

bers of a soldiers' home or colony in this state or entitled to admission thereto at the time of death, and the widows of all soldiers who would have been entitled to admission to a soldiers' home or colony in this state at the time of death but for the fact that they were not indigent and unable to support themselves and families, which widows have since the death of their said husbands become indigent and unable to earn a support for themselves: *Provided*, That such widows are not less than fifty years of age and have not been married since the decease of their said husbands to any person not a member of a soldiers' home or colony in this state or entitled to admission thereto. Any resident of said colony may be admitted to the hospital at the state soldiers' home for temporary care when requiring hospital treatment.

Colony established—Who may be admitted.

Passed the Senate March 6, 1959.

Passed the House March 10, 1959.

Approved by the Governor March 23, 1959.

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## CHAPTER 236.

[ S. B. 394. ]

### PORT DISTRICTS—TOLL BRIDGES AND TUNNELS.

AN ACT relating to port districts; authorizing port districts to construct or otherwise acquire tunnels and bridges; to fix, charge and collect tolls, rates, rents and charges for the use of such facilities; to authorize the issuance of negotiable revenue bonds and other revenue obligations payable solely from such tolls, rates, rents and charges; to authorize port districts to contract with other municipal corporations, public agencies and departments of the government of the state and of the United States concerning the acquisition, construction, ownership, operation, maintenance, renewal, replacement and extension of facilities constructed pursuant to the authority of this act, and to authorize such other municipal corporations, public agencies and departments of the government of the state to enter into such contracts with port districts; to provide for actions and the limitation

thereof; to exempt facilities constructed or acquired pursuant to the authority of this act from taxation; to provide for violations; to provide for penalties and to provide a validity clause.

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

Toll bridges,  
tunnels au-  
thorized—  
Highway ap-  
proaches.

SECTION 1. In addition to all other powers granted to port districts, any such district may, with the consent of the state highway commission, acquire by condemnation, purchase, lease or gift, and may construct, reconstruct, maintain, operate, furnish, equip, improve, better, add to, extend and lease to others in whole or in part and sell in whole or in part any one or more of the following port projects, within or without or partially within and partially without the corporate limits of the district whenever the commission of the district determines that any one of more of such projects are necessary for or convenient to the movement of commercial freight and passenger traffic a part of which traffic moves to, from, or through the territory of the said district, to wit:

- (1) Toll bridges;
- (2) Tunnels under or upon the beds of any river, stream or other body of water, or through mountain ranges, and

In connection with the acquisition or construction of any one or more of such projects said port districts may, with the consent of the state highway commission, further acquire or construct, maintain, operate or improve limited or unlimited access highway approaches of such length as the commission of such district may deem advisable to provide means of interconnection of such facilities with public highways and of ingress and egress to any such project, including plazas and toll booths, and to construct and maintain under, along, over or across any such project telephone, telegraph or electric transmission

wires and cables, fuel lines, gas transmission lines or mains, water transmission lines or mains, and other mechanical equipment not inconsistent with the appropriate use of such project, all for the purpose of obtaining revenues for the payment of the cost thereof.

SEC. 2. The district shall have the power to enter into a contract or contracts for the use of said projects, their approaches and equipment and from time to time to amend such contracts, with persons and with private and public corporations, and by said contracts to give such persons or corporations the right to use said projects, their approaches and equipment for the transmission of power for telephone and telegraph lines, for the transportation of water, gas, petroleum, and other products, for railroad and railway purposes, and for any other purpose to which the same may be adapted: *Provided*, That no such contract shall be for a period longer than ninety-nine years, and that the projects shall be put to the largest possible number of uses consistent with the purposes for which such projects are constructed.

Contracts for  
use of projects  
—Regulations  
—Control-  
versies.

In making such contract or contracts and providing for payments and rentals thereunder the port district shall determine the value of the separate and different uses to which the projects are to be put and shall apportion the annual rentals and charges as nearly as possible according to the respective values of such uses. No such contract shall be made with any person or corporation unless and until such person or corporation shall bind himself or itself to pay as rental therefor an amount determined by the port district and specified in the contract which shall be a fair and just proportion of the total amount required to pay interest on the bonds provided for in this act, plus a just proportion of the amount necessary for their retirement, and plus the cost of

maintenance of the projects, their approaches and equipment.

