

## CHAPTER 174.

[H. B. 124.]

## DRAINAGE DISTRICT BONDS: REFUNDING.

AN ACT relating to drainage districts, amending Chapter II of Title XXVII of Remington's Compiled Statutes of Washington by adding thereto nine sections to be numbered 4332-a, 4332-b, 4332-c, 4332-d, 4332-e, 4332-f, 4332-g, 4332-h, 4332-i.

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

SECTION 1. That chapter II of Title XXVII of Remington's Compiled Statutes of Washington, be amended by adding thereto nine sections to be numbered 4332-a, 4332-b, 4332-c, 4332-d, 4332-e, 4332-f, 4332-g, 4332-h, 4332-i, and to read respectively as follows:

Section 4332-a. If any default shall have occurred in the payment of interest or principal of bonds of a drainage district and the board of drainage commissioners finds that any considerable number of owners of assessed lands are not and will not be able to pay assessments sufficient to meet without further default the principal of bonds still outstanding, the district, with the assent of the holders of all outstanding bonds not yet callable for payment, may issue refunding bonds pursuant to the plan prescribed in this and the next following six sections numbered 4332-b, 4332-c, 4332-d, 4332-e, 4332-f, 4332-g, and use the proceeds, together with money derived from assessments, to pay the outstanding bonds. The maturity date of refunding bonds shall be either twelve or seventeen years from their date, as the board shall determine, but they may be paid before maturity as hereinafter provided. Bonds shall be numbered consecutively from one up, be in denominations of \$100.00, \$500.00 or \$1000.00, be dated the first day of the month in which they are

Laws of  
1895: Sec.  
1947-32,  
Pierce's  
Code.

Default in  
payment of  
interest or  
principal.

May issue  
refunding  
bonds.

Proceeds  
to pay out-  
standing  
bonds.

Maturity  
date of re-  
funding  
bonds.

Bonds  
numbered  
consecu-  
tively.

Denomina-  
tions.

Interest payable semi-annually.

issued, be payable to bearer, draw interest evidenced by coupons payable semi-annually at not more than 7% per annum, and be executed in the name and under the seal of the district by the president and the secretary of the board. Interest shall be payable on the first days of January and July of each year except that the first interest-payment date shall be July first of the year following that in which the bonds were issued.

Benefited lands assessed unexhausted maximum benefits.

Section 4332-b. Before issuing refunding bonds the board of drainage commissioners shall assess and levy upon the benefited lands such amount of the unexhausted maximum benefits as in the judgment of the board will be sufficient to enable the district to retire the outstanding bonds and pay the principal and interest of the refunding bonds. The assessment shall be levied and collected in the same manner and constitute a lien of the same kind, effect and rank as assessments theretofore levied, except as hereinafter provided. The levy shall become effective and the lien thereof shall attach specifically to each tract for the full amount of the assessment from and after the time of the delivery to the county assessor of the notice of the levy. The notice shall be delivered to the county assessor on or before the first day of October in the year in which the levy is made, and a duplicate thereof shall be filed with the county treasurer, who thereafter shall accept payments as hereinafter contemplated. If the refunding levy shall not have exhausted the total maximum benefits and the levy for any reason should prove insufficient to pay the refunding bonds at maturity, the board shall levy such further assessment, not exceeding the unexhausted benefits, as may be necessary to insure payment of the bonds in full, which assessment shall be payable with the general taxes next falling due.

Assessment a lien of same character as prior assessments.

Lien attaches to each tract for full assessment.

Notice to county assessor.

Refunding levy insufficient.

Limit of further assessment.

Section 4332-c. As soon as the refunding assessment shall have been levied the board shall publish a notice once a week for three successive weeks in the official newspaper of the county, stating that the assessment has been levied and giving the date and the aggregate amount thereof and stating that the whole or any part of the assessment against any tract of land may be paid to the county treasurer without interest within thirty days after the levy and that the assessment against each tract of land remaining unpaid at the end of that period, plus the sum of any unpaid prior levies with interest to the date of the refunding levy, will be payable in equal annual installments, either ten or fifteen according as the refunding bonds are to mature in twelve or seventeen years after their date. The first publication of the notice shall be made within one week after the date of the levy.

Publication of refunding levy.

Assessment not paid.

Penalty.

