commission must approximate the reasonable costs necessary in order to accomplish the purposes of this act. The costs as assessed by the commission shall be a lien on the equipment of the owner or operator of the recreational devices so inspected. The moneys collected by the commission hereunder shall be paid into the general fund.

Nonliability of state—Exercise of police power.

SEC. 8. Inspections, rules, and orders of the department resulting from the exercise of the provisions of this act shall not in any manner be deemed to impose liability upon the state for any injury or damage resulting from the operation of the facilities regulated by this act, and all actions of the department and its personnel shall be deemed to be an exercise of the police power of the state.

Rules and regulations.

SEC. 9. The state parks and recreation commission is empowered to adopt reasonable rules, regulations, and codes relating to public safety in the construction, operation and maintenance of the recreational devices provided for in this act. The rules, regulations and codes authorized hereunder shall be in accordance with established standards, if any, and shall not be discriminatory in their application.

Review of commission orders.

SEC. 10. The procedure for review of the orders or actions of the state parks and recreation commission, its agents or employees, shall be the same as that contained in RCW 81.04.170, 81.04.180, and 81-.04.190.

Passed the House March 11, 1959.
Passed the Senate March 10, 1959.
Approved by the Governor March 24, 1959.

CHAPTER 328.

[Sub. H. B. 373.]

STATE BUDGET AND ACCOUNTING.

AN ACT relating to the state's budget and accounting system; prescribing powers and duties of certain officers and agencies in relation thereto; transferring certain powers and duties; repealing sections 2 through 8, 11 and 12, chapter 9, Laws of 1925, sections 1 through 5, chapter 162, Laws of 1929, and RCW 43.86.010 through 43.86.080, 43.86.110 and 43.86.120; repealing sections 8, 9, 10, 11, and 13, chapter 196, Laws of 1941, sections 8 and 11, chapter 114, Laws of 1947 and RCW 43.87.010 through 43.87.050; and declaring an emergency.

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

Purpose.

SECTION 1. *Purpose.* It is the purpose of this enactment to establish an effective budget and accounting system for all activities of the state government; to prescribe the powers and duties of the governor as these relate to securing such fiscal controls as will promote effective budget administration; and to prescribe the responsibilities of agencies of the executive branch of the state government.

Definitions. "Budget."

SEC. 2. *Definitions.*

(1) "Budget" shall mean a proposed plan of expenditures for a given period or purpose and the proposed means for financing these expenditures;

"Budget document."

(2) "Budget Document" shall mean a formal, written statement offered by the governor to the legislature, as provided in section 3 of this act.

"Budget director."

(3) "Budget Director" shall mean the official appointed by the governor to serve at the governor's pleasure and to whom the governor may delegate necessary authority to carry out the governor's duties as provided in this act. The budget director shall be head of the central budget agency, which shall be in the office of the governor.

"Agency."

(4) "Agency" shall mean and include every state office, officer, each institution, whether educational, correctional or other, and every department, division, board and commission, except as otherwise provided in this act.

"Public funds."

(5) "Public funds", for purposes of this act, shall mean all moneys, including cash, checks, bills, notes, drafts, stocks and bonds, whether held in trust or for operating purposes and collected or disbursed under law, whether or not such funds are otherwise subject to legislative appropriation.

"Regulations."

(6) "Regulations" shall mean the policies, standards and requirements, stated in writing, designed to carry out the purposes of this act, as issued by the governor or his designated agent, and which shall have the force and effect of law.

Contents of budget document.

SEC. 3. *Content of the budget document.*

The budget document shall consist of the following parts:

Part I shall contain the governor's budget message which shall be explanatory of the budget and shall contain an outline of the proposed financial policies of the state for the ensuing fiscal period and shall describe in connection therewith the important features of the budget. The message shall set forth the reasons for salient changes from the previous fiscal period in expenditure and revenue items and shall explain any major changes in financial policy. Attached to the budget message shall be such supporting schedules, exhibits and other explanatory material in respect to both current operations and capital improvements as the governor shall deem to be useful to the legislature.

Part I shall also contain:

As to revenues:

(1) Anticipated revenues classified by fund and source;

(2) Comparisons between revenues actually received during the immediately past fiscal period, those received or anticipated for the current period, and those anticipated for the ensuing period;

(3) Cash surplus, by fund, to the extent provided by section 4 of this act;

(4) Such additional information dealing with revenues as the governor shall deem pertinent and useful to the legislature.

