applicant, immediately upon the * * * issuance of the last license therein, in any event prior to the first day of December of each year, to the county auditor and failure so to do shall be a misdemeanor: *Provided further, That nothing in this act shall be construed to prevent any person from hunting or trapping jackrabbits, ground squirrels or pocket gophers without a license, east of the summit of the Cascade Mountains.*

Sec. 39. That chapter 178 of the Laws of the Extraordinary Session of 1925 be further amended by adding thereto a new section to be known as Section 38A.

Sec. 38A. Every license holder shall annually before purchasing a license for the current year deliver a report in writing to the person from whom he is purchasing a hunting and fishing license, the approximate number, as accurately as he can remember if he does not have the exact number, of game birds, game fish, game animals, fur-bearing animals, predatory animals, and predatory birds killed or taken by him during the time for which said license was in force, which report shall be upon blanks furnished for such purpose, which blanks shall be signed by the party making the report, together with his address and the character and number of the license, if known, before he shall be entitled to receive a license for the current year. Every person selling a hunting and fishing license shall require every purchaser of a hunting and fishing license to make a report of his catch or kill, as above specified, for the previous year; which blanks when so filled out shall be transmitted weekly to the director of game.

Sec. 40. That section 39 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

Sec. 39. All licenses issued under the provisions of this act shall be upon such forms and of such material as may be designated by the * * * director of game and the various classes of licenses shall be upon material of such different colors as may be designated by the * * * director of game, which forms, materials and colors shall be designated by the * * * director of game and notice

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of such designation mailed to * * * the director of licenses on or before the first day of * * * December of each year. All blank forms of licenses shall be bound or stapled in "books" of convenient quantities and each blank license shall be printed on a single sheet with the "stub" for the blank form of application for the license.

SEC. 41. That section 41 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 41. * * * *The director of licenses shall authorize and deputize the auditors of the respective counties in the state to receive the fees and issue the licenses hereinafter provided for.*

SEC. 42. That section 42 of chapter 178 of the Laws of the Extraordinary Session of 1925 be amended to read as follows:

SEC. 42. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States, and who has been an actual resident of this state for six months, may by paying to the county auditor the sum of * * * *three dollars (\$3.00)*, 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 the date of its issuance, when it would otherwise be lawful to hunt or fish within said county.

SEC. 43. That section 43 of chapter 178 of the Laws of the Extraordinary

Session of 1925 be amended to read as follows:

SEC. 43. Any citizen of the United States, or person who has in good faith declared his intention of becoming a citizen of the United States, and who has been an actual resident of this state for six months may, by paying to a county auditor the sum of one dollar and fifty cents (\$1.50), obtain a hunting and fishing license which shall entitle the holder thereof to hunt game birds and game animals and fish within the county *in which he resides*, for which such license is issued until the first day of January next following the date of issuance, at any time when it is otherwise lawful to hunt or fish in such county.

SEC. 44. From and after the taking effect of this act, the director of game shall exercise all the powers and perform all the duties in relation to wild animals and birds and game fish, heretofore vested in and required to be performed by the director of fisheries and game, and shall exercise such other powers and perform such other duties as may be provided by law; and from and after the taking effect of this act, the office of the director of fisheries and game, and office of the supervisor of game and game fish, the offices of deputy state game warden, county game commissioner, county game warden, deputy game warden shall be abolished.

SEC. 45. If any provision or section of this act shall be adjudicated to be unconstitutional, such adjudication shall not affect the validity of the act as a whole or any part thereof not adjudicated unconstitutional.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, January 9, 1932.

J. GRANT HINKLE, *Secretary of State*.

Initiative Measure No. 64

BALLOT TITLE

"AN ACT relating to the taxation of real and personal property and limiting the aggregate annual rate of levy thereon, for general state, county, municipal and school district purposes to 40 mills."

AN ACT relating to the taxation of real and personal property and limiting the aggregate annual rate of levy thereon for general state, county, municipal and school district purposes to 40 mills.

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

SECTION 1. Except as hereinafter provided, the aggregate of all tax levies upon real and personal property by the state, county, school district and city or town, shall not in any year exceed forty mills on the dollar of assessed valuation, which assessed valuation shall be fifty per cent of the true and fair value of any such property in money, and the levy by the state shall not exceed five mills, the levy by any county shall not exceed ten mills, including the levy for the county school fund, the levy by or for any school district shall not exceed ten mills, and the levy by any city or town shall not exceed fifteen mills; *Provided*, That nothing herein shall limit the power of any county to levy taxes, at the rate provided by law, for any taxing district, other than a school district, where such taxing district includes less than the whole county; *Provided further*, That the limitations imposed by this section shall not prevent the levy of additional taxes to pay interest or principal on bonds is-

sued by or thru the agency of the state, or any county, city, town or school district, nor the levy of additional taxes to pay interest on, or toward the reduction at the rate provided by statute, of the principal of county, city, town or school district warrants outstanding at the time of the taking effect of this act: *Provided further*, That any county, school district, city or town shall have the power to levy taxes at a rate in excess of the rate specified in this act, when authorized so to do by the electors of such county, school district, city or town by a three-fifths majority of those voting on the proposition at a special election, to be held on the Tuesday next preceding the first Monday in October of the year in which the levy is made, in the manner provided by law for holding general elections, which special election may be called by the board of county commissioners, board of school directors, or council or other governing body of any city or town, by giving notice thereof for two successive weeks by publication and posting in the manner provided by law for giving notices of general elections, at which special election the proposition of authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "YES," and those opposed thereto to vote "NO."

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, January 9, 1932.

J. GRANT HINKLE, *Secretary of State*.

ARGUMENT FOR INITIATIVE MEASURE NO. 64

"THE 40 MILL TAX LIMIT BILL"

It is well recognized that the present taxation situation in this state is intolerable. It is confiscating homes, farms and business properties; retarding the natural development of the state and the increase of population and is keeping out industries which would provide employment for labor.

When this measure becomes the law it will

LIMIT THE AMOUNT OF TAXES TO BE LEVIED ON FARMS, HOMES, AUTOMOBILES AND ALL REAL AND PERSONAL PROPERTY. Unless this be done, an increasing number of owners, in desperation, will let property go for taxes and less revenue will be raised than under this measure.

IT WILL FORCE NECESSARY REDUCTIONS IN THE COST OF GOVERNMENT, but,

It will provide enough revenues for all the necessary and legitimate needs of government if economically and judiciously expended.

It will not prevent the voters in any county, city or school district from raising such additional revenues as desired and approved by a

three-fifths majority at a special election.

It does not repudiate present indebtedness represented by outstanding bonds and warrants.

More than 80,000 persons signed the petition for the purpose of placing this measure on the ballot.

These and other obvious reasons should impel your support of this measure.

VOTE FOR IT AND INDUCE YOUR FRIENDS TO DO LIKEWISE.

Remember—No. 64 on the ballot.

J. W. Wheeler, Seattle.

Ed. Brown, Whatcom County.

T. E. Skaggs, Everett.

L. S. Booth, Seattle.

C. F. Mason, Pres. Federated Improvement Clubs, Tacoma.

Edgar Anderson, Tacoma.

Millard Lemon, Olympia.

Goodbar Jones, Aberdeen.

Arthur A. Anderson, Longview.

P. A. Gaul, Yakima.

E. C. Short, Editor Northwest Dairyman and Farmer.

M. E. Hay, Spokane.

J. G. Frankland, Walla Walla.
Property Owners Association of Washington.

By G. R. SUMPTER,
President.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State, July 15, 1932.

J. GRANT HINKLE, *Secretary of State.*

Initiative Measure No. 69

BALLOT TITLE

"AN ACT relating to and requiring the payment of a graduated tax on the incomes of persons, firms, corporations, associations, joint stock companies and common law trusts, the proceeds therefrom to be placed in the state current school fund and other state funds, as a means of reducing or eliminating the annual tax on general property which now provides revenues for such funds; providing penalties for violation; and making an appropriation from the general fund of the state treasury for paying expenses of administration of the act."

AN ACT relating to taxation; providing for the levying and collecting of an income tax and allocating the revenues derived therefrom so as to reduce other taxation; providing for exemptions and fixing the basis and rate of tax; providing procedure and machinery for the administration thereof; imposing certain duties on the state tax commission; fixing the jurisdiction of the courts in connection with review and appeal under this Act; providing for payment of refunds; fixing penalties for violation of this Act; and making an appropriation for carrying out its provisions.

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

SECTION 1. Existing methods of taxation, primarily based on property holdings, are inadequate, inequitable and economically unsound. Present conditions point the need of a new subject matter for taxation, which should be based on the ability to pay. Earnings for a given period are a fair measure of such ability.

The people of the State of Washington, therefore, exercising herein their supreme power and fundamental right, declare their purpose hereby to tax all annual incomes within the state as such, and not as property.

There shall be assessed, levied, collected and paid annually, a tax on all net income as hereinafter provided, by every person residing within the State of Washington or by his personal representative in case of death; and by

every non-resident of the state, upon such income as is derived from property located or business transacted within the state, except as hereinafter exempted. Every natural person domiciled in the State of Washington, and every other natural person who maintains a permanent place of abode within the state or spends in the aggregate more than seven months of the income year within the state, shall be presumed to be residing within the state for the purposes of determining liability for income taxes.

SEC. 2. (1) The term "person," as used in this act shall mean and include natural persons, fiduciaries and corporations, and the word "corporation" shall mean and include corporations, joint stock companies, associations or common law trusts organized or conducted for profit, unless otherwise expressly stated. When used in this act the term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed as in this act provided. The term "fiscal year" means an accounting period of twelve months ending on the last day of any month other than December. The term "taxable year" includes, in the case of a return made for a fractional part of a year, the period for which such return is made. The term "net income" as used in this act shall mean "gross income" less allowable deductions.

(2) The term "gross income," as used in this act, shall include:

(a) All rent of Washington real estate.

(b) All dividends derived from stocks and all interest derived from money loaned or invested in notes, mortgages, bonds or other evidence of debt of any kind whatsoever: *Provided*, That the term "dividends" as used in this section shall be held to mean all dividends derived from stocks whether paid to its shareholders in cash or property of the corporation.

1. For purposes of this section every distribution is presumed to be made out of earnings or profits to the extent thereof, and from the most recently accumulated earnings or profits.

2. Any earnings or profits accumulated, or increase in value of property accrued, before January 1, 1932, may be distributed exempt from tax, after the earnings and profits accumulated after January 1, 1932, have been distributed; but any such tax-free distribution shall be applied against and reduce the cost or other income tax basis provided in section 2 (5). If such or any similar tax-free distributions exceed such cost or other income tax basis, any excess shall be included in the gross income of the year in which received.

3. Amounts distributed in liquidation of a corporation shall be treated as payment in exchange for the stock, and the gain or loss to the distributee resulting from such exchange shall be determined under the provisions of this paragraph and section 2 (5). No amounts received in liquidation shall be taxed as a gain until the distributee shall have received amounts in liquidation in excess of his cost or other income tax basis provided in section 2 (5), and any such excess shall be taxed as gain in the year in which received. Losses upon liquidation shall be recognized only in the year in which the corporation shall have made its final distribution. For the purposes of this paragraph a corporation shall be considered to be liquidating when it begins to dispose of the assets with which it carried on the business for which it was organized and begins to distribute the proceeds from the disposition of such assets, or the assets themselves, whether or not such disposition and distribution is made pursuant to resolution for dissolution: *Provided*, That any distribution of current earnings of a corporation shall not be considered to be a distribution

in liquidation unless the corporation making such distribution has ceased or is about to cease carrying on the business for which it was organized.

