

CHAPTER 218.

[S. B. 376.]

PORT DISTRICTS.

AN Act relating to port districts and the construction and acquisition of improvements, providing for the issuance of revenue bonds, and declaring an emergency.

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

Premise.

SECTION 1. The unsettled state of world conditions has made it necessary for the government of the United States of America to enter into a vast extension of its defense program and to proceed with that program with all possible speed. The Federal Government has requested the assistance of state governments and of municipal corporations in this program. The port districts of the State of Washington having control of large harbor and real estate areas, the use and improvement of which are in some cases deemed by the Federal Government imperative to national defense purposes, it is necessary, in order that port districts may respond without delay to requests of the Federal Government for facilities necessary to this program, that the port districts and the port commissions thereof be given the necessary authority to assist in this program. The powers and authority herein granted, in so far as the construction of improvements and the original issuance of bonds for the financing thereof are concerned, shall be for the duration of the present emergency only.

Authority to assist in defense program.

For emergency only.

Powers.

SEC. 2. Port districts shall have the power, in the promulgation of the national defense program, to construct on property owned or controlled by the port district, piers, wharves, docks, boat landings, terminals, warehouses, storehouses, bunkers, oil tanks, and other harbor improvements, rail, transfer and terminal facilities, and to acquire such machinery, equipment and other facilities, as may be neces-

Construction, improvement, etc.

sary or convenient to the successful operation of the same, included in the cost of which shall be the preparation of sites, grading of lands and dredging of waterways, all of which shall hereinafter be referred to as "improvements," upon the finding by the Port Commission that such construction is necessary to the national defense program, without the adoption of a comprehensive scheme for harbor improvement and regardless of any comprehensive scheme which may previously have been adopted; and for said purposes to contract indebtedness and issue revenue bonds evidencing said indebtedness, in conformity with this act, without further authorization or approval and without regard to existing statutory provisions, requirements and limitations.

Must be necessary to national defense.

May issue revenue bonds without further authority.

SEC. 3. All revenue bonds authorized under the terms of this act may be issued and sold by the port districts from time to time and in such amounts as may be deemed necessary in the judgment of the Port Commission, to provide sufficient funds for the construction or acquisition of any improvements, and to include in the cost of construction, engineering, inspection, accounting, fiscal and legal expenses, the cost of issuance of bonds, including engraving, printing and advertising, and other similar expenses, and to pay interest on outstanding bonds issued for the construction of the same during the period of actual construction and for six (6) months after the completion thereof, and the proceeds of such bond issue are hereby made available for such purposes. The Port Commission of the port districts shall determine the form, conditions and denominations of all such bonds, and shall determine the maturity dates which the bonds so to be sold shall bear and the interest rate thereon, which shall not exceed six per cent (6%) per annum. It shall not be necessary that all bonds of the same authorized issue bear the same interest rate. Principal and interest of such

Revenue bonds issued for improvement as needed.

Interest proviso.

Commission to determine form of bonds.

Interest payments.

Registration
of bonds.

bonds shall be payable at such place or places as may be fixed and determined by the Port Commission and said bonds may contain provisions for registration thereof as to principal only, and as to both principal and interest. Said bonds shall be issued in coupon

Coupon form.

form with interest payable at such times as may be determined by the Port Commission and in such amounts as the said Port Commission may prescribe. The Port Commission may provide for the retirement of said bonds at any time or times prior to their maturity, and in such manner and upon payment of such premiums as may be fixed and determined by the resolution of such Commission providing for the issuance of such bonds and referred to therein.

May retire
prior to
maturity.

Resolution.

May sell to
U. S.

SEC. 4. Port districts may, but shall not be required by the terms of this act, to sell any or all bonds issued under its provisions to the Federal Government or any agency of the Federal Government at private sale and without the necessity of public advertisement or calling for bids, but in no event shall the sale of said bonds be permitted for less than the principal and accrued interest thereon. Sales to others than the Federal Government or its agencies shall be made in the manner provided by law for the sale of other port district bonds.

Minimum
sale price.

Manner of
sale to others.

Bonds
payable only
from
revenue.

Resolution
for bonds
and fund.

Proportion
to fund.

SEC. 5. Bonds issued under the provisions of this act shall be payable solely out of revenues received from the use of the improvements acquired and/or constructed from the proceeds of the sale of such bonds. Said bonds may be authorized by resolution adopted by the Port Commission of such port district, which resolution shall provide for the creation of a special fund or funds into which fund or funds the Port Commission may obligate and bind such port district to set aside and pay a fixed proportion of the gross revenues received from the use of said improvements, which fund or funds shall be drawn upon solely for the purpose of paying the principal and

interest upon the bonds issued pursuant to this act. Such bonds shall be negotiable instruments under the law merchant even though they shall be payable solely from such special fund or funds and shall never be deemed a charge upon the tax revenues of such port district. Such bonds shall state upon their face that they are payable from such special fund or funds. Should the corporate authorities of any port district fail to set aside and pay into such fund or funds the payments provided for in such resolution, the holder of any such bonds may bring suit to compel compliance with the terms of such resolution. Pending the preparation and execution of such bonds, temporary bonds may be issued in such form as the Port Commission of the port district may elect. The Reconstruction Finance Corporation or any other agency of the United States Government making any such loan, or any other holder or owner of any bonds authorized by and issued pursuant to the provisions of this act shall not be required to see to the application of the moneys derived from such bonds to the purposes for which said bonds are issued as specified in any resolution authorizing the issuance thereof. No defense of invalidity, or irregularity in any such bonds funded or refunded by the issuance of bonds hereunder shall be a valid defense in any action at law or equity for a judgment upon or for the enforcement or collection of any bonds authorized by and issued pursuant to this act, and no court shall have jurisdiction to entertain any such defense in any such action or proceeding.

Bonds negotiable.

Statement on bonds.

Holder may enforce payment into fund.

Holder of bonds not required to see application.

Invalidity no defense on suit.

SEC. 6. Any such port district may from time to time refund any bonds authorized by and issued pursuant to this act by the issuance of new bonds as herein provided, whether the bonds to be refunded have or have not matured and may issue bonds to refund matured coupons evidencing interest upon any such bonds so refunded. Any such port district may

District may refund.

Refunding
operation.

issue bonds partly to refund bonds and matured coupons as above provided, and partly for any other purposes in connection with the construction, betterment, operation and maintenance of such improvements.

Resolution
may protect
the holder
of bonds.

SEC. 7. Any resolution authorizing the issuance of bonds pursuant to the provisions of this act may contain covenants of any such port district to protect and safeguard the security and rights of the holders of any such bonds, and such other covenants not inconsistent with the other provisions of this act which will increase the marketability of such bonds. The provisions of this act and of any such resolution shall constitute a contract with the holders of such bonds and the provisions thereof shall be enforceable by any owner or holder of such bonds by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction.

Purpose and
liberal
construction.

SEC. 8. This act shall be complete authority for the issuance of the bonds hereby authorized, and shall be liberally construed to accomplish its purposes. Any restrictions, limitations or regulations relative to the issuance of such bonds contained in any other act shall not apply to the bonds issued under this act. Any act inconsistent herewith shall be deemed modified to conform with the provisions of this act for the purposes of this act only.

Inconsistent
laws to
conform.

Effective
immediately.

SEC. 9. This act is necessary for the preservation of the public peace and safety, to national defense, and the support of the state government and its existing institutions, and shall take effect immediately.

Passed the Senate March 7, 1941.

Passed the House March 12, 1941.

Approved by the Governor March 24, 1941.