The port district may require any of such contracts to be entered into before beginning the construction of said projects or before the expenditure of funds under the provisions of this act if in its judgment it is deemed expedient.

There shall be no monopoly of the use of said projects, and their approaches by any one use, or by any person or corporation, private or public, in respect to the several uses, and the port district may continue to make separate, additional, and supplemental contracts for one or more uses until in the judgment of said port district the capacity of the projects and approaches for any such use has been reached. When such capacity has been reached contracts for the use of said projects shall be given preference in regard to such uses according to the public interest as determined by the port district, and subsequent contracts shall be subject to all existing and prior contracts. The port district shall have the power to prescribe regulations for the use of such facilities by the parties to contracts for such use, or any of them, and to hear and determine all controversies which may arise between such parties, under such rules as the port district may from time to time promulgate; and all contracts shall expressly reserve such power to the port district.

Revenue bonds  
and notes—  
Authorized  
—Purposes  
—Sale, ma-  
turity, cost.

SEC. 3. Whenever any port district shall determine to acquire or construct any one or more projects authorized under the provisions of this act, the commission of such district shall have the power and is authorized to issue negotiable revenue bonds and notes from time to time in one or more series or instalments in such principal amount as, in the opinion of the commission, shall be necessary to provide sufficient money for the acquisition, construction, reconstruction, extension or improvement

thereof as set forth in section 1 of this act, including engineering, inspection, legal and financial fees and costs, working capital, interest on such bonds and notes during construction and for a reasonable period thereafter, establishment of reserves to secure such bonds and notes and all other expenditures of such district incidental, necessary or convenient to the establishment of such projects on a sound financial basis, and to issue negotiable revenue bonds and notes for the purpose of renewing or refunding such outstanding bonds and notes in whole or in part at or prior to maturity. All such revenue bonds or notes and coupons thereto attached shall be negotiable instruments within the meaning and purposes of the negotiable instruments law and shall be sold by the commission in such manner and for such price as the commission deems for the best interests of the district: *Provided*, That the aggregate cost to maturity of the moneys received for an issue, series, or instalment of such bonds or notes, exclusive of redemption premiums, shall not exceed six percent per annum, and the commission may provide in any contract for the construction or acquisition of all or any part of a project or projects or for the additions or betterments thereto or extensions or improvements thereof that payment therefor shall be made only in such revenue bonds or notes: *Provided further*, That any revenue bonds issued under the authority of this act shall have a final maturity not to exceed forty years from date of issue.

SEC. 4. Revenue bonds and notes may be issued by one or more resolutions and may be secured by trust agreement by and between the district and one or more corporate trustees, depositories, or fiscal agents, which may be any trust company or state or national bank having powers of a trust company within or without the state of Washington. Such bonds or notes shall bear such date or dates, mature

Bonds and notes—Resolution—Security—Form, interest, payment, etc.

at such time or times, bear interest at such rate or rates not exceeding six percent per annum, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places within or without the state of Washington, and be subject to such terms of redemption and at such redemption premiums as such resolution, resolutions, or trust agreements may provide. No proceedings for the issuance of such bonds or notes shall be required other than those required by the provisions of this act, and none of the provisions of any other laws relative to the terms and conditions for the issuance, payment, redemption, registration, sale or delivery of bonds of public bodies, corporation, or political subdivisions of this state shall be applicable to bonds or notes issued by port districts pursuant to this act.

Covenants to  
safeguard  
and secure  
bonds and  
notes.

SEC. 5. Any resolution, resolutions, or trust agreements authorizing the issuance of any bonds or notes of a port district may contain covenants and agreements on the part of the district to protect and safeguard the security and payment of such bonds or notes, which shall be a part of the contract with the holders of such obligations thereby authorized as to:

(1) Pledging all or any part of the revenues, income, receipts, profits and other moneys derived by the district issuing such obligations from the ownership, operation, management, lease, or sale of any one or more of the projects constructed from the proceeds thereof to secure the payment of bonds or notes;

(2) The establishment and collection of rates, rentals, tolls, charges, license, and other fees to be charged by the district and the amounts to be raised in each year for the services and commodities sold, leased, furnished, or supplied by any one or more

of the projects established from the proceeds of such obligations, and the deposit, use, and disposition of the revenues of the district received therefrom;

Covenants to safeguard and secure bonds and notes.