4. All dividends received by any person paid in any property other than cash shall be valued at the fair market value of such property on the date of the distribution.

5. A dividend paid by a corporation in its own capital stock shall not be subject to income tax as a dividend at the time of its receipt by a stockholder; but the sale of such stock may, result in a gain or loss for income tax purposes, and the gain or loss from the sale of such stock and from the sale of the stock with respect to which it was issued, shall be determined as provided in this paragraph and in section 2 (2) (d). For the purpose of determining the profit or loss on the sale or other disposition of stock received as a stock dividend or of the stock with respect to which such stock dividend was issued, the cost or other basis of the old and of the new shares shall be such proportion of the previous cost or other basis of the old stock as is properly allocable to each, under regulations prescribed by the tax commission. If before or after the distribution of any stock dividend, the corporation proceeds to cancel or redeem its stock at such time and in such manner as to make the distribution and cancellation or redemption in whole or in part essentially equivalent to the distribution of a taxable dividend, the amount so distributed in redemption or cancellation of the stock to the extent that it represents a distribution of earnings or profits accumulated after January 1, 1932, shall be treated as a taxable dividend as herein defined.

(c) All wages, salaries or fees derived from services.

(d) All profits derived from the transaction of business or from the sale or other disposition of real estate or other capital assets; *Provided*, That for the purpose of ascertaining the gain or loss resulting from the sale or other disposition of property, real or personal, acquired prior to January 1, 1932 the fair market value of such property as of January 1, 1932, shall be the basis for determining the amount of such gain or loss: *And provided further*, That the basis for

computing the profit or loss on the sale of property acquired by gift after January 1, 1932, shall be the same as it would have been had the sale been made by the last preceding owner who did not acquire it by gift; and in case the taxing officers are unable to ascertain the cost of the property to such prior owner, if acquired after January 1, 1932, then the basis shall be the value thereof at or about the time it was acquired by him, and such value shall be determined from the best information obtainable. In computing profit or loss on the sale of property acquired by descent or by will since January 1, 1932, the appraised value of such property in the administration of the estate of the deceased owner as of the date of his death shall be deemed to be the fair market value of said property at said date. The basis mentioned above shall in cases of sale of property be diminished by the amount of the deduction for exhaustion, wear and tear and depletion which have, since the acquisition of the property, been allowed as deductions under this Act; and such basis shall also be diminished by the amounts of all income deferred by the taxpayer and used to reduce property, and all anticipated losses on such property which have been deducted from taxable income. If property, exclusive of inventories (as raw materials, goods in process and finished goods), as a result of its destruction in whole or in part by fire or other casualty, is involuntarily converted into money which is within one year in good faith, under regulations prescribed by the tax commission, expended in the replacement of the property destroyed or in the acquisition of other property similar or related in service or use to the property so destroyed, or in the establishment of a replacement fund which, within two years from the date of the fire or other casualty is actually expended to replace the property destroyed or in the acquisition of other property similar or related in service or use to the property destroyed, no gain shall be recognized, and in the case of gain the property so replaced or acquired, for purposes of depreciation and all other purposes of taxation, shall be deemed to take the place of the property so destroyed. If any part of the money is not so expended, the

gain, if any, shall be recognized, but in an amount not in excess of the money which is not so expended. A replacement of property by an insurance company shall be deemed to be an expenditure by the taxpayer of insurance moneys received by him from the insurance company for the purpose of this subsection.

(e) All royalties derived from mines or the possession or use of franchises or legalized privileges of any kind.

(f) If any transfer of a reserve or other account or portion thereof is in effect a transfer to surplus, so much of such transfer as has been accumulated through deductions from the gross or taxable income of the years open to audit under sections 10 and 11 shall be included in the gross or taxable income of such years, and so much of such transfer as has been accumulated through deductions from the gross or taxable income of the years following January 1, 1932, and not open to audit under sections 10 and 11 shall be included in the gross or taxable income of the year in which such transfers were effected.

(g) Life insurance paid to the insured, and insurance paid to a corporation or partnership upon policies on the lives of its officers, partners or employees, after deducting from such insurances the cash surrender value thereof on January 1, 1932, and all net premiums paid thereafter and not deducted on Washington income tax returns.

(h) And all other gains, profits or income of any kind derived from any source whatever, except such as are hereinafter exempted.

(i) 1. No gain or loss shall be recognized if stock or securities in a corporation a party to a reorganization are, in pursuance of the plan of reorganization, exchanged solely for stock or securities in such corporation or in another corporation a party to the reorganization.

2. No gain or loss shall be recognized if a corporation a party to reorganization exchanges property, in pursuance of the plan of reorganization, solely for stock or securities in another corporation a party to the reorganization.

3. No gain or loss shall be recognized if property is transferred to a corporation by one or more persons

solely in exchange for stock in such corporation, and immediately after the exchange such person or persons are in control of the corporation; but in case of an exchange by two or more persons this paragraph shall apply only if the amount of the stock received by each is substantially in proportion to his interest in the property prior to the exchange.

4. If there is distributed, in pursuance of a plan of reorganization to a stockholder in a corporation a party to the reorganization, stock or securities in such corporation or in another corporation a party to the reorganization, without the surrender by such shareholder of stock or securities in such a corporation, no gain to the distributee from the receipt of such stock or securities shall be recognized.

5. The distribution, in pursuance of a plan of reorganization, by a corporation a party to the reorganization, of its stock or securities, or stock or securities in a corporation a party to the reorganization, shall not be considered a distribution of earnings or profits for the purpose of determining the taxability of subsequent distributions by the corporation.

6. The term "reorganization" means (a) a merger or consolidation (including the acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation, or substantially all the properties of another corporation), or (b) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its stockholders or both are in control of the corporation to which the assets are transferred, or (c) a recapitalization, or change in the form of capitalization, or (d) a mere change in identity, form or place of organization, however affected.

7. The term "a party to a reorganization" includes a corporation resulting from a reorganization and includes both corporations in the case of an acquisition by one corporation of at least a majority of the voting stock and at least a majority of the total number of shares of all other classes of stock of another corporation.

8. As used in this section the term "control" means the ownership of at

least eighty per cent of the voting stock and at least eighty per cent of the total number of shares of all other classes of stock of the corporation.

(j) 1. If property involved in transactions described in section 2 (i) 1, 2, (other than stock or securities in a corporation a party to the reorganization) was acquired by a corporation in connection with the reorganization, and immediately after the transfer an interest or control in such property of eighty per cent or more remained in the same persons or any of them, then the basis for determining gain or loss, depletion or depreciation shall be the same as it would be in the hands of the transferor. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2 (i) 1, 2.

2. If property (other than stock or securities in a corporation a party to reorganization) was acquired by a corporation by the issuance of its stock or securities in connection with a transaction described in section 2 the basis shall be the same as it would be in the hands of the transferor. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2, (i) 1, 2.

3. If the property consists of stock or securities distributed to a taxpayer in connection with a transaction described in section 2 (i) 4 the basis in the case of the stock in respect of which the distribution was made shall be apportioned as in the case of stock dividends. This paragraph shall be applicable only when the transaction involved was treated for income tax purposes as provided in section 2, (i) 4.

(3) (a) Persons who customarily estimate their incomes or profits on a basis other than cash receipts and disbursements, may, with the consent and approval of the tax commission, return for assessment and taxation the income or profits earned during the income year, in accordance with the method of accounting regularly employed in keeping their books, except as hereinafter provided; but if no such method of accounting has been employed, or if the method used does not clearly reflect the income taxable under this act, the computation shall be made

upon such basis and in such manner as in the opinion of the tax commission will clearly reflect such income.

(b) The terms "paid" or "actually paid," as used in this act, are to be construed in each instance in the light of the method used in computing taxable income whether on the accrual or receipt basis; *Provided*, That the deduction for federal income and excess profits taxes shall be confined to cash payments made within the year covered by the income tax return, and that reserves for contingent losses or liabilities shall not be deducted.

(c) For the purposes of taxation income from mercantile or manufacturing businesses, not requiring apportionment under section 2 (3) (d) shall follow the situs of the business from which derived. Income derived from rentals and royalties from real estate or tangible personal property, or from the operation of any farm, mine or quarry, or from the sale of real property or tangible personal property shall follow the situs of the property from which derived. All other income, including royalties from patents, income derived from personal services, professions and vocations and from land contracts, mortgages, stocks, bonds and securities or from the sale of similar intangible personal property, shall follow the residence of the recipient, except as provided in section 9.

(d) Persons engaged in business within and without the state shall be taxed only on such income as is derived from business transacted and property located within the state. The amount of such income apportionable to Washington may be determined by an allocation and separate accounting thereof, when, in the judgment of the tax commission, that method will reasonably reflect the income properly assignable to this state, but otherwise in the following manner: There shall first be deducted from the total net income of the taxpayer such part thereof (less related expenses, if any) as follows the situs of the property or the residence of the recipient: *Provided*, That in the case of income which follows the residence of the recipient, the amount of interest and dividends deductible under this provision shall be limited to the total interest and dividends received which are in excess of the total interest (or

related expenses, if any) paid and allowable as a deduction under section 3 during the income year. The remaining net income shall be apportioned to Washington on the basis of the ratio obtained by taking the arithmetical average of the following three ratios:

1. The ratio of the tangible property, real, personal, and mixed, owned and used by the taxpayer in Washington in connection with his trade or business during the income year to the total of such property of the taxpayer owned and used by him in connection with his trade or business everywhere. Cash on hand or in bank, shares of stock, notes, bonds, accounts receivable, or other evidence of indebtedness, special privileges, franchises, good will, or property the income of which is not taxable or is separately allocated, shall not be considered tangible property nor included in the apportionment.

2. In the case of persons engaged in manufacturing or in any form of collecting, assembling, or processing goods and materials within this state, the ratio of the total cost of manufacturing, collecting, assembling, or processing within this state to the total cost of manufacturing, or assembling, or processing everywhere. The term "cost of manufacturing, collecting, assembling, or processing within this state and everywhere," as used herein, shall be interpreted in a manner to conform as nearly as may be to the best accounting practice in the trade or business. Unless in the opinion of the tax commission the peculiar circumstances in any case justified a different treatment, this term shall be generally interpreted to include as elements of cost within this state the following:

- a. The total cost of all goods, materials, and supplies used in manufacturing, assembling, or processing within this state regardless of where purchased.

- b. The total wages and salaries paid or incurred during the income year in this state in such manufacturing, assembling, or processing activities.

- c. The total overhead or manufacturing burden properly assignable according to good accounting practice to such manufacturing, assembling, or processing activities within this state.

3. In the case of trading, mercantile,

or manufacturing concerns the ratio of the total sales made through or by offices, agencies, or branches located in Washington during the income year to the total net sales made everywhere during said income year.

4. Where, in the case of any person engaged in business within and without the State of Washington and entitled to an apportionment of his income as herein provided, it shall be shown, to the satisfaction of the tax commission, that the use of any one of the three ratios above provided for gives an unreasonable or inequitable final average ratio because of the fact that such person does not employ, to any appreciable extent in his trade or business in producing the income taxed, the factors made use of in obtaining such ratio, this ratio may with the approval of the tax commission, be omitted in obtaining the final average ratio which is to be applied to the remaining net income.

