

CHAPTER 117.

[ S. B. 284. ]

MUNICIPAL REVENUE BOND ACT.

AN ACT relating to cities and towns to be known as "the municipal revenue bond act."

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

Municipality may by ordinance authorize creation of special funds respecting municipally owned lands, etc.

SECTION 1. The legislative body of any city or town, for the purpose of providing funds for defraying all or a portion of the costs of planning, purchase, leasing, condemnation, or other acquisition, construction, reconstruction, development, improvement, extension, repair, maintenance, or operation of any municipally owned public land, building, facility, or utility, for which the municipality now has or hereafter is granted authority to acquire, condemn, develop, repair, maintain, or operate, for which the city receives revenue or for which such municipality charges a fee, may authorize, by ordinance, the creation of a special fund or funds into which the city or town shall be obligated to set aside and pay:

- (1) A fixed proportion of the gross revenues of the facility or utility, or
- (2) A fixed amount out of, and not to exceed, a fixed proportion of the gross revenues thereof, or
- (3) A fixed amount without regard to any fixed proportion of such revenues, or
- (4) An amount sufficient to meet principal and interest requirements and to accumulate any reserves and additional funds that may be required.

Considerations in creating fund.

SEC. 2. In creating the special fund, the legislative body of any city or town shall have due regard to the cost of operation and maintenance of the facility or utility and to any proportion or part of the revenue previously pledged as a fund for the payment of bonds, warrants, or other indebtedness. It

shall not set aside into the special fund a greater amount or proportion of the revenue than in its judgment will be available over and above the cost of maintenance and operation and the amount of proportion of the revenue so previously pledged.

SEC. 3. If the legislative body of a city or town deems it advisable to purchase, lease, condemn, or otherwise acquire, construct, develop, improve, extend, or operate any land, building, facility, or utility, and adopts an ordinance authorizing such purchase, lease, condemnation, acquisition, construction, development, improvement and to provide funds for defraying all or a portion of the cost thereof from the proceeds of the sale of revenue bonds, and such ordinance has been ratified by the voters of the city or town in those instances where the original acquisition, construction, or development of such facility or utility is required to be ratified by the voters, such city or town may issue revenue bonds against the special fund or funds created solely from revenues. The revenue bonds so issued shall:

Revenue bonds  
may be issued  
—Necessary  
prerequisite—  
Form of bonds.

- (1) Be registered or coupon bonds;
- (2) Be issued in denominations of not less than one hundred dollars nor more than one thousand dollars;
- (3) Be numbered from one upwards consecutively;
- (4) Bear the date of their issue;
- (5) Be serial or term bonds and the final maturity thereof shall not extend beyond the reasonable life expectancy of the facility or utility;
- (6) Bear interest not exceeding the rate of six percent per annum, payable annually or semiannually with interest coupons attached unless such bonds are registered as to interest, in which case no interest coupons need be attached;
- (7) Be payable as to principal and interest at such place as may be designated therein;

Municipal .  
revenue bond  
act.  
Form of bonds.

(8) State upon their face that they are payable from a special fund, naming it, and the ordinance creating it, and that they do not constitute a general indebtedness of the city or town;

Proviso.

(9) Be signed by the mayor and bear the seal of the city or town and be attested by the clerk: *Provided*, That the facsimile signatures of the mayor and clerk may be used when the ordinance authorizing the issuance of such bonds provides for the signatures thereof by an authenticating officer; and

(10) Be printed upon good bond paper.

Bonds—Sig-  
natures—Seal.

SEC. 4. The signatures of the mayor and clerk may be printed upon the coupons or may be lithographic facsimiles of their signatures. The coupons need not bear the seal of the city or town.

Revenue  
warrants  
authorized.

SEC. 5. Revenue warrants may be issued and such warrants and interest thereon may be payable out of the special fund or refunded through the proceeds of the sale of revenue bonds. Every revenue warrant and the interest thereon issued against the special fund shall be a valid claim of the holder thereof only as against that fund and the amount of revenue pledged to the fund, and shall not constitute an indebtedness of the city or town. Every revenue warrant shall state on its face that it is payable from a special fund, naming it and the ordinance creating it.

Sale of revenue  
bonds and  
warrants.

SEC. 6. Revenue bonds and warrants may be sold by negotiation or by public or private sale in any manner and for any price the legislative body of any city or town deems to be for the best interest of the city or town. Such legislative body may provide in any contract, for the construction or acquisition of the proposed facility or utility or the maintenance and operation thereof, and that payment therefor shall be made only in revenue bonds and/or warrants at their par value.

SEC. 7. If a city or town fails to set aside and pay into the special fund created for the payment of

revenue bonds and warrants the amount which it has obligated itself in the ordinance creating the fund to set aside and pay therein, the holder of any bond or warrant issued against the bond may bring suit against the city or town to compel it to do so.

Remedy of bond or warrant holder.

SEC. 8. The legislative body of any city or town may provide by ordinance for revenues by fixing rates and charges for the furnishing of service, use, or benefits to those to whom service, use, or benefits from such facility or utility is available, which rates and charges shall be uniform for the same class of service. And, if revenue bonds or warrants are issued against the revenues thereof, the legislative body of the city or town shall fix charges at rates which will be sufficient to provide for the costs of maintenance and operation, payment of bond and warrants, principal and interest, sinking fund requirements and all other expenses incidental thereto.

Rates and charges on services and use authorized.

SEC. 9. In setting the rates to be charged for the service, use, or benefits derived from such facility or utility, or in determining the cost of the planning, acquisition, construction, reconstruction, development, improvement, extension, repair, maintenance, or operation thereof the legislative body of the city or town may include all costs and estimated costs of the issuance of said bonds, all engineering, inspection, fiscal and legal expense and interest which it is estimated will accrue during the construction period and for six months thereafter on money borrowed, or which it is estimated will be borrowed in connection therewith.

Allowable items when determining rates and charges.

SEC. 10. The authority granted by this act shall be considered an alternative and additional method of issuing revenue bonds or warrants by cities and towns and no restriction, limitation, or regulation relative to the issuance of such bonds contained in any other law shall apply to the bonds issued hereunder.

Act supplements existing law.

Short title.

SEC. 11. This act shall be known as "the municipal revenue bond act."

Passed the Senate March 2, 1957.

Passed the House March 11, 1957.

Approved by the Governor March 19, 1957.

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CHAPTER 118.

[ S. B. 328. ]

CONVEYANCE OF LANDS TO HAROLD A. SLININGER  
AND CAROL J. SLININGER.

AN ACT authorizing the conveyance of certain lands in Grant county to Harold A. Slininger and Carol J. Slininger, husband and wife.

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

Conveyance of land authorized.

SECTION 1. Upon the payment to the state of Washington of the sum of one thousand dollars, which sum shall be deposited to the account of the motor vehicle fund when received by the treasurer of the state of Washington, the Washington state highway commission is authorized and directed to certify to the governor and secretary of state that such payment has been made on the following described real property located in Grant county, Washington; The north 105 feet of the west 207 feet of lot 63, Battery Orchard Tracts, according to the plat thereof, records of Grant county, Washington; and the governor is hereby authorized and directed forthwith to execute and the secretary of state is authorized and directed forthwith to attest a deed conveying said lands to Harold A. Slininger and Carol J. Slininger, his wife.

Description.

Passed the Senate February 25, 1957.

Passed the House March 11, 1957.

Approved by the Governor March 19, 1957.