

CHAPTER 103.

[S. B. 160.]

DIKING AND DRAINAGE DISTRICTS; SALE OF BONDS.

AN ACT authorizing issuance and sale of bonds for diking and drainage districts to fund and redeem outstanding warrants of such district, providing for the call of such warrants and cessation of interest thereon; for registration of such bonds; exchange thereof for warrants; the levy of assessments for the payment of principal and interest thereon; determining how the same is chargeable; providing for the collection thereof; the fund into which the same shall be put; the call, payment, and redemption of such bonds.

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

SECTION 1. Any board of commissioners of any diking or drainage district may, at any time, without petition and on its own motion, issue bonds of such district for the purpose of funding any outstanding warrants of such district. No bonds so issued shall be sold for less than their par value. They may be sold at public or private sale. Any department or agency of the State of Washington having power to invest funds is hereby authorized and empowered to use the same to buy such bonds.

Issuance
of bonds.

SEC. 2. Said bonds shall be numbered consecutively from one upwards and shall be in denominations of not less than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000.00) each. They shall bear the date of issue, shall be made payable to the bearer in not more than ten years from the date of their issue, and shall bear interest at a rate not exceeding six per cent (6%) per annum, payable annually, with coupons attached for each interest payment. The bonds and each coupon shall be signed by the chairman of the board of commissioners of each district and shall be attested by the secretary of said board. The seal, if any, of such

Bonds;
contents of.

district shall be affixed to each bond, but it need not be affixed to the coupon.

Bond
register.

SEC. 3. When said bonds are sold, but before they are delivered to the purchaser, they shall be presented to the county treasurer who shall register them in a book kept for that purpose and known as the bond register, in which he shall enter the number of each bond, the date of issue, the maturity, amount and rate of interest, when payable, and to whom sold. The proceeds derived from the sale of said bonds shall be paid by the purchaser thereof to the county treasurer for the use, benefit, and account of the district issuing same.

Proceeds
from bonds.

Outstanding
warrants.

SEC. 4. All outstanding warrants of such district so sought to be redeemed shall become due and payable immediately upon receipt by the county treasurer of the money from the sale of said bonds; and upon a call of such outstanding warrants or obligations issued by him, the same shall cease to draw interest at the end of thirty days after the date of the first publication of such call. The call shall be made by the treasurer by publishing notice thereof for two consecutive weeks in the county paper authorized to do the county printing. The notice shall designate the number of each warrant sought to be redeemed.

Exchange
of bonds.

SEC. 5. Said bonds may be exchanged at not less than their par value for an equal amount of the outstanding warrants of the district issuing such bonds.

Assessments.

SEC. 6. It shall be the duty of the commissioners of such district annually to levy an assessment sufficient to pay the coupons upon such bonds as they fall due. They may at any time levy such additional assessment as they deem best to redeem and retire such bonds. Commencing not less than five years before the due date of such bonds, they shall determine the number of equal annual levies necessary to

retire such bonds at maturity, and annually thereafter levy an assessment sufficient to liquidate all of said bonds by maturity. Such levies for interest and redemption of the bonds shall be added to the annual cost of the maintenance of the diking or drainage system of said district. Such assessments shall be collected by the county treasurer and kept as a special fund for the sole purpose of paying interest upon and liquidating said bonds.

Special
fund.

SEC. 7. It shall be the duty of the county treasurer of each county in which there may be a district issuing bonds under the provisions of this act, whenever he has on hand one thousand dollars (\$1,000.00) over and above interest requirements in the special fund for the payment of said bonds and interest, to advertise in the newspaper doing the county printing, for the presentation to him for payment of as many of the bonds issued under the provisions of this chapter as he may be able to pay with the funds in his hands. The bonds shall be redeemed and paid in their numerical order, beginning with bond No. 1 and continuing until all of said bonds are paid. The treasurer's call for presentation and redemption of such bonds shall state the number of the bond or bonds so called. Thirty days after the first publication of said notice of the treasurer calling any of said bonds by their numbers, such bonds shall cease to bear interest, and the notice of call shall so state. If any bond so called is not presented, the treasurer shall hold in said fund until presentation of such bond is made, the amount of money sufficient to redeem the same with interest thereon to the date interest was terminated by such call.

Payment
of bonds.

Redemption
of bonds.

Passed the Senate March 9, 1935.

Passed the House March 14, 1935.

Approved by the Governor March 20, 1935.