5. As used in this section the word "sales" shall extend to and include exchange, and the word "manufacturing" shall extend to and include mining and all processes of fabricating or of curing raw materials. If the income of any such person properly assignable to the State of Washington can not be ascertained with reasonable certainty by either of the foregoing methods, then the same shall be apportioned and allocated under such rules and regulations as the tax commission may prescribe.

(e) A foreign corporation transacting business in the State of Washington shall be deemed a resident of this state for income tax purposes, and its income shall be determined and assessed as if it were incorporated under the laws of Washington notwithstanding its domicile is elsewhere.

(4) Whenever in the opinion of the commission the use of inventories is necessary in order to clearly determine the income of any person, inventory shall be taken by such person upon such basis as the commission may prescribe, conforming as nearly as may be to the best accounting practice in the trade or business and most clearly reflecting the income.

(5) (a) Individuals carrying on business in partnership shall be liable for income tax only in their individual capacity. There shall be included in

computing the income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the income year. Partners shall be required to file individual returns on the basis of a fiscal or calendar year which coincides with that upon which the partnership return is filed.

(b) The net income of the partnership shall be computed in the same manner and on the same basis as provided for computation of the income of persons other than corporations.

Sec. 3. Every corporation, joint stock company or association shall be allowed to make from its gross income the following deductions:

(1) Payments made within the year for wages of employees and salaries of officers if reasonable in amount, for services actually rendered in producing such income: *Provided*, There be reported the name, address and amount paid each such employee or officer residing within this state to whom a compensation of eight hundred dollars or more shall have been paid during the assessment year.

(2) Other ordinary and necessary expenses and cash bonuses to employees, actually paid within the year out of the income in the maintenance and operation of its business and property, a reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence.

In the case of mines, other natural deposits (except oil and gas wells), and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted: *Provided, however*, That in the case of such properties acquired prior to January 1, 1932, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date: *Provided, further*, That in the case of mines discovered by the taxpayer on or after January 1, 1932, and not acquired as the result of a purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based

upon the fair market value of the property at the date of the discovery or within thirty days thereafter; but such depletion allowance based on discovery value shall not exceed fifty percentum of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value; and including also interest paid during the year in the operation of the business from which its income is derived: *Provided*, The debtor reports the amount so paid, the form of the indebtedness, together with the names and addresses of the parties to whom interest was paid, in the manner provided in subsection (3) of Section 8.

(3) Losses actually sustained within the year and not compensated by insurance or otherwise: *Provided*, That no loss resulting from the operation of business conducted without the state, or the ownership of property located without the state, may be allowed as a deduction, *And provided further*, That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or to the destruction of property by fire, flood or other casualty. No deduction shall be allowed under this paragraph for any loss claimed to have been sustained in any sale or other disposition of shares of stock or securities where it appears that within thirty days before or after the date of such sale or other disposition the taxpayer has acquired (otherwise than by bequest or inheritance) or has entered into a contract or option to acquire substantially identical property and the property so acquired is held by the taxpayer for any period after such sale or other disposition. Property of or debts due any banking corporation or association, trust company, mutual savings bank or savings and loan association, ordered charged off or charged down during the taxable year by the examining or supervisory department required by law to examine and supervise such corporations and (or) associations shall be accepted as ascertained losses for the taxable

year to the extent of such orders. Any amounts subsequently realized on such charge offs or charge downs, over and above the order on the particular item, shall be returned for the taxable year in which such realization takes place.

(4) Taxes other than assessments for local improvements, paid during the year upon the business or property from which the income taxed is derived, including therein taxes imposed by the State of Washington and the government of the United States as income, excess or war profits and capital stock taxes or other taxes imposed by the government of the United States: *Provided*, That such portion of the deduction for federal income and excess profits taxes as may be allowable shall be confined to cash payments made within the year covered by the income tax return: *And provided further*, That income taxes imposed by the State of Washington shall accrue for the purpose of this subsection only in the year in which such taxes are assessed.

(5) Dividends, except those provided in section 2 (2) (b) 2 and 3, received from any corporation conforming to all of the requirements of this subsection. Such corporation must have filed income tax returns as required by law and the income of such corporation must be subject to the income tax law of the state. The principal business of the corporation must be attributable to Washington and for the purpose of this subsection any corporation shall be considered as having its principal business attributable to Washington if fifty percent or more of the entire net income or loss of such corporation after adjustment for tax purposes (for the year preceding the payment of such dividends) was used in computing the average taxable income provided by this act. If the net incomes of several affiliated corporations have been combined for the purpose of determining the amount of income subject to taxation under the statute, the location of the principal business of such group shall determine the taxable status of dividends paid, but inter-company dividends passing between affiliated corporations whose incomes are included in the taxable income of the group, shall not be assessed as group income.

(6) Amounts distributed to patrons in any year, in proportion to their

patronage of the same year, by any corporation, joint stock company or association doing business on a co-operative basis (hereinafter called "company"), shall be returned as income or receipts by said patrons but may be deducted by such company as cost, purchase price or refunds: *Provided*, That no such deduction shall be made for amounts distributed to the stockholders or owners of such company in proportion to their stock or ownership, nor for amounts retained by such company and subject to distribution in proportion to stock or ownership as distinguished from patronage.

(7) Contributions or gifts made within the year to the state or any political subdivision thereof for exclusively public purposes, or to any corporations, community chest fund, foundation, or associations, operating within this state, organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of ten per centum of the taxpayer's net income of the calendar or fiscal year as computed without the benefit of this subsection.

SEC. 4. Persons other than corporations, in reporting incomes for purposes of taxation, shall be allowed the following deductions:—

(1) Payments made within the year for wages or other compensation for services actually rendered in carrying on the profession, occupation or business from which the income is derived. But no deductions shall be made for any amount paid for services actually rendered in the carrying on of the profession, occupation or business from which the income is derived unless there be reported the name and address and amount paid each person to whom a sum of eight hundred dollars or more shall have been paid for services during the assessment year. No deduction shall be allowed under this section for any amounts expended for personal, living or family expenses.

(2) The ordinary and necessary expenses actually paid within the year in carrying on the profession, occupation or business from which the income is derived, including a reason-

able allowance for depreciation by use, wear and tear of the property from which the income is derived, and in the case of mines and quarries an allowance for depletion of ores and other natural deposits on the basis of their actual original cost in cash or the equivalent of cash.

(3) Losses actually sustained within the year and not compensated by insurance or otherwise: *Provided*, That no loss resulting from the operation of business conducted without the state, or the ownership of property located without the state, may be allowed as a deduction: *And provided further*, That no loss may be allowed on the sale of property purchased and held for pleasure or recreation and which was not acquired or used for profit, but this proviso shall not be construed to exclude losses due to theft or to the destruction of the property by fire, flood or other casualty. No deduction shall be allowed under this paragraph for any loss claimed to have been sustained in any sale or other disposition of shares of stock or securities where it appears that within thirty days before or after the date of such sale or other disposition the taxpayer has acquired (otherwise than by bequest or inheritance) or has entered into a contract or option to acquire substantially identical property and the property so acquired is held by the taxpayer for any period after such sale or other disposition.

(4) Dividends, except those provided in section 2 (2) (b) 2 and 3, received from any corporation conforming to all of the requirements of this subsection. Such corporation must have filed income tax returns as required by law and the income of such corporation must be subject to the income tax law of this state. The principal business of the corporation must be attributable to Washington and for the purpose of this subsection any corporation shall be considered as having its principal business attributable to Washington if fifty per cent or more of the entire net income or loss of such corporation after adjustment for tax purposes (for the year preceding the payment of such dividends) was used in computing the average taxable income provided by this act. If the net incomes of several affiliated corporations have been combined for the purpose of determining

the amount of income subject to taxation under the statute, the location of the principal business of such group shall determine the taxable status of dividends paid, but inter-company dividends passing between affiliated corporations whose incomes are included in the taxable income of the group, shall not be assessed as group income.

(5) Interest paid within the year on existing indebtedness: *Provided*, The debtor reports the amount so paid, the form of the indebtedness, together with the name and address of the creditor. But no interest shall be allowed as a deduction if paid on an indebtedness created for the purchase, maintenance or improvement of property, or for the conduct of a business, unless the income from such property or business would be taxable under this act.

(6) Taxes other than inheritance and assessments for local improvements upon the property or business from which the income hereby taxed is derived paid by such persons during the year, including therein taxes imposed by the State of Washington or the United States government as income taxes: *Provided*, That such portion of the deduction for federal income taxes as may be allowable shall be confined to cash payments made within the year covered by income tax return: *And provided further*, That income taxes imposed by the State of Washington shall accrue for the purposes of this subsection only in the year in which such taxes are assessed.

(7) Contributions or gifts made within the year to the state or any political subdivision thereof for exclusively public purposes, or to any corporation, community chest fund, foundation, or association operating within this state, organized and operated exclusively for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net income of which inures to the benefit of any private stockholder or individual, to an amount not in excess of ten per centum of the taxpayers' net income of the calendar or fiscal year as computed without the benefit of this subsection.

Sec. 5. (1) There shall be exempt from taxation under this act income as follows, to-wit:

(a) Pensions received from the United States.

(b) All inheritances, devises, bequests, and gifts received during the year.

(c) All insurance received by any person or persons in payment of a death claim by any insurance company, fraternal benefit society or other insurer, except insurance paid to a corporation or partnership upon the policies on the lives of its officers, partners or employees.

(d) Income of all mutual savings banks, mutual loan corporations, building and loan or savings and loan associations or societies (except sums credited to guaranty fund, contingent fund or other reserves of all such corporations or associations), religious, scientific, educational, benevolent or other corporations or associations of individuals not organized or conducted for pecuniary profit.

(e) Income received by the United States, the state and all counties, cities, villages, school districts or other political units of this state.

(f) All other income which may be exempt from a state income tax under the constitution and laws of the United States or constitution of the State of Washington.

(2) There shall be deducted from the tax, after the same shall have been computed according to the rates in section 6, a personal exemption for natural persons:

(a) For an individual, eight dollars.

(b) For husband and wife or head of a family, seventeen dollars and fifty cents. For the purpose of this act, the term "head of a family" means a natural person who maintained a household and supported therein himself and one or more persons who were dependent upon him for support.

(c) For each child under the age of eighteen years who is actually supported by and dependent upon the taxpayer for his support, an additional four dollars.

(d) For each additional person who, by reason of mental or physical disability, is actually supported by and entirely dependent upon the taxpayer for his support an additional four dollars. In computing taxes and the amount of taxes payable by persons residing together as members of a family, except as provided in section 8 (4)

(c), the income of the wife and the income of each child under eighteen years of age shall be added to that of the husband or father, or if he be not living, to that of the head of the family and assessed to him except as hereinafter provided. The taxes levied shall be payable by such husband or head of the family, but if not paid by him may be enforced against any person whose income is included within the tax computation provided for separate returns.

(e) The personal exemptions provided by this section shall be determined by the personal status of a taxpayer on the last day of the year included in the computation of income except as otherwise provided in this act.

(3) (a) There shall be deducted from the tax payable by any natural person, after the tax shall have been computed according to the rates in section 6, a sum equal to the *ad valorem* tax accruing and paid by such taxpayer, during the year for which the return is made, on the premises, either urban or rural, occupied by him as a residence during such taxable year, such deduction, however, not to exceed the sum of fifty dollars. This deduction shall not apply as to taxes paid on premises rented or leased to the taxpayer.