As to expenditures:

(1) Tabulations showing expenditures classified by fund, function, activity and object;

(2) Cash deficit, by fund, to the extent provided by section 5 of this act;

(3) Such additional information dealing with expenditures as the governor shall deem pertinent and useful to the legislature;

Part II shall embrace the detailed estimates of all anticipated revenues applicable to proposed operating expenditures. Part II shall also include all proposed operating expenditures. The total of anticipated revenues shall equal the total of proposed applicable expenditures: *Provided,* That this requirement shall not prevent the liquidation of any deficit existing on the effective date of this act. This part shall further include:

(1) Interest, amortization and redemption charges on the state debt;

(2) Payments of all reliefs, judgments and claims;

(3) Other statutory expenditures;

(4) Expenditures incident to the operation for each agency in such form as the governor shall determine;

(5) Revenues derived from agency operations;

(6) Expenditures and revenues shall be given in comparative form showing those incurred or received for the immediately past fiscal period and

those anticipated for the current and next ensuing periods;

(7) Such other information as the governor shall deem useful to the legislature in gaining an understanding of revenues and expenditures.

Part III shall consist of:

(1) Expenditures incident to current or pending capital projects and to proposed new capital projects, relating the respective amounts proposed to be raised therefor by appropriations in the budget and the respective amounts proposed to be raised therefor by the issuance of bonds during the fiscal period;

(2) A capital program consisting of proposed capital projects for at least the two fiscal periods succeeding the next fiscal period. The capital program shall include for each proposed project a statement of the reason or purpose for the project along with an estimate of its cost;

(3) Such other information bearing upon capital projects as the governor shall deem to be useful to the legislature.

Cash surplus.

SEC. 4. *Cash surplus.* Surplus available for appropriation shall be limited to cash surplus, defined for purposes of this act as any money, assets or other resources available for expenditure over and above any liabilities which are expected to be incurred by the close of the current fiscal period. If the aggregate of estimated revenues for the next ensuing fiscal period, together with the surplus, if any, for the current fiscal period exceeds the applicable appropriations proposed by the governor for the next ensuing fiscal period, the governor shall include in Part I of the budget document his recommendations for the use of said excess of anticipated revenues, and said surplus, over applicable appropriations for the reduction of indebtedness, for the reduction of taxation or for other purposes as in

his discretion shall serve the best interests of the state.

Cash deficit.

SEC. 5. *Cash deficit.* Cash deficit of the current fiscal period is defined for purposes of this act as the amount by which the aggregate of expenditures charged to a fund will exceed the aggregate of receipts credited to such fund in the current fiscal period, less the extent to which such deficit may have been provided for from available reserve funds.

If, for any applicable fund, the estimated revenues for the next ensuing period plus cash surplus shall be less than the aggregate of appropriations proposed by the governor for the next ensuing fiscal period, the governor shall include in Part I of the budget document his proposals as to the manner in which the anticipated deficit shall be met, whether by an increase in the indebtedness of the state, by the imposition of new taxes, by increases in tax rates or an extension thereof, or in any like manner. The governor may provide for orderly liquidation of the currently existing deficit over a period of one or more fiscal periods, if, in his discretion, such manner of liquidation would best serve the public interest.

Legislative review of budget document, bill.

SEC. 6. *Legislative review of budget document and budget bill.* Within five calendar days after the convening of the legislature the governor shall submit the budget document unless such time is extended by the legislature. The governor shall also submit a budget bill which for purposes of this act is defined to mean the appropriations proposed by the governor as set forth in the budget document. Such representatives of agencies as have been designated by the governor for this purpose shall, when requested, by either house of the legislature, appear to be heard with respect to the budget document and the budget bill and to supply such additional information as may be required.

Appropriations.

SEC. 7. *Appropriations.* Appropriations shall be deemed maximum authorizations to incur expenditures but the governor shall exercise all due supervision and control to ensure that expenditure rates are such that program objectives are realized within these maximums.

Adoption of budget.

SEC. 8. *Adoption of budget.* Adoption of the appropriation, or budget, bill by the legislature shall constitute adoption of the budget and the making of appropriations therefor. The budget shall be finally adopted not later than thirty calendar days prior to the beginning of the fiscal period.

Development of budget.