Section 4332-d. The whole or any part of a refunding assessment so levied upon any tract of land may be paid without interest at any time within thirty days after the date of the levy. Every such assessment or part thereof not so paid, plus the amount of unpaid prior levies on the same land with interest to the date of the refunding levy, shall thereafter be payable in equal annual installments, either ten or fifteen according as the refunding bonds are to run twelve or seventeen years, with interest on unpaid balances at the rate of seven per cent per annum from the date of the levy. The first installment shall include interest on the whole unpaid amount from the date of the levy to the 31st day of May of the next year, and each subsequent installment shall include interest for another year on the last deferred balance. The first installment shall become due with the general taxes for the year in which the levy was made, and the other installments annually thereafter: *Provided*, That the unpaid amount or bal-

Refunding assessment paid in time without interest.

Delinquent.

Installment payments with interest.

When interest to be paid.

Installments due with general taxes.

No rebate for early payment.

ance against any tract of land, with interest thereon to the next interest-payment date of the refunding bonds which is not less than thirty days off, may be paid at any time. Installments shall be collected with and as if a part of the general taxes falling due at the same time, but no rebate shall be allowed for early payment.

Proceeds to pay outstanding bonds 30 days after levy.

Section 4332-e. Money collected within thirty days after the date of the levy, with any proceeds on hand from former levies, shall be used to pay outstanding bonds. As soon as practicable after the expiration of the thirty-day period, refunding bonds in an amount sufficient, with money previously collected and on hand, to redeem the outstanding bonds shall be executed and sold or exchanged for outstanding bonds. A sale or exchange shall be at not less than par and accrued interest.

Redemption of outstanding bonds with money and refunding bonds.

No exchange at less than par.

Assessment proceeds only to pay interest and principal.

Section 4332-f. After the issuance of refunding bonds, money derived from assessments shall be used only to pay interest and principal of the bonds and shall be kept by the county treasurer in a special fund for that purpose. The treasurer shall pay on each interest date as many bonds, to be taken in their numerical order from one up, as there is money to apply after deducting sufficient to pay interest then accrued due. The bonds to be paid shall be called by the treasurer by the publication of a notice for two successive weeks in the official county newspaper during the thirty days next preceding the interest date, specifying by number the bonds to be paid. Interest on bonds called for payment shall cease on the date so indicated for their payment.

Special fund.

Bonds payable in numerical order.

Bonds called.

Publication of notice.

Refunding bonds to be registered.

Section 4332-g. Before refunding bonds are delivered the county treasurer shall register them in a book kept for that purpose to be known as the bond register, in which shall be entered the number and amount of each bond, the dates of issue, maturity,

Bond register book.

call and payment, the rate of interest, and to whom payable. Proceeds of a sale of bonds shall be paid by the purchaser to the treasurer, and every exchange of refunding bonds for outstanding bonds shall be made through the treasurer.

Sale or exchange of bonds through county treasurer.

Section 4332-h. Assessments levied under this chapter may be entered and carried for collection in rolls separate from the general tax rolls; but if so, references to the assessments must be noted in the general tax rolls and the assessments nevertheless shall be deemed part of the general taxes and be collected therewith; *Provided*, That no rebate for early payment shall be allowed on assessments or installments thereof. Every certificate of delinquency for taxes shall include any unpaid assessment or assessments theretofore levied under this chapter upon the same land or any part thereof, with interest to the date of the certificate, all of which, by reason of the delinquency and the issuance of the certificate, shall be deemed due and payable notwithstanding anything to the contrary in this chapter; and every tax foreclosure and sale shall include all unpaid assessments as if they were part of the general taxes. A foreclosure or sale for taxes or assessments or both shall not relieve the land from liability for future levies against unexhausted maximum benefits.

Assessments levied carried in separate rolls—notation in general tax rolls.

No rebate for early payment.

Tax delinquency certificate to include unpaid assessments.

Tax foreclosure to include unpaid assessments.

Tax sale does not relieve from future levies.

Section 4332-i. When all bonds of a district and all costs of organization, condemnation and construction shall have been paid, any money remaining in the county treasury derived from assessments for those purposes, as well as money thereafter collected on assessments theretofore levied, shall be transferred to the maintenance fund of the district and be used for maintenance purposes.

All bonds redeemed and liabilities paid. Assessment money remaining transferred to district maintenance fund.

Passed the House January 31, 1927.

Passed the Senate February 17, 1927.

Approved by the Governor February 26, 1927.