(b) There shall be deducted from the tax payable by any person, after the same shall have been computed according to the rates in section 6, a sum equal to the *ad valorem* taxes (less the amount of any deduction for tax paid on the taxpayer's home) on real and tangible personal property accruing and paid by the taxpayer to the State of Washington or any taxing unit therein, during the year for which the return is made: *Provided, however*, That such sum deducted shall in no event exceed 50 per cent of the tax otherwise payable.

SEC. 6. (1) The tax to be assessed, levied and collected annually upon the taxable incomes of all persons shall be computed at the following rates, to-wit:

(a) On the first one thousand dollars of taxable income or any part thereof, at the rate of one per cent.

(b) On the second one thousand dollars or any part thereof, one and one-fourth per cent.

(c) On the third one thousand dol-

lars or any part thereof, one and one-half per cent.

(d) On the fourth one thousand dollars or any part thereof, two per cent.

(e) On the fifth one thousand dollars or any part thereof, two and one-half per cent.

(f) On the sixth one thousand dollars or any part thereof, three per cent.

(g) On the seventh one thousand dollars or any part thereof, three and one-half per cent.

(h) On the eighth one thousand dollars or any part thereof, four per cent.

(i) On the ninth one thousand dollars or any part thereof, four and one-half per cent.

(j) On the tenth one thousand dollars or any part thereof, five per cent.

(k) On the eleventh one thousand dollars or any part thereof, five and one-half per cent.

(l) On the twelfth one thousand dollars or any part thereof, six per cent.

(m) On any sum of taxable income in excess of twelve thousand dollars, seven per cent.

(2) (a) In assessing back taxes interest shall be added to such taxes at the rate of six per cent per annum from the fifteenth day of March following the year they first became assessable to the date on which such back taxes when subsequently assessed will become delinquent, if unpaid.

(b) In crediting overpayments of income tax against underpayments or against taxes to be subsequently collected and in making refunds of such taxes, interest shall be added at the rate of six per cent per annum from the fifteenth day of March following the date of the payment of such taxes until the date on which such overpayment was entered on the tax roll.

SEC. 7. The salaries of all deputies, assistants or other employees of the state tax commission shall be fixed by the tax commission and all such salaries, with all other expenditures necessary in the enforcement of this act, shall be audited and paid out of the state treasury in the same manner as other similar salaries and state expenses are audited and paid. In the case of hearing held in any county, the board of county commissioners when requested so to do by the tax commission shall provide a suitable room or rooms in the court house or other convenient building at the county seat for

the commission's use and the county shall be entitled to a reasonable rental therefor.

SEC. 8. (1) The tax commission shall assess incomes as provided in this act and in the performance of such duty shall make such rules as shall be necessary and not in conflict with this act and shall provide necessary forms and blanks which shall be used by persons reporting incomes.

(2) Liability to taxation for income which follows the residence of the recipient in the case of persons other than corporations, who move into or out of the state within the year, shall be determined for such year by the ratio of time which the residence of such taxpayer in the state bears to the entire calendar or fiscal year. The deductions for personal exemptions provided for in section 5 shall be prorated on the basis of the time of residence within and without the state. The net income of such person assignable to the state for such year shall be used in determining the income subject to assessment under this Act.

(3) Every corporation, whether taxable under this act or not, shall furnish to the tax commission on forms provided by it a true and accurate statement, on or before March fifteenth of each year (except that returns for fiscal years ending on some other date than December thirty-first, shall be furnished within seventy-five days after the last day of such fiscal year) in such manner and form and setting forth such facts as said commission shall deem necessary to enforce the provisions of this act. Such statement shall be made upon the oath or affirmation of the president, vice-president, or other principal officer and the treasurer of said corporation, and in the case of corporations in liquidation or in the hands of a receiver, such return shall be made upon the oath or affirmation of the person responsible for the conduct of the affairs of such corporation. All corporations doing business in this state shall also file with the tax commission on or before March fifteenth of each year on forms prescribed by the tax commission, a statement of such transfers of its capital stock as have been made by or to residents of this state during the preceding calendar year. Such schedule shall contain the name and address of the seller and the

purchaser, date of transfer, and the number of shares of stock transferred; and such corporations shall also file with the tax commission on or before March fifteenth of each year any information relative to payments made within the preceding calendar year to residents of this state, of salaries, wages, fees, rents, royalties, interest, dividends and liquidating dividends in amounts and in the manner and forms prescribed by the tax commission. Any corporation failing to file any such statement or form shall be subject to a fine of not more than five hundred dollars.

(4) (a) Whenever in the judgment of the tax commission any person other than a corporation shall be subject to income tax under the provisions of this act, the tax commission shall notify such person to make report to it on or before March fifteenth of each year in such manner and form as the tax commission shall prescribe, specifying in detail the amounts of income received by him from all sources, together with the amounts of income received by his dependents, his wife, (except as provided in section 8 (4) (c)) and each child under eighteen years of age residing with him as members of the family, and such other information as the commission shall deem necessary to enforce the provisions of this Act. Every person other than a corporation who receives during the year a net income of eight hundred dollars or over, if single; seventeen hundred-fifty dollars or over, if married; or a gross income of twenty-five hundred dollars or over, regardless of the amount of his net income, must on or before March fifteenth of each year, report the same in the manner and form herein provided to the tax commission whether notified to do so or not, on forms provided by the tax commission and shall be subject to the same penalties for failure to report as those who receive notice: *Provided, however*, That nothing contained in this section shall preclude the tax commission from requiring any person other than a corporation to file an income tax return when in the judgment of the tax commission a return should be filed.

(b) If any person required under this chapter to file an income tax return fails to file such return within the time prescribed by law, or as extended

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under the provisions of subsection (7) of this section, the tax commission shall add to the tax of such person ten dollars in the case of corporations and five dollars in the case of persons other than corporations; and if no tax is assessed against such person the amount of this fee shall be collected as income taxes are collected, and no person shall be allowed in any action or proceeding to contest the imposition of such fee.

(c) Husband and wife may file separate returns or join in a single joint return, each treating one-half of the community income as his or her respective income and, in that event, the exemptions and deductions provided for in subsections (2) and (3) of section 5 shall be allowed but once and divided equally. When separate returns are made, separate tax statements shall be issued to husband and wife.

(5) Every partnership shall furnish to the tax commission a true and accurate statement, on or before March fifteenth of each year, except that returns for fiscal years ending on some other date than December thirty-first, shall be furnished within seventy-five days after the last day of such fiscal year, in such manner and form and setting forth such facts as the tax commission shall deem necessary to enforce the provisions of this chapter. Such statement shall be made upon the oath or affirmation of one of the members of said partnership.

(6) In case of the failure on the part of any person to make a report of income within the time and in the manner prescribed by law, the tax commission may enter an assessment against said person upon ten days' notice in writing in such sum as the tax commission may deem just and equitable. After the entry on such assessment the person assessed shall be forever barred from questioning the correctness of the same in any action or proceeding.

(7) In case of neglect occasioned by the sickness or absence of a person, or of an officer of any corporation required to file a return, or for other sufficient reason, the tax commission may on written request allow such further time for making and delivering such return as they may deem necessary not to exceed thirty days.

(8) Any person required to make an income tax return, who shall fail, neg-

lect or refuse to do so in the manner and form and within the time prescribed by this Act, or shall make a return that does not disclose his entire taxable income, shall be assessed by the tax commission according to its best judgment.

(9) Any person failing to make an income tax report or making an incorrect income tax report, with intent in either case to defeat or evade the income tax assessment required by law, shall be assessed at twice the normal income tax rate by the proper taxing authority. Such increased assessment shall be in addition to all other penalties of section 8. The statute of limitations shall not begin to run as against any such taxpayer until the proper taxing authority shall have made the assessment as herein provided.

(10) If any person, with intent to defeat or evade the income tax assessment required by law, shall fail or refuse to make a return at the time or times hereinbefore specified in each year, or shall render a false or fraudulent return, such person shall be liable to a penalty of not less than one hundred dollars and not to exceed five thousand dollars at the discretion of the court.

(11) Any officer of a corporation required by law to make, render, sign or verify any return, who makes any false or fraudulent return or statement, with intent to defeat or evade the assessment required by this act to be made, shall upon conviction be fined not to exceed five hundred dollars or be imprisoned not to exceed one year, or both, at the discretion of the court, with the cost of prosecution.

(12) Any person, other than a corporation, who fails or refuses to make a return at the time hereinbefore specified in each year or shall render a false or fraudulent return shall upon conviction be fined not to exceed five hundred dollars, or be imprisoned not to exceed one year, or both, at the discretion of the court, together with the cost of prosecution.

(13) Whenever in the judgment of the tax commission, it is deemed necessary that a person subject to an income tax should keep records to show whether or not such person is liable to tax, the tax commission may serve notice upon such person and require

such records to be kept as will include the entire net income of such person and will enable the tax commission to compute the taxable income. Thereafter, any taxes assessed upon information not contained in such records shall carry a penalty of twenty-five per cent of the amount of the tax. Such penalty shall be in addition to all other penalties provided in this Act.

SEC. 9 (1) (a) Every executor and administrator shall file an income tax return with the tax commission. Such executor or administrator shall include in such return:

1. All income received by the decedent during that portion of the year covered by the return preceding the demise of the decedent.

2. All receipts by him from the estate of the deceased during the year covered by the return, if such receipts would have been taxable as income to the decedent, had he survived.

3. All receipts by him during the year from the estate of the deceased accrued at the date of death of the decedent but not reported by the decedent on the accrual basis, if such receipts would have been taxable as income to the decedent had he survived and made the return.

- (b) If any person has been reporting income from any transaction on a deferred basis, the executor or administrator of the estate of such person shall during the administration of the estate of such person, account for the income arising from such transaction on the same basis as such transaction was reported by the decedent prior to his death and in the same manner as the decedent would have accounted for such income, had he survived and made the return. If all of such deferred income has not been reported and accounted for in the income tax returns before the executor or administrator is discharged, he shall report in his last income tax return as income the present value of such deferred income as yet unreported.

- (c) The first return of an executor or administrator shall be filed in the form and manner and within the time that a return should have been filed by the decedent had he survived. Subsequent returns of such executor or administrator shall be filed in the form and within the time that the returns of income are required from persons

other than corporations. The first return of such executor or administrator shall include the income received by the decedent during the portion of the year preceding the demise of deceased and also items specified in section 9 (1) (a), 9 (1) (b) and 9 (1) (e).

- (d) The same personal exemption shall be deducted from the tax of the executor or administrator as would have been deductible from the tax of the decedent under section 5 had he or she survived and made the return, except that,

1. No personal exemption under section 5 (2) (a) and 5 (2) (b) for the decedent shall be allowed except for the year of death.

2. If the decedent at the time of death was actually supporting children under the age of eighteen years, or was actually supporting any other dependent person or persons, the personal exemption deductible under section 5 shall be allowed to the executor or the administrator until such children shall reach the age of eighteen years or until such other person shall cease to be dependent.

- (e) During the period of the administration of the estate, unless the surviving spouse elects to make a separate return, as provided in section 8 (4) (c), the executor shall include in his return the income of the surviving spouse and the income of all children under eighteen years of age, together with the income of any persons actually supported by and dependent upon the estate for support.