SEC. 9. *Development of budget.* For purposes of developing his budget proposals to the legislature, the governor shall have the power, and it shall be his duty, to require from proper agency officials such detailed estimates and other information in such form and at such times as he shall direct. The estimates for the legislature and the judiciary shall be transmitted to the governor and shall be included in the budget. Estimates for the legislature and for the supreme court shall be included in the budget without revision. In the year of the gubernatorial election, the governor shall invite the governor-elect or his designee to attend all hearings provided in section 11 of this act; and the governor shall furnish the governor-elect or his designee with such information as will enable him to gain an understanding of the state's budget requirements. The governor-elect or his designee may ask such questions during the hearings and require such information as he deems necessary and may make recommendations in connection with any item of the budget which, with the governor-elect's reasons therefor, shall be presented to the legislature in writing with the budget document. Copies of all such estimates and other required information shall also be submitted

to the legislative budget committee. The governor shall also invite the legislative budget committee to designate one or more persons to be present at all hearings provided in section 10. The designees of the legislative budget committee may also ask such questions during the hearings and require such information as they deem necessary.

Executive hearings.

SEC. 10. *Executive hearings.* The governor may provide for hearings on all agency requests for expenditures to enable him to make determinations as to the need, value or usefulness of activities or programs requested by agencies. The governor may require the attendance of proper agency officials at his hearings and it shall be their duty to disclose such information as may be required to enable the governor to arrive at his final determination.

Expenditure programs; allotments; reserves.

SEC. 11. *Expenditure programs; allotments; reserves.* Subsections (1) and (2) of this section set forth the expenditure programs and the allotment and reserve procedures to be followed by the executive branch.

(1) Before the beginning of the fiscal period, all agencies shall submit to the governor a statement of proposed agency expenditures at such times and in such form as may be required by him. The statement of proposed expenditures shall show, among other things, the requested allotments of appropriations for the ensuing fiscal period for the agency concerned for such periods as may be determined by the budget director for the entire fiscal period. The governor shall review the requested allotments in the light of the agency's plan of work and, with the advice of the budget director, he may revise or alter agency allotments: *Provided*, That revision of allotments shall not be made for the following: agencies headed by elective officials; University of Washington; Washington State College; Central Washington College of Education; Eastern Washing-

ton College of Education; and Western Washington College of Education. The aggregate of the allotments for any agency shall not exceed the total of appropriations available to the agency concerned for the fiscal period.

(2) Except for agencies headed by elective officials and for institutions for higher education, as provided in this section, the approved allotments may be revised during the course of the fiscal period in accordance with the regulations issued pursuant to this act. If at any time during the fiscal period the governor shall ascertain that available revenues for the applicable period will be less than the respective appropriations, he shall revise the allotments concerned so as to prevent the making of expenditures in excess of available revenues. To the same end, and with the exception stated in this section for allotments involving agencies headed by elective officials and for institutions for higher education the governor is authorized to withhold and to assign to, and to remove from, a reserve status any portion of an agency appropriation which in the governor's discretion is not needed for the allotment. No expenditures shall be made from any portion of an appropriation which has been assigned to a reserve status except as provided in this section.

(3) It is expressly provided that all agencies shall be required to maintain accounting records and to report thereon in the manner prescribed in this act and under the regulations issued pursuant to this act.

Revenue estimates.

SEC. 12. *Revenue estimates.* Before the beginning of any fiscal period, any agency engaged in the collection of revenues shall submit to the governor statements of revenue estimates at such times and in such form as may be required by him.

When contracts and expenditures prohibited.

SEC. 13. *When contracts and expenditures prohibited.* No agency shall expend or contract to expend any money or incur any liability in excess of the amounts appropriated for that purpose: *Provided,* That nothing in this section shall prevent the making of contracts or the spending of money for capital improvements, nor the making of contracts of lease or for service for a period exceeding the fiscal period in which such contract is made, when such contract is permitted by law. Any contract made in violation of this section shall be null and void.

Lapsing of appropriations.

SEC. 14. *Lapsing of appropriations.* All appropriations shall lapse at the end of the fiscal period to the extent that they have not been expended or lawfully obligated. Any remaining unexpended and unobligated balance of appropriations shall revert to the fund from which the appropriation was made.

Priority of expenditures.

SEC. 15. *Priority of expenditures—appropriated and nonappropriated funds.* For those agencies which make expenditures from both appropriated and nonappropriated funds, the governor is authorized to direct such agencies to charge their expenditures in such ratio, as between appropriated and nonappropriated funds, as will conserve appropriated funds.