(3) The setting aside of reserves or sinking funds for such obligations, and the deposit, investment, and disposition thereof;

(4) Limitations on the purpose or purposes to which the proceeds of sale of any issue of bonds or notes then or thereafter issued payable from the revenues of any such project or projects may be applied, and pledging such proceeds to secure the payment of such bonds or notes;

(5) Limitations on the issuance of additional revenue bonds or notes of the district, the terms and conditions upon which such additional revenue bonds or notes may be issued and secured, and the refunding of outstanding or other bonds or notes;

(6) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given;

(7) Limitations on the amount of moneys derived from any project or projects to be expended for operating, administrative or other expenses of the district in connection with any such project or projects;

(8) The employment of independent auditors and engineers or other technical consultants to advise and assist the district in the operation, management, and improvement of any project or projects;

(9) Limitations or prohibitions on rendering free service in connection with any project or projects;

(10) Specifying conditions constituting events of default and vesting in one or more trustees including trustees which may be appointed by the bondholders and noteholders, such special rights, property rights, powers, and duties with respect to the

property and revenues of any project or projects as the commission of the district may deem advisable the better to secure the payment of such bonds and notes;

(11) Prescribing conditions controlling the acquisition, sale, lease, or other disposition of real and personal property used or useful in connection with any project or projects, the amount and kinds of policies of insurance to be carried by the district in connection therewith, and the use and disposition of the proceeds of policies of insurance; and

(12) Any other matters of like or different character which in any way affect the security or protection of bonds or notes of the district.

**Notes.**

SEC. 6. A district shall have power from time to time to issue bond anticipation revenue notes (herein referred to as notes), and from time to time to issue renewal notes, such notes in any case to mature not later than six years from the date of incurring the indebtedness represented thereby in an amount not exceeding in the aggregate at any time outstanding the amount of revenue bonds then or theretofore authorized but not issued. Payment of such notes shall be made from any moneys or revenue which the district may have available for such purpose or the proceeds of the sale of revenue bonds of the district, or such notes may be exchanged for a like amount of such revenue bonds bearing the same or a lower or higher rate of interest than that borne by such notes.

All notes may be issued and sold in the same manner as revenue bonds. Any district shall have power to make contracts for the future sale from time to time of notes on terms and conditions stated in such contracts, and the district shall have power to pay such consideration as it shall deem proper for any commitments to purchase notes in the future. Such notes may also be collaterally secured by



pledges and deposits with a bank or trust company, in trust for the payment of said notes, of revenue bonds in an aggregate amount at least equal to the amount of such notes and, in any event, in amount deemed by the district sufficient to provide for the payment of the notes in full at the maturity thereof. The district may provide in such collateral agreement that the notes may be exchanged for revenue bonds held as collateral security for the notes, or that the trustee may sell the revenue bonds if the notes are not otherwise paid at maturity and apply the proceeds of such sale to the payment of the notes. Such notes shall bear interest at a rate or rates not exceeding six percent per annum and shall not be sold at a price that will cause the interest cost on the money received therefrom to exceed six percent per annum.

SEC. 7. Revenue bonds and notes issued under the provisions of this act shall be payable solely from the revenues, income, receipts, profits, charges, fees, rentals, and moneys received or derived by or through the ownership, operation, sale, lease, or other disposition in whole or in part of any project or projects authorized under the provisions of this act, or through the issuance of refunding bonds or notes, and the commission of any district issuing revenue bonds or notes under the authority of this act shall establish, maintain, and collect rates, tolls, rents, and charges from time to time so long as any of such revenue bonds are outstanding and unpaid for all services sold, furnished, or supplied by or through any such project or projects sufficient to produce an amount, together with any other moneys of the district available and dedicated to such purpose, to pay the principal of and interest and premium, if any, on all revenue bonds and notes payable from the revenues of any project or projects as the same may respectively fall due in accordance with

Sources bonds and notes payable from—  
Rates and charges to be established.

the terms of the resolution or resolutions or trust agreement authorizing the issuance and securing the payment of such obligations.