- (f) The tax commission shall enter the tax on the income of any decedent or on the income of his executor or administrator, as other taxes are entered and the executor or administrator shall pay such tax when due.

- (2) Guardians shall make returns of income to the tax commission only in case the ward if not under disability would have been required to file such return, which returns shall be made at the same time as returns of persons other than corporations are made, and shall show all the income from all sources received by or for the respective wards whom they represent. The net income of a guardian shall be ascertained in the same manner as the income of other persons is ascertained, and shall be subject to the same deductions for personal exemptions which

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the ward would have been entitled to had he made the return: *Provided*, That if any of such wards are under eighteen years of age and are the children of a person required by this Act to file an income tax return, the personal exemption under section 5 shall be allowed to the guardian. The taxable income of such wards under eighteen years of age so ascertained and assessed to the guardian shall be added to the taxable income of the parent or head of a family as provided in section 5, and the taxes shall be computed on the combined taxable income of such wards under eighteen years of age and parent or head of a family. The tax on the combined taxable income of parent and wards shall be credited with any taxes the guardian may have paid, or is liable for, on the income of any such wards so included in the combined taxable income, and the balance of the tax on such combined taxable income shall be paid as provided in section 5 (2) (d), and if any tax so credited shall not be paid by the guardian when due the parent or head of a family shall pay such tax and such parent shall have the right of reimbursement of such taxes paid as provided in section 9 (5). The taxable income of any ward shall be assessed to the guardian making the report and such guardian shall pay the taxes assessed when due.

(3) Trustees of trust estates created by will or by contract or by declaration of trust or implication of law shall annually make a return of all income received by them as such to the tax commission showing the total taxable income received by them during the year, the names and addresses of distributees and the amounts severally distributable to them whether distributed or not and also the amounts to be accumulated by them for unknown or unborn or undisclosed beneficiaries or for other reasons. The net income received by such trustees shall be ascertained in the same manner as the net income of persons other than corporations, except that the personal exemptions under section 5 (2) (a), (b), (c) and (d) shall not be allowed to such trustee. Distributees who receive or who are entitled to receive any part of such net income shall return the same as income to the tax commission, together with all other income received

by them and shall be assessed thereon as provided by this Act. Such of said distributees as are non-residents of this state shall be assessed on such income as they receive from the trust estate as the income of non-residents is assessed. No personal exemption shall be allowed either resident or non-resident distributees unless they make a claim therefor in their income tax returns made in accordance with the terms of this act showing the total net income.

(4) All nondistributable, or contingently distributable income not distributed shall be assessed to the trustee in the same manner as income of persons other than corporations is assessed, except that the personal exemptions under section 5 (2) shall not be allowed to such trustee.

(5) All income taxes levied against the income of beneficiaries shall be a lien on that portion of the trust estate or interest therein from which the income taxed is derived, and such taxes shall be paid by the fiduciary, if not paid by the distributee, before the same becomes delinquent. Every person who as a fiduciary under the provisions of this chapter pays an income tax, shall have all the rights and remedies of reimbursement for any taxes assessed against him or paid by him in such capacity.

(6) An executor, administrator, guardian or trustee applying to a court having jurisdiction for a discharge from his trust and a final settlement of his accounts, before his application shall be granted, shall file with the tax commission a return of all incomes received in his representative capacity during the time between the last preceding January 1st and the date of his application for discharge and also similar returns of income received by the deceased during each of the years open to audit under sections 10 and 11 if such returns have not heretofore been filed. Upon the receipt of such returns, the income tax assessor shall immediately determine the amount of taxes to become due and shall certify such amount to the court and the court shall thereupon enter an order directing the executor, administrator, trustee or guardian, as the case may be, to pay to the tax commission the amount of tax, if any, found due by the tax commission, and take his receipt therefor. The

receipt of the tax commission shall be evidence of the payment of the tax and shall be filed with the court before a final distribution of the estate is ordered, and the executor, administrator, trustee or guardian is discharged. Any taxes found to be due from the estate for any of the years open to audit under sections 10 and 11 shall be assessed against and paid by the executor or administrator; any taxes found to be due after the executor or administrator is discharged, shall be assessed against and paid by the beneficiaries in the same ratio that their interest in the estate bears to the total estate.

(7) Returns of income required to be made by virtue of the next preceding subsection may be dispensed with by order of the court having jurisdiction in cases where it is clearly evident to the court that no income tax is due or to become due from the trust estate.

(8) A resident who received income from a non-resident fiduciary shall be taxed the same as though such income had been received by such resident without the intervention of a fiduciary; and a resident fiduciary receiving income for a non-resident beneficiary shall report such income to the tax commission.

Sec. 10. (1) The tax commission shall presume the incomes reported on the current return to be correct for the purpose of preparing initial tax rolls, and shall enter on such rolls the computed taxable income. Such tax rolls and all subsequent tax rolls shall remain on file in the office of the tax commission. Additional tax rolls shall be prepared from time to time, which shall include office audits of current returns, initial tax omitted from the first initial roll, initial assessments of fiscal year returns, and corrections made after field audits pursuant to sections 10 and 11.

(2) The tax commission, upon the completion of the tax roll, shall notify each taxpayer by mail of the amount of income taxes appearing on said roll against him, together with the date when such taxes will be due and payable, and the date when such taxes will become delinquent.

(3) All income taxes shall become due and payable as follows:

(a) Initial assessments of taxes on incomes of persons who report on a

calendar year basis may be paid in two installments, each consisting of one-half of the total amount of the tax. The first installment shall be due and payable on June 1st, and the second installment shall be due and payable on or before six months thereafter; and each installment shall be delinquent if not paid at the date when due, as herein provided: *Provided, however*, That in cases where the tax payable does not exceed ten dollars the installment privilege shall not apply.

(b) Initial assessments of taxes on incomes of persons who file on a fiscal year basis may be paid in two installments, each consisting of one-half of the total amount of the tax. The first installment shall be due and payable on the first day of the six months after the close of the fiscal year of such person, and the second installment shall be due and payable on or before six months thereafter; and each installment shall be delinquent if not paid at the date when due, as herein provided: *Provided, however*, That in cases where the tax payable does not exceed ten dollars the installment privilege shall not apply.

(c) Back assessments of income taxes omitted from initial rolls and additional income taxes assessed under sections 10 and 11 shall become due and payable on entry upon the assessment roll.

(d) Income taxes shall become delinquent if not paid within thirty days after the same are due as provided in this chapter, and when delinquent shall be subject to a penalty of two per cent on the amount of the tax and interest at the rate of one per cent per month until paid, and the tax commission shall issue a warrant under its official seal directed to the sheriff of the county wherein the taxpayer resides, if a natural person; or wherein his property is located or income is produced, if a non-resident; or to the county wherein the corporation has its principal place of business or has property, or wherein its income is produced, if a corporation; and shall command him to levy upon and sell the real and personal property of the person owing the same, found within this county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to

the tax commission and pay to it the money collected by virtue thereof by a time to be therein specified, not more than sixty days from the date of the warrant. The sheriff shall within five days after the receipt of the warrant, file with the clerk of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, in the column for judgment debtors, the name of the tax payer mentioned in the warrant, and in appropriate columns the amount of the tax or portion thereof and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to and interest in real property or chattels real of the person against whom it is issued in the same manner as a judgment docketed in the office of such clerk. The said sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for his services in executing the warrant, to be collected in the same manner. In the discretion of the tax commission a warrant of like terms, force and effect may be issued and directed to any agent authorized to collect income taxes, and in the execution thereof such agent shall have all the powers conferred by law upon sheriffs, but shall be entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty. If a warrant be returned not satisfied in full, the tax commission shall have the same remedies to enforce the claim for taxes against the taxpayer as if the people of the state had recovered judgment against the taxpayer for the amount of the tax. Action may be brought at any time by the attorney general of the state at the instance of the tax commission, in the name of the state to recover the amount of any taxes, penalties and interest due under this Act.

(4) The tax commission shall as soon as practicable after each initial tax roll has been completed, audit each return filed, and if it shall be found from such office audit that a person has been over or underassessed, or if it shall be found that no assessment has

been made when one should have been made, the tax commission shall correct or assess the income of such person. Any assessment, correction or adjustment made as a result of such office audit shall be presumed to be the result of an audit of the return only, and such office audit shall not be deemed a verification of any items in said return unless the amount of such item and the propriety thereof shall have been determined after hearing and review as provided in section 12; and such office audit shall not preclude the tax commission from making field audits of the books and records of the taxpayer and from making further adjustment, correction and assessment of income.

(5) The tax commission shall notify the taxpayer, as provided in section 12 of any adjustment, correction and assessment made pursuant to subsection 5 of this section.

(a) If the taxpayer requests a hearing, the additional tax or overpayment shall not be placed on the tax roll until after hearing and determination of the tax by the tax commission or the county board of review.

(b) In all cases where there has been no request for hearing, and after decision where a hearing has been requested, the additional tax or overpayment shall be entered on the next tax roll.

(c) If the tax is increased the tax commission shall proceed to collect the additional tax in the same manner as other income taxes are collected.

(d) If the income tax is decreased the treasurer shall refund to the taxpayer such part of the overpayment as was actually paid in cash. Refunds to which any taxpayer may be entitled under this act, due to overpayments or mistakes in computation or otherwise shall be made to the taxpayer by means of vouchers approved by the tax commission and by the issuance of state warrants drawn upon and payable from such funds as the legislature may provide.

SEC. 11. (1) Whenever in the judgment of the tax commission it is deemed advisable to verify any return directly from the books and records of any person, or from any other sources of information, the tax commission may direct any return to be so verified.

(2) For the purpose of ascertaining the correctness of any return or for the purpose of making a determination of the taxable income of any person, the tax commission shall have power to examine or cause to be examined by any agent or representative designated by it, any books, papers, records, or memoranda bearing on the income of such person, and may require the production of such books, papers, records or memoranda, and require the attendance of any person having knowledge in the premises, and may take testimony under oath and require proof material for their information. Upon such information as it may be able to discover, the tax commission shall determine the true amount of income received during the year or years under investigation.

(3) If it shall appear upon such investigation that a person has been over or underassessed, or that no assessment has been made when one should have been made, the tax commission shall make a correct assessment in the manner provided in section 10.

(4) Additional assessments and corrections of assessments may be made of income of any taxpayer if such corrections are made within seven years after the close of the period covered by the income tax return.

SEC. 12. No additional assessment by office audit or field investigation shall be placed upon the assessment roll without notice in writing to the taxpayer giving him an opportunity to be heard in relation thereto. Such notice shall be served as a superior court summons or by registered mail. Service of such notice by regular mail shall also be sufficient notice of such assessment if receipt thereof is admitted by the person assessed, or if there is other satisfactory evidence of the receipt thereof. Any person feeling aggrieved by such assessment shall be entitled to a hearing before the tax commission in the case of corporations or the county board of review in the case of persons other than corporations, if within twenty days after notice of such assessment he shall apply for such hearing in writing, explaining in detail his objections to such assessment. If no request for such hearing is so made, such assessment shall be final and conclusive. If a request for hearing is made

the taxpayer shall be heard by the tax commission or the board of review as the case may be and after such hearing the tax commission or the board of review shall render its decision regarding such assessment.

SEC. 13. (1) The state tax commission shall appoint three resident taxpayers of each county to serve as a county board of review.