Fiscal management—Powers, duties, of officers and agencies.

SEC. 16. *Fiscal management—powers and duties of officers and agencies.* This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this act shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

Fiscal management—Powers, duties, of officers and agencies.

(1) Governor; budget director. The governor, through his budget director, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for comprehensive central accounts in the central budget agency. The budget director may require such financial, statistical and other reports as he deems necessary from all agencies covering any period.

In addition, the budget director, as agent of the governor, shall:

(a) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of manpower and materials; and he shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(b) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(c) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: *Provided,* That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualification requirements for recruitment, appointment, or promotion of employees of any agency. He shall advise and confer with agencies including the legislative budget committee and the legislative council regarding the fiscal impact of such plans and may amend or alter said plans, except that for the

following agencies no amendment or alteration of said plans may be made without the approval of the agency concerned: Agencies headed by elective officials; University of Washington; Washington State College; Central Washington College of Education; Eastern Washington College of Education; and Western Washington College of Education;

(d) Fix the number and classes of positions or authorized man years of employment for each agency and during the fiscal period amend the determinations previously fixed by him, except that he shall not be empowered to fix said number or said classes for the following: Agencies headed by elective officials; University of Washington; Washington State College; Central Washington College of Education; Eastern Washington College of Education; and Western Washington College of Education;

(e) Promulgate regulations to effectuate provisions contained in subsections (a) through (d) hereof.

(2) The treasurer shall:

(a) Receive, keep and disburse all public funds of the state not expressly required by law to be received, kept and disbursed by some other persons: *Provided,* That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Disburse public funds under his supervision or custody by warrant or check;

(c) Keep a correct and current account of all moneys received and disbursed by him, classified by fund or account;

(d) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to issue any warrant or check for public funds in the treasury except upon forms duly prescribed by the budget

Fiscal management—Powers, duties, of officers and agencies.

director. Said forms shall provide for authentication and certification by the agency head or his designee that the services have been rendered or the materials have been furnished and the treasurer shall not be liable under his surety bond for erroneous or improper payments so made. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or his designee in accordance with regulations issued pursuant to this act.

(3) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end he may, in his discretion, examine the books and accounts of any agency, official or employee charged with the receipt, custody or safekeeping of public funds.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make his official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include at least the following:

(i) Determinations as to whether agencies, in making expenditures, complied with the will of the legislature; and

(ii) Such plans as he deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs and generally for an improved level of fiscal management.

(d) Be empowered to take exception to specific expenditures that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public

record, including disclosure to the agency concerned and to the budget director. It shall be the duty of the budget director to cause corrective action to be taken promptly, such action to include, as appropriate, the withholding of funds as provided in section 11 of this act.

(e) Shall promptly report any irregularities to the attorney general.

(4) The legislative budget committee may:

(a) Make post audits of such of the financial transactions as it may determine of any agency and to this end may in its discretion examine the books and accounts of any agency, official, or employee charged with the receipt, custody, or safe keeping of public funds.

(b) Give information to the legislature and legislative council whenever required upon any subject relating to the financial affairs of the state.

(c) Make its official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs and generally for an improved level of fiscal management; and

(iii) A report on the efficiency and accuracy of the post audit operations of the state government.

Refunds.

SEC. 17. Refunds of erroneous or excessive payments. Whenever any law which provides for the collection of fees or other payment by an agency

does not authorize the refund of erroneous or excessive payments thereof, refunds may be made or authorized by the agency which collected the fees or payments of all such amounts received by the agency in consequence of error, either of fact or of law. The regulations issued by the governor pursuant to this act shall prescribe the procedure to be employed in making refunds.

Where appropriations not required.

SEC. 18. Where appropriations not required. Appropriations shall not be required for refunds, as provided in section 17 of this act, nor in the case of payments to be made from trust funds specifically created by law to discharge awards, claims, annuities and other liabilities of the state. A trust fund is defined for purposes of this act as a fund consisting of resources received and held by an agency as trustee, to be expended or invested in accordance with the provisions of the trust. Said funds shall include, but shall not be limited to, the Accident Fund, Medical Aid Fund, Retirement System Fund, Washington State Patrol Retirement Fund and Unemployment Trust Fund. Nor shall appropriations be required in the case of public service enterprises defined for the purposes of this section as proprietary functions conducted by an agency of the state. It shall not be necessary for an appropriation to be made to permit payment of obligations by revolving funds, as provided in section 19 of this act.

