

CHAPTER 138.

[S. H. B. 160.]

LOCAL IMPROVEMENT GUARANTEE FUNDS IN CITIES OF FIRST CLASS.

AN ACT authorizing cities of the first class to create a fund with which to guarantee the payment of bonds issued against local improvement districts.

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

Fund guaranteeing local improvement bonds.

SECTION 1. Any city of the first class may, by ordinance, create a fund for the purpose of guaranteeing, to the extent of such fund and in the manner hereinafter provided, bonds issued against local improvement districts for the payment of local improvements therein.

Amount of fund.

SEC. 2. Such fund shall be designated as "local improvement guarantee fund," and shall at no time exceed a sum equal to five per cent of the outstanding bond obligations of the local improvement districts of such city issued subsequent to the passage of such ordinance.

Tax levies for fund.

SEC. 3. After the creation of such guarantee fund, the city shall levy from time to time, as other taxes are levied, such sums as may be needed to meet the financial requirements of the fund; and whenever the city shall have paid under its guarantee any sum on account of principal or interest on the bonds of any district, it shall be subrogated to all the rights of the holders of such bonds or interest coupons so paid, and such bonds or coupons and the proceeds thereof shall become part of the guarantee fund.

Subrogation of city on payment of bonds.

Warrants against fund.

Warrants drawing interest at a rate not to exceed six per cent may be issued against said fund to meet any financial liabilities accruing against it, but at the time of making its annual budget and tax levy the city shall provide for the levying of a sum sufficient, with the other resources of the fund, to pay warrants so issued during the preceding fiscal year.

Limitation on power to order local improvements.

SEC. 4. The city council or other legislative body of any city electing to establish a guarantee fund under the provisions of this act shall, in addition to the limitations

imposed by section 7892-12 of Remington & Ballinger's Code, have no power to order an improvement where the estimated cost thereof, together with all other outstanding and unpaid local improvement assessments against the property included in the district, exceeds in amount sixty-five per cent of the assessed valuation of the property in such district as made for general taxation purposes at the last assessment: *Provided, however,* That nothing in this section shall prevent the city council of any city, if otherwise authorized by law, from ordering by a unanimous vote of the council the construction of sanitary sewers where, in the judgment of the council, the same are necessary for public health, and assessing a part or the whole of the cost thereof to the benefited property in the manner provided by law.

Exception as to sanitary sewers.

SEC. 5. Neither the holder nor owner of any bond issued under the provisions of this act shall have any claim therefor against the city by which the same is issued, except for payment from the special assessments made for the improvement for which said bond was issued, and except as against the said local improvement guarantee fund of such city. The remedy of the holder or owner of such bond, in case of non-payment, shall be confined to the enforcement of such assessment and to the said guarantee fund. A copy of this section shall be plainly written, printed or engraved on each bond issued and guaranteed hereunder, and the writing, printing or engraving of this section upon any such bond shall be deemed sufficient compliance with the requirements of section 7892-52 of Remington & Ballinger's Code.

Non-liability of city beyond guarantee fund.

SEC. 6. This act is cumulative and intended to supplement the existing laws in relation to the making of local improvements and the levying and collection of assessments to pay therefor, and nothing herein contained shall limit any powers now possessed by cities of the first class, or hereafter conferred upon them by law: *Provided,* That whenever such city shall have elected to establish said guar-

Act cumulative to existing laws.

Repealing ordinance to be ratified by voters.

antee fund, that such city shall have no power to repeal the same unless such repealing ordinance be passed upon by the voters of such city. After such repealing ordinance shall have been passed by such city council, the same shall be submitted to the voters of such city at a general or special election, and shall not become effective unless ratified by a majority of the voters voting thereon.

Passed the House March 3, 1917.

Passed the Senate March 6, 1917.

Approved by the Governor March 15, 1917.

CHAPTER 139.

[H. B. 133.]

BOND ISSUES FOR LOCAL IMPROVEMENTS IN CITIES AND TOWNS.

AN ACT relating to local improvements in cities and towns, and amending section 7892-47 of Remington & Ballinger's Annotated Codes and Statutes of Washington.

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

SECTION 1. That section 7892-47 of Rem. & Bal. Code be and the same is hereby amended to read as follows:

Section 7892-47. Such bonds shall be issued only in pursuance of ordinances of the city or town issuing the same, and by their terms shall be made payable on or before a date not to exceed twelve years from and after the date of the issue of such bonds, which latter date may be fixed by resolution, by council or other legislative body of said city or town and shall bear such interest as may be provided in such ordinance, not exceeding eight (8%) per centum per annum, which interest shall be payable annually, or semi-annually, as may be provided by ordinance, and each bond shall have attached thereto interest coupons for each interest payment: *Provided*, That whenever the improvement shall lie wholly or partly within the boundaries of any commercial waterway district organized and existing under the provisions of chapter

Method for
issuance of
bonds.

Rate of
interest.