(2) The county clerk shall be clerk of such board, and shall keep an accurate record of all proceedings thereof, including a correct record of all changes in the assessment rolls made by the board. The tax commission shall employ a stenographic reporter to take all evidence given before the board and to extend the same in typewritten form. The county clerk shall preserve in his office a record of all such proceedings, minutes and evidence taken, and all documentary evidence offered, and shall notify the parties to the appeal of the decision of the board of review.

(3) (a) The county board of review of each county, shall meet annually on the last Monday of July at ten o'clock A. M., at the court house in said county to hear complaints, make assessments, and review appeals from assessments of persons other than corporation. A majority shall constitute a quorum. The compensation of such board of review shall be fixed by the tax commission.

(b) No notice of a county board of review meeting shall be published in a newspaper in the county, but the tax commission shall notify the persons whose appeals are to be heard at any one meeting as provided by section 12. Hearings shall be private and attendance thereat shall be limited to the necessary officers and agents of the tax commission, the interested taxpayers or parties and their attorneys and witnesses in each case, together with necessary stenographic or other reporters.

(c) The board may adjourn after it has disposed of all appeals before it, subject to the call of the tax commission for the consideration of other appeals from time to time until the last Monday of the following July when it shall finally adjourn.

(d) Attendance of witnesses and the production of books and papers before said board may be compelled by subpoena, issued by the clerk thereof, a

justice of the peace or a court commissioner.

(4) (a) The board shall receive any statement of the representative of the tax commission or of any other person regarding assessments or changes in assessments, and shall hear and examine, and permit the representative of the tax commission to examine, upon oath, any aggrieved person, entitled to a hearing under section 12 on his assessment, or any other person who shall appear before it in relation to such assessment, or in relation to the failure of any other person to report income, and the board may direct an assessment to be made or increase or decrease any assessment, if satisfied from the evidence submitted.

(b) The board shall not increase any assessments, nor assess any income not assessed by the tax commission unless the person liable for payment of the tax thereon, or his agent, shall have been heard by the board in relation thereto, or unless such person, after notice of hearing shall have failed to appear before the board in relation to such assessment at the time and place specified in such notice.

Sec. 14. No person against whom an assessment of income tax has been made shall be allowed in any action or proceeding either as plaintiff or defendant to question any assessment of income, unless written objections thereto shall first have been presented in good faith to the tax commission, and full disclosure made under oath of any and all income of such party liable to assessment, and unless such person shall have availed himself of the remedies provided in section 12.

Sec. 15. (1) Any person, including the representative of the tax commission, dissatisfied with any determination of the county board of review may appeal within twenty days after the date of such determination to the tax commission, to whom a copy of the record of the board shall be certified, together with all evidence or a copy thereof, relating to such assessment. A copy of the notice of appeal shall be served upon the tax commission.

(2) The tax commission shall review such assessments from the record thus submitted, and shall make necessary corrections and certify its conclusion to the county clerk, who shall duly notify the person liable for the taxes,

and the tax commission shall enter the corrected assessment on the assessment roll.

Sec. 16. (1) The provisions for appeal provided in this section shall be the sole and exclusive remedy for court review of any assessment of income made, corrected or confirmed.

(2) No person against whom any assessment of income has been made, corrected or confirmed shall be allowed in any action or proceeding either as plaintiff or defendant to contest any such assessment unless such person shall first have availed himself of the remedies provided by sections 12, 14 and 15.

(3) Appeals shall be taken to the superior court of the county in which the corporation has its principal place of business or before whose income tax board of review the hearing on the assessment was held.

(4) Such appeal shall be taken within thirty days after written notice of the decision of the tax commission has been given to the taxpayer by registered mail.

(5) Such appeal may be taken by serving a copy of the notice of appeal on the tax commission and by filing the original with the clerk of the superior court of the proper county. Every such notice of appeal shall recite the order, or decision from which such appeal is taken, and shall clearly specify the objections to such assessment, order or decision to be considered on such appeal; such notice of appeal shall also recite in a clear and concise manner the assignments of error alleged by the appellant to have been committed by the tax commission or the county board of review in determining the tax liability of the appellant, together with a clear and concise statement of the facts upon which the appellant relies as constituting the basis of said appeal and of the propositions of law involved.

(6) Within thirty days after the service of such notice of appeal, the tax commission or the county clerk shall return to said court the original, or a certified or photostatic copy of all documents, papers, evidence, statements and exhibits on file in the matter and of all testimony taken therein.

(7) Within thirty days after service of such notice of appeal, the appellant shall serve upon the tax commission a

brief in support of the objections to such assessment, and shall at the same time file a copy thereof with the clerk of the court wherein said appeal is pending. Within sixty days after the service of the appellant's brief the tax commission shall serve an answer upon the appellant or the counsel for the appellant, to the objections raised on such appeal, together with a brief in support of such answer and assessment; and upon the service and filing of such answer and brief, the appeal shall be regarded as at issue.

(8) Said appeal may thereupon be brought on for hearing by either party upon the record made before the tax commission or the county board of review and not otherwise, on ten days' notice to the other, subject, however, to the provisions of law for a change of the place of trial, or the calling in of another judge to preside at such hearing. Upon such hearing the court shall disregard any irregularity, informality or omission not affecting the legal groundwork of the tax, and shall enter an order confirming such assessment and directing judgment in accordance with the terms of said order, unless it shall appear that such assessment was otherwise in whole or in part illegal, and in all actions and proceedings to contest the validity of any such assessment, the proceedings of the tax commission and the county board of review shall be presumed to be legal, and the determination of the tax commission or the county board of review shall not be impaired, vitiated or set aside upon any grounds not affecting the legal groundwork of the tax. If the court shall find that such assessment is in whole or in part illegal, disregarding any irregularity, informality or omission, as hereinbefore provided, it shall direct the tax commission to make such corrections in the assessment as it may in its decision order. Thereupon the court, upon eight days written notice to the adverse party, shall enter judgment in accordance with its decision and such corrected assessment. It shall be the duty of the clerk of any court rendering a decision affecting an income tax assessment to transmit promptly, without charge, two copies of such decision to the tax commission.

(9) Either party may appeal to the supreme court within twenty days

after the entry of such judgment in the manner provided for other appeals from the judgment of the superior court, and all such appeals shall be placed on the calendar of the supreme court, and brought to a hearing in the same manner as other state cases on such calendar. If no such appeal be taken within such period the clerk of the court shall forthwith certify such fact to the tax commission and shall return the record to the tax commission.

(10) The attorney general shall appear for the tax commission in all courts.

(11) As soon as the appellant shall have served notice of appeal to the superior court on the parties provided by this section, such notice shall stay all collection proceedings until final determination of the appeal, but shall not operate to stay the delinquent penalty and interest on unpaid amounts as provided in subsections 12 and 13 of this section.

(12) (a) Any person who shall contest an assessment in court shall state in his notice of appeal what portion if any of the tax is admitted to be legally assessable and correct. The appellant shall forthwith pay to the tax commission the portion of the tax admitted to be regularly assessable and correct and such tax so paid cannot be recovered in the pending appeal or in any other action or proceeding.

(b) Any part of an income tax assessment which is contested in any appeal in court, which the court after hearing shall order to be paid, shall be considered as a delinquent tax from the date on which it would have become delinquent under section 10 if such appeal had not been taken, and any such tax so ordered to be paid shall be subject to a penalty of two per cent on the amount of the tax and interest at the rate of one per cent per month from the date of such delinquency until paid.

(13) After final decision and return of the record to the tax commission, the tax commission shall proceed to collect the taxes in the same manner as other delinquent income taxes are collected.

SEC. 17. (1) The provisions for refunds and credits provided in this section shall be the only method for filing and review of claims for refund of income and no person shall be allowed to bring any action or proceeding what-

ever for the recovery of such taxes other than is provided in this section.

(2) No refund shall be made and no credit shall be allowed for taxes overpaid on income for the years not open to audit under section 11.

(3) No refund shall be made and no credit shall be allowed on any item of income or deduction, assessed as a result of an office audit, the assessment of which shall have become final and conclusive under the provisions of sections 12, 13, 14, 15 or 16, and no refund shall be made and no credit shall be allowed for any year, the income of which was assessed as a result of a field audit, and which assessment has become final and conclusive under the provisions of sections 12, 13, 14, 15, or 16.

(4) It shall not be necessary for any person to file a claim for refund or credit after such refund or credit has been entered on the tax roll.

(5) Every claim for refund or credit of income shall be filed with the tax commission and such claim shall set forth specifically and explain in detail the reasons for the basis of such claim. After such claim has been filed it shall be considered and acted upon in the same manner as are additional assessments made under sections 10 and 11 and if any portion of such claim is disallowed the person filing the same shall have the same right of hearing as is provided in section 12. If after hearing as provided in section 12 any portion of the claim is disallowed and the person filing the same shall have availed himself of the remedies provided in sections 14 and 15, such person shall have the right of appeal to the court but only as provided in section 16.

(6) If the tax commission shall fail or neglect to act on any claim for refund or credit within one year after the receipt thereof, such neglect shall have the effect of allowing such claim and the tax commission shall certify such refund or credit.

SEC. 18. (1) In their return for purposes of assessment persons deriving incomes from within and without the state shall make a separate accounting of the income derived from without the state in such form and manner as the tax commission may prescribe.

(2) The entire taxable income of

every person deriving income from within and without the state when such person resides within the state, shall be combined and aggregated for the purpose of determining the proper rate of taxation. The tax commission shall compute the tax on the combined taxable income of such person.

SEC. 19. The tax commission shall on the next business day following the receipt of any payments under this Act transmit the same to the state treasurer, who shall, upon receipt thereof deposit the same in the state treasury to the credit of the state current school fund and the same shall be used exclusively and entirely for the reduction or elimination of the annual state tax on the general property of the state required by law to be levied for said fund: *Provided, however*, That if at the time required by law for the making of the annual property tax levies for state purposes there shall be sufficient revenue to the credit of the state current school fund to make the levy of a state property tax therefor unnecessary, then in that event no such state property tax for the state current school fund shall be levied and any surplus remaining in said fund over and above the amount required to meet the apportionments from said fund required by law, shall be deposited to the credit of the various funds provided for state institutions of higher learning, in relative proportions as the millages provided in section 1, chapter 82 of the Laws of the Extraordinary Session of 1925, and shall be used exclusively and entirely for the reduction or elimination of the annual state tax on the general property of the state required by law to be levied for said funds: *And provided further*, That any balances remaining shall be applied so as to eliminate all other state property tax levies before any amount of said surplus shall be credited to the state general fund.

SEC. 20. (1) The state tax commission is hereby empowered to make such rules and regulations as it shall deem necessary in order to carry out the provisions of this Act.

(2) The state tax commission is hereby authorized to employ such boards of review, attorneys, clerks, specialists and other assistants as are necessary to carry into effective operation this Act. Salaries and compensa-

tions of such employees shall be charged to the proper appropriation for the tax commission. All expenses of administration of this Act shall be paid out of the general fund.

SEC. 21. Whenever an incorrect income tax assessment has been completed or no assessment has been entered when one should have been entered and such error shall be discovered after the tax roll has been completed, the tax commission may correct such error at any time before the tax becomes delinquent by entering the tax properly due, or if no tax is due, by making an entry to that effect.