Revolving funds.

SEC. 19. Revolving funds. Revolving funds shall not be created by law except to finance the operations of service units, or units set up to supply goods and services to other units or agencies. Such service units where created shall be self-supporting operations featuring continuous turnover of working capital. The regulations issued by the governor pursuant to this act shall prescribe the procedures

to be employed by agencies in accounting and reporting for revolving funds and may provide for the keeping of such funds in the custody of the treasurer.

Public records.

SEC. 20. Public records. All agency records reflecting financial transactions, such records being defined for purposes of this act to mean books of account, financial statements, and supporting records including expense vouchers and other evidences of obligation, shall be deemed to be public records and shall be available for public inspection in the agency concerned during official working hours.

Implementation.

SEC. 21. It is the intent of this act to assign to the governor's office authority for developing and maintaining budgeting, accounting, reporting and other systems necessary for effective expenditure and revenue control among agencies.

To this end:

(1) All powers and duties and functions of the state auditor relating to the disbursement of public funds by warrant or check are hereby transferred to the state treasurer as the governor may direct but no later than ninety days after the start of the next fiscal biennium, and the state auditor shall deliver to the state treasurer all books, records, accounts, equipment, or other property relating to such function. In all cases where any question shall arise as to the proper custody of any such books, records, accounts, equipment or property, or pending business, the governor shall determine the question;

(2) In all cases where reports, notices, certifications, vouchers, disbursements and similar statements are now required to be given to any agency the duties and responsibilities of which are being assigned or reassigned by this act, the same shall be given to the agency or agencies in the manner provided for in this act.

Construction.

SEC. 22. If any part of this act shall be found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state, such conflicting part of this act is hereby declared to be inoperative solely to the extent of such conflict and with respect to the agencies directly affected, and such finding or determination shall not affect the operation of the remainder of this act in its application to the agencies concerned. The rules and regulations under this act shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state.

Legislative committees enumerated.

SEC. 23. For the purposes of this act, the legislative council, the statute law committee, the legislative budget committee, and all legislative interim committees shall be deemed a part of the legislative branch of state government.

Inapplicable to commissions.

SEC. 24. This act shall not apply to the Washington state apple advertising commission, the Washington state fruit commission, the Washington state dairy products commission, or any agricultural commodity commission created under the provisions of chapter 15.66 RCW: *Provided*, That all such commissions shall submit estimates and such other necessary information as may be required for the development of the budget and shall also be subject to audit by the appropriate state auditing agency or officer.

Repeal.

SEC. 25. The following acts or parts of acts are repealed:

(1) Sections 2 through 8, 11 and 12, chapter 9, Laws of 1925, sections 1 through 5, chapter 162, Laws of 1929 and RCW 43.86.010 through 43.86.080, 43.86.110 and 43.86.120;

(2) Sections 8, 9, 10, 11 and 13, chapter 196, Laws of 1941, sections 8 and 11, chapter 114, Laws of 1947 and RCW 43.87.010 through 43.87.050.

Severability.

SEC. 26. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Emergency.

SEC. 27. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 11, 1959.

Passed the Senate March 10, 1959.

Approved by the Governor March 24, 1959.

CHAPTER 329.

[H. B. 599.]

ELECTIONS—VOTERS' AND CANDIDATES' PAMPHLETS.

AN ACT relating to elections and the publication of voters' and candidates' pamphlets and the form and contents thereof; providing procedures in relation thereto; amending section 26, chapter 138, Laws of 1913, as last amended by section 4, chapter 144, Laws of 1933, and RCW 29.79.360; amending section 1, chapter 30, Laws of 1917 and RCW 29.79.370 through 29.79.400; adding new sections to chapter 138, Laws of 1913 and to chapter 29.79 RCW; and repealing RCW 29.79.330, 29.79.340, and 29.79.350; and amending sections 3105 and 3109, Code of 1881 and RCW 29.65.010.

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

New section.

SECTION 1. There is added to chapter 138, Laws of 1913 and to chapter 29.79 RCW a new section to read as follows:

Required contents of voters' pamphlet.

The voters' pamphlet shall contain as to each state measure to be voted upon, the following in the order set forth in this section:

(1) Upon the top portion of the first two opposing pages relating to said measure and not ex-