SEC. 22. (1) When any corporation liable to taxation under this Act conducts its business in such a manner as either directly or indirectly to benefit the members or stockholders thereof, or any person interested in such business, by selling its products or the goods or commodities in which it deals at less than the fair price which might be obtained therefor; or where the tax commission has reason to believe that any taxpayer so conducts the trade or business as either directly or indirectly to distort the true net income and the net income properly attributable to the state, whether by the arbitrary shifting of income, through price fixing, charges for services or otherwise, whereby the net income is arbitrarily assigned to one or another unit in a group of taxpayers carrying on business under a substantially common control or to one or another unit of the business of a taxpayer, it may require such facts as it deems necessary for the proper computation of the entire net income and the net income properly attributable to the state and in determining the same the tax commission shall have regard to the fair profits which would normally arise from the conduct of the trade or business.

(2) For the purpose of this Act, whenever a corporation which is required to file an income tax return, is affiliated with or related to any other corporation through stock ownership by the same interests, or as parent or subsidiary corporations, or whose income is regulated through contract or other arrangement, the tax commission may require such consolidated statements as in its opinion are necessary in order to determine the taxable in-

come received by any one of the affiliated or related corporations.

SEC. 23. (1) If any clause, sentence, paragraph, subdivision, section or part of this act shall for any reason be adjudged to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

(2) If any tax imposed under this act shall be adjudged to be invalid as to any corporation or class of corporations included within the scope of the general language of the act, such invalidity shall not affect the liability of any corporation or class or corporations as to which such tax has not been adjudged invalid and it is hereby declared that had the invalidity of the tax as to such corporation or class of corporations been considered at the time of the enactment of this Act, the tax herein provided for would nevertheless have been imposed upon all other corporations or classes of corporations within the scope of the general language of the Act.

(3) If it shall be adjudged that any tax imposed upon any taxpayer under the provisions of this Act is invalid because of the inclusion in the net income of the taxpayer according to or by which the tax is ascertained or measured, income of the taxpayer which is by law exempt from direct taxation, such invalidity shall not affect the liability of the taxpayer to a tax according to, or measured by, so much of the income of the taxpayer as is not exempt by law from direct taxation; and it is hereby declared that had it been considered at the time of the enactment of this act that income within the scope of the general language of this act, but not itself subject to direct taxation, could not lawfully constitute the measure or any part of the measure by which a tax imposed under the provisions of this act is ascertained or measured, the tax herein provided would nevertheless have been imposed upon all taxpayers within the purview of this Act, according to and measured by so much of the net income of such taxpayer as may lawfully be included within, or constitute a part of, the measure by which

Initiative Measure No. 69

a tax according to or measured by net income may be computed.

Sec. 24. (a) Except in accordance with proper judicial order, or as otherwise provided by law, it shall be unlawful for the commission, any deputy, agent, auditor, county clerk or board of review or other officer or employee, to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under this Act. Nothing herein shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer who shall bring action to set aside or review the tax based thereon, or against whom any action or proceeding has been instituted to recover any tax or any penalty imposed by this act. Reports and returns shall be preserved for seven years and thereafter until the commission orders them destroyed.

(b) Any offense against subdivision (a) of this section shall be punished by a fine of not exceeding \$1,000.00, or by imprisonment not exceeding one year, or both, at the discretion of the court, and if the offender be an officer or employee of the state he shall be dismissed from office and shall be incapable of holding any public office in this state for a period of five years thereafter.

(c) Notwithstanding the provisions of this section the commission may permit the commissioner of internal revenue of the United States, or the

proper officer of any state imposing an income tax similar to that imposed by this act, or the authorized representative of either such officer, to inspect the income tax returns of any taxpayer, or may furnish to such officer or his authorized representative an abstract of the return of income of any taxpayer or supply him with information concerning any item of income contained in any return, or disclosed by the report of any investigation of the income or return of income of any taxpayer; but such permission shall be granted, or such information furnished, to such officer or his representative only if the statutes of the United States, or of such other state, as the case may be, grant substantially similar privileges to the proper officer of this state charged with the administration of this Act. Every taxpayer shall, upon request of the commission, furnish a copy of the return for the corresponding year, which he has filed or may file with the federal government of the United States, showing his net income and how obtained and the several sources from which derived.

Sec. 25. There is hereby appropriated from the general fund of the State of Washington, the sum of Fifteen Thousand Dollars, or so much thereof as may be necessary, for paying the expenses incurred in the administration of this Act until provision is made therefor by the legislature.

Sec. 26. This Act shall take effect at the time and in the manner provided by law for initiative measures and income earned during the year 1932 shall be taxed under the provisions hereof.

STATE OF WASHINGTON—SS.

Filed in the office of the Secretary of State, March 22, 1932.

J. GRANT HINKLE, *Secretary of State*.

ARGUMENT FOR INITIATIVE MEASURE NO. 69

"NET INCOME TAX"

- (1) It is the fairest of all taxes as it is based on ability to pay.
- (2) It collects nothing from small incomes, little from moderate incomes and reasonable amounts from large incomes.
- (3) It affords relief to all property, now overtaxed, by reducing the state taxes levied for education.
- (4) Every dollar collected automatically reduces the levy on property.
- (5) It does not increase the total amount of taxes to be collected.
- (6) It increases the number who pay taxes directly, making them shareholders in government.
- (7) It is in successful operation in many states, including our neighbors.

Washington is experiencing the most critical tax crisis in her history. Valuations have shrunk 50%; tax delinquencies have increased 35% and costs of government are alarming.

In the face of these facts over 65% of the wealth of the state and 69% of our adult population are paying no direct taxes whatever for state or local government. Many citizens, enjoying substantial incomes, send their children to our schools and enjoy all the protection and benefits of government yet pay nothing towards its support.

Obviously, one of the greatest needs is to spread the burden over a wider base, bringing those who are paying little or nothing to the relief of those overburdened. That is the purpose of Initiative No. 69. Its chief aim is to relieve the excessive burden upon homes, farms and business properties by transferring a portion of the burden to those now paying little or nothing.

The "Barefoot School Boy Law" provides that the state shall raise for the common school fund \$20 per census child for every school child in the state. Thus a definite fixed sum of money is now required, which is raised by a tax levy on real and personal property. Section 19 provides that the money raised by this income tax will go toward supplying this state school fund money and automatically reduce the present tax levy on your property. If there is a remainder of proceeds it will be applied similarly to reduce property levies required for the state institutions of higher learning. The result is sure and definite. No new tax money is produced for anyone to spend.

The provisions of the federal in-

come tax law are largely followed in computing net income. The deductions, exemptions and rates of taxation are clearly set forth in sections 5 and 6 of the bill. Since the measure has as its prime purpose the relief of overburdened property, the home owner is permitted to deduct from his computed income tax, any taxes he has paid on his home up to \$50 and any property owner is permitted to deduct from his computed income tax, any property taxes paid up to half such income tax. This means that the average home owner with a net income of less than \$4,000 would have no income tax to pay. Deductions are provided equivalent to exemptions of \$800 for single men, \$1,600 for married men, and approximately \$400 for each dependent. Corporations including banks are taxed on the same basis as individuals.

Twenty states have adopted income tax laws. Your vote for this measure will enable Washington to step forward with other progressive states towards a solution of the tax problem.

This is not only an emergency measure—it is an economically sound step in a long time tax revision program. It would compel all to pay taxes for the support of state and local government in proportion to their ability to pay.

Washington Tax Equalization.

State Grange, Farmers Union, Farm Bureau Federation, State Agricultural Council, Tax Limit League, Realty Boards, Title Association, Savings & Loan League, Parent Teachers Association, Education Association, Class Room Teachers League, County Commissioners Association, State Federation of Labor, Women's Legislative Council.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State, July 18, 1932.

J. GRANT HINKLE, *Secretary of State.*

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval or Rejection at the

GENERAL ELECTION

TO BE HELD ON

TUESDAY, NOVEMBER 8, 1932

CONCISE STATEMENT

AN AMENDMENT of section 4, Article IV of the constitution, relating to the jurisdiction of the supreme court, by providing that the legislature may from time to time increase the original amount in controversy or the value of the property which shall be requisite to confer appellate jurisdiction in civil actions for the recovery of money or personal property except in certain cases.

SENATE JOINT RESOLUTION No. 11.

Relating to the submission of an amendment of section 4 of article IV of the Constitution of the State of Washington relating to the powers and duties of Supreme Court Judges.

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, 1932, there shall be submitted to the qualified electors of this state, for their adoption and approval, or rejection, an amendment to section 4 of article IV of the Constitution of the State of Washington, so that said section 4 of said article IV when amended shall read as follows:

"Article IV, Section 4. The supreme court shall have original jurisdiction in habeas corpus and *quo warranto* and mandamus as to all state officers, and appellate jurisdiction in all actions and proceedings, excepting that its appellate jurisdiction shall not extend to civil actions at law for the recovery of money or personal property when the original amount in controversy or the value of the property

does not exceed the sum of two hundred dollars, or such greater sum as the legislature may from time to time provide, unless the action involves the legality of a tax, impost, assessment, toll, municipal fine, or the validity of a statute. The supreme court shall also have power to issue writs of mandamus, review, prohibition, habeas corpus, *certiorari*, and all other writs necessary and proper to the complete exercise of its appellate and revisory jurisdiction. Each of the judges shall have power to issue writs of habeas corpus to any part of the state upon petition by or on behalf of any person held in actual custody, and may make such writs returnable before himself, or before the supreme court, or before any superior court of the state, or any judge thereof.

Adopted by the Senate February 6, 1931.

Adopted by the House February 25, 1931.

STATE OF WASHINGTON—*ss.*

Filed in the office of the Secretary of State March 4, 1931.

J. GRANT HINKLE, *Secretary of State.*

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

TUESDAY, NOVEMBER 8, 1932

CONCISE STATEMENT

AN AMENDMENT of sections 2, 3 and 6, Article II and sections 1 and 2, Article XXII of the constitution, relating to the legislature, by fixing the number of members thereof and reapportioning the same until and including the regular session of 1941, providing that thereafter the legislature shall reapportion its members upon the basis of each federal census and that if the legislature fails to act such reapportionment shall be performed by the governor and providing for the election and terms of office of senators.

HOUSE JOINT RESOLUTION NO. 5.

Relating to submitting amendments to the State Constitution, providing for reapportionment of the Legislature.

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, 1932, there shall be submitted to the qualified electors of this state for their adoption and approval, or rejection, amendments to sections 2, 3 and 6 of article II, and sections 1 and 2 of article XXII of the Constitution of the State of Washington, so that the same shall, when amended, read as follows:

ARTICLE II.

Section 2. The House of Representatives shall be composed, prior to and including the session of 1941, of ninety-eight members and the Senate of forty-five members, and at the regular session of 1943 and thereafter, the House of Representatives shall be composed of not to exceed ninety-nine members, and the Senate shall be composed of not to exceed forty-nine members.

Section 3. At the first regular session after each enumeration of the inhabitants of the state made by the authority of the United States, the legislature shall apportion and district anew, in districts of convenient and contiguous territory consecutively numbered, the members of the House of Representatives, according to the number of inhabitants as shown by such enumeration: *Provided*, That each county shall have at least one member of the House of Representatives, and no county shall have more than twenty-one per cent of the maximum membership as above provided, and each representative district shall be of contiguous territory, and no district shall extend into more than one county, and no district shall have more than two representatives, except districts in a county having three or other odd number of representatives, in which case one district may have either one or three representatives.

Section 6. At the first regular session after each enumeration of the inhabitants of the state made by authority of the United States, the legislature shall apportion and district anew, in districts of convenient and contiguous territory, consecutively numbered, the members of the Senate, according to the number of inhabit-

Amendment to the Constitution

ants, as shown by such enumeration: *Provided*, That any county may contain one or more senatorial districts, and a senatorial district may consist of not to exceed three contiguous counties, but no senatorial district shall consist of portions of more than one county, and no representative district shall be divided in the formation of a senatorial district.

At the first regular biennial election after each reapportionment and redistricting, as above provided, a senator shall be elected in each odd-numbered district, for the term of two years beginning on the second Monday in January following such election; and at the regular biennial election immediately preceding the expiration of such term, a senator shall be elected, in such district, for the term of four years, beginning on the second Monday in January following such election; and at the regular biennial election immediately preceding the expiration of such term, a senator shall be elected, in such district, for the term of four years, beginning on the second Monday in January following such election.

At the first regular biennial election after each reapportionment and redistricting, as above provided, a senator shall be elected in each even-numbered district, for the term of four years, beginning on the second Monday in January following such election; and at the regular biennial election immediately preceding the expiration of such term, a senator shall be elected, in such district, for the term of four years, beginning on the second Monday in January following such election; and at the regular biennial election immediately preceding the expiration of such term a senator shall be elected, in such district, for the term of two years, beginning the second Monday in January following such election.

If the legislature, at its first regular session following each decennial [decennial] United States census, shall fail to apportion and district anew the membership of the Senate and House of Representatives, the governor shall, within six months, following the adjournment of said session of the legislature, by proclamation, apportion and district anew the membership of the Senate and House of Representatives,

as hereinabove provided, and said reapportionment made by the governor shall remain in force until the legislature shall make a reapportionment in the manner hereinabove provided.

ARTICLE XXII.

Section 1. Until and including the regular session of 1941, the Senate shall be apportioned into forty-five senatorial districts as follows:

Pend Oreille and Stevens counties shall constitute the first district and shall have one senator;

Spokane county shall include the second, third, fourth, fifth and sixth districts, each of which shall have one senator;

Whitman county shall constitute the seventh district and shall have one senator;

Asotin, Columbia and Garfield counties shall constitute the eighth district and shall have one senator;

Walla Walla county shall constitute the ninth district and shall have one senator;

Ferry and Lincoln counties shall constitute the tenth district and shall have one senator;

Adams, Franklin and Benton counties shall constitute the eleventh district and shall have one senator;

Okanogan and Douglas counties shall constitute the twelfth district and shall have one senator;

Chelan county shall constitute the thirteenth district and shall have one senator;

Kittitas and Grant counties shall constitute the fourteenth district and shall have one senator;

Yakima county shall include the fifteenth and sixteenth districts each of which shall have one senator;

Klickitat and Skamania counties shall constitute the seventeenth district and shall have one senator;

Clark county shall constitute the eighteenth district and shall have one senator;

Cowlitz county shall constitute the nineteenth district and shall have one senator;

Pacific and Wahkiakum counties shall constitute the twentieth district and shall have one senator;

Grays Harbor county shall constitute the twenty-first district and shall have one senator;

Amendment to the Constitution

Lewis county shall constitute the twenty-second district and shall have one senator;

Thurston county shall constitute the twenty-third district and shall have one senator;

Kitsap and Mason counties shall constitute the twenty-fourth district and shall have one senator;

Jefferson and Clallam counties shall constitute the twenty-fifth district and shall have one senator;

Pierce county shall include the twenty-sixth, twenty-seventh, twenty-eighth, twenty-ninth and thirtieth districts, each of which shall have one senator;

King county shall include the thirty-first, thirty-second, thirty-third, thirty-fourth, thirty-fifth, thirty-sixth, thirty-seventh, thirty-eighth, thirty-ninth and fortieth districts, each of which shall have one senator;

Snobomish and Island counties shall constitute the forty-first and forty-second districts, each of which shall have one senator;

Skagit and San Juan counties shall constitute the forty-third district and shall have one senator;

Whatcom county shall include the forty-fourth and forty-fifth districts, each of which shall have one senator.

At its regular session in 1933, the legislature shall define the boundaries of the senatorial districts in counties having more than one senatorial district, as above provided; and in case the legislature fails to define such boundaries, the governor shall, within six months following the adjournment of the legislature, by proclamation, define the boundaries of such senatorial districts, which boundaries shall remain in force until the legislature shall make a reapportionment in the manner provided in Article II of this constitution.

Section 2. Until and including the regular session of 1941, the House of Representatives shall be apportioned into sixty-one representative districts as follows:

Pend Oreille county shall constitute the first district and shall have one representative;

Stevens county shall constitute the second district and shall have one representative;

Spokane county shall include the third, fourth, fifth, sixth and seventh

districts, each of which shall have two representatives;

Whitman county shall constitute the eighth district and shall have two representatives;

Asotin county shall constitute the ninth district and shall have one representative;

Garfield county shall constitute the tenth district and shall have one representative;

Columbia county shall constitute the eleventh district and shall have one representative;

Walla Walla county shall constitute the twelfth district and shall have two representatives;

Franklin county shall constitute the thirteenth district and shall have one representative;

Adams county shall constitute the fourteenth district and shall have one representative;

Lincoln county shall constitute the fifteenth district and shall have one representative;

Ferry county shall constitute the sixteenth district and shall have one representative;

Okanogan county shall constitute the seventeenth district and shall have one representative;

Douglas county shall constitute the eighteenth district and shall have one representative;

Grant county shall constitute the nineteenth district and shall have one representative;

Benton county shall constitute the twentieth district and shall have one representative;

Klickitat county shall constitute the twenty-first district and shall have one representative;

Yakima county shall include the twenty-second and twenty-third districts, each of which shall have two representatives;

Kittitas county shall constitute the twenty-fourth district and shall have one representative;

Chelan county shall constitute the twenty-fifth district and shall have two representatives;

Skamania county shall constitute the twenty-sixth district and shall have one representative;

Clark county shall constitute the twenty-seventh district and shall have two representatives;

Cowlitz county shall constitute the

Amendment to the Constitution

twenty-eighth district and shall have two representatives;

Wahkiakum county shall constitute the twenty-ninth district and shall have one representative;

Pacific county shall constitute the thirtieth district and shall have one representative;

Lewis county shall constitute the thirty-first district and shall have three representatives;

Thurston county shall constitute the thirty-second district and shall have two representatives;

Grays Harbor county shall include the thirty-third district, which shall have two representatives, and the thirty-fourth district, which shall have one representative;

Mason county shall constitute the thirty-fifth district and shall have one representative;

Kitsap county shall constitute the thirty-sixth district and shall have two representatives;

Jefferson county shall constitute the thirty-seventh district and shall have one representative;

Clallam county shall constitute the thirty-eighth district and shall have one representative;

Pierce county shall include the thirty-ninth, fortieth, forty-first, forty-second and forty-third districts, each of which shall have two representatives;

King county shall include the forty-fourth, forty-fifth, forty-sixth, forty-seventh, forty-eighth, forty-ninth, fiftieth and fifty-first districts each of which shall have two representatives and also the fifty-second district which shall have three representatives and the fifty-third district which shall have one representative: *Provided*, That the fifty-second and fifty-third districts shall lie entirely outside of the pres-

ent corporate limits of the city of Seattle.

Snohomish county shall include the fifty-fourth and fifty-fifth districts, each of which shall have two representatives;

Island county shall constitute the fifty-sixth district and shall have one representative;

Skagit county shall include the fifty-seventh district, which shall have two representatives, and the fifty-eighth district which shall have one representative;

San Juan county shall constitute the fifty-ninth district and shall have one representative;

Whatcom county shall include the sixtieth and sixty-first districts, each of which shall have two representatives.

At its regular session in 1933, the legislature shall define the boundaries of the representative districts in counties having more than one representative district, as above provided; and in case the legislature fails to define such boundaries, the governor shall, within six months following the adjournment of the legislature, by proclamation define the boundaries of such representative districts, which boundaries shall remain in force until the legislature shall make a reapportionment in the manner provided in Article II of this constitution.

Adopted by the House March 4, 1931.

Adopted by the Senate March 9, 1931.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 12, 1931.

J. GRANT HINKLE, *Secretary of State*.

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

TUESDAY, NOVEMBER 8, 1932

BALLOT TITLE

"Shall section 23 of Article 2 of the constitution be amended so that it shall provide that the members of the legislature shall receive an annual salary of Five Hundred Dollars (\$500.00)."

SENATE JOINT RESOLUTION NO. 16.

Relating to Compensation of Members
of the State Legislature.

Be It Resolved, By the Senate and the 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, 1932, there shall be submitted to the qualified voters of this state for their adoption and approval, or rejection, an amendment to section 23 of article 2 of the Constitution of the State of Washington so that said section shall read as follows:

Section 23. Each member of the legislature shall receive for his compensation and expenses an annual salary of Five Hundred Dollars (\$500.00), and ten cents for every mile he shall travel in going to and returning from the place of meeting of the legislature, on the most usual route,

There shall be provided on all ballots for said election an opportunity for the people to vote for or against such amendment by means of the following proposition and ballot title:

Shall section 23 of article 2 of the Constitution be amended so that it shall provide that the members of the legislature shall receive an annual salary of Five Hundred Dollars (\$500.00).

Yes ☐

No ☐

Adopted by the Senate March 6, 1931.

Adopted by the House March 10, 1931.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 12, 1931.

J. GRANT HINKLE, *Secretary of State*.

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval
or Rejection at the

GENERAL ELECTION

TO BE HELD ON

TUESDAY, NOVEMBER 8, 1932

CONCISE STATEMENT

AN AMENDMENT of section 1, Article XV of the constitution, relating to harbors and harbor areas, by authorizing the relocation or reestablishment of harbor lines pursuant to such provision as may be made therefor by the legislature and extending the permissible maximum width of harbor areas from 600 to 2,000 feet.

CHAPTER 137.

[H. B. 195.]

CONSTITUTIONAL AMENDMENT RELATING TO HARBORS AND HARBOR AREAS.

AN Act providing for the amendment of Section 1 of Article XV of the Constitution of the State of Washington relating to harbors and harbor areas.

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

SECTION 1. That at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1932, there shall be submitted to the qualified electors of the state, for their approval or rejection, an amendment to section 1 of article XV of the constitution of the State of Washington, so that the same shall read when so amended as follows:

Section 1. The legislature shall provide for the appointment of a commission whose duty it shall be to locate and establish harbor lines in the navigable waters of all harbors, estuaries, bays and inlets of this state, wherever such navigable waters lie within or in front of the corporate limits of any city, or within one mile thereof on either side. Any harbor line so located or established may thereafter be changed, relocated or re-established by

the commission pursuant to such provision as may be made therefor by the legislature. The state shall never give, sell or lease to any private person, corporation, or association any rights whatever in the waters beyond such harbor lines, nor shall any of the area lying between any harbor line and the line of ordinary high water, and within not less than fifty feet nor more than two thousand feet of such harbor line (as the commission shall determine) be sold or granted by the state, nor its rights to control the same relinquished, but such area shall be forever reserved for landings, wharves, streets, and other conveniences of navigation and commerce.

SEC. 2. The secretary of state shall cause the amendment in section 1 of this act to be published for three months next preceding said election in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the House March 7, 1931.

Passed the Senate March 10, 1931.

Signature of the Governor not required.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State March 23, 1931.

J. GRANT HINKLE, *Secretary of State*.

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