Special funds  
and accounts  
—Disposition.

SEC. 8. The resolution, resolutions, or trust agreement providing for the issuance of revenue bonds or notes pursuant to the provisions of this act shall create and establish a special fund of the district into which the district shall be obligated to deposit as collected all income, revenues, receipts, and profits derived by the district through the ownership and operation of any project or projects acquired or constructed from the proceeds of the sale of such revenue bonds or notes: *Provided*, That additional separate special funds or accounts may be created by such resolution or trust agreement into which the district may obligate itself to deposit the proceeds of the sale of such revenue bonds and notes, the proceeds of the sale or other disposition in whole or in part of any project or projects, the proceeds of any policies of insurance on such projects, and any other additional moneys received by the district and applicable to such projects. All such moneys shall be held by the district, the depositories and trustees of such funds and accounts, in trust for the equal and ratable benefit and security of the holders from time to time of the revenue bonds and notes issued pursuant to the resolution, resolutions, or trust agreement establishing such special funds or accounts, and shall be collected, held, deposited, and disbursed solely for the acquisition, construction, operation, maintenance, renewal, replacement, improvement, extension, and betterment of such project or projects and the payment of the principal of and interest and premium, if any, on the revenue bonds and notes issued pursuant to such resolution, resolutions, or trust agreements, and the creation and maintenance of reasonable reserves for all such purposes: *Provided, however*, That the district may in its discre-

tion and subject to any agreements with the holders of such revenue bonds and notes expend amounts of such moneys as are not required for the purposes aforesaid for other corporate purposes of the district.

The district may pledge such moneys or revenues of the district subject to prior pledges thereof, if any, for the payment of such notes and may in addition secure the notes in the same manner as herein provided for revenue bonds.

SEC. 9. It is the intention hereof that any pledge of revenues, income, receipts, profits, charges, fees, or other moneys made by a district for the payment of bonds shall be valid and binding from the time of the adoption of any resolution or the execution of any trust agreement making such pledge notwithstanding the fact that there may not then be any simultaneous delivery thereof, that the revenues, income, receipts, profits, charges, fees, and other moneys so pledged shall as soon as received by the district immediately be subject to the lien of such pledge without the physical delivery thereof and without further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the district irrespective of whether such parties have notice thereof. Neither the resolution, resolutions, or trust agreement authorizing revenue bonds or notes nor any other instrument by which such a pledge is created need be recorded to be effective.

Pledge of moneys, when binding—When lien attaches.

SEC. 10. Neither the members of a commission nor any person executing revenue bonds or notes shall be liable personally on such bonds or notes, or be subject to any personal liability or accountability by reason of the issuance thereof.

No personal liability on bonds or notes.

District may  
purchase  
bonds or  
notes.

SEC. 11. A district shall have power out of any funds available therefor to purchase revenue bonds or notes of such district. Any bonds or notes so purchased may be held, canceled, or resold by the district subject to and in accordance with any resolution or resolutions or trust agreements with bondholders.

Covenants  
of state.

SEC. 12. The state of Washington does hereby covenant and agree with the holders of revenue bonds or notes issued by a district under the authority of this act that the state will not limit or alter the rights hereby vested in a district to acquire, maintain, construct, reconstruct, improve, extend, add to, better and operate the projects authorized to be constructed or acquired under the provisions hereof and to establish, collect, and pledge such rates, rentals, tolls, charges, license, and other fees as may be convenient or necessary to produce sufficient revenue to meet the expense of maintenance and operation of such projects and to fulfill the terms of any agreements made with holders of such revenue bonds and notes or in any way impair the rights and remedies of bondholders and noteholders until the bonds or notes together with interest thereon, with interest on any unpaid instalments of interest, and all cost and expenses in connection with any action or proceedings by or on behalf of the bondholders or noteholders, are fully met and discharged. The provisions of this act and of the resolutions, trust agreements and proceedings authorizing revenue bonds and notes hereunder shall constitute a contract with the holders of said bonds and notes.

Obligations,  
projects'  
alone.

SEC. 13. The revenue bonds, revenue notes, and any other obligations of a district issued under the authority of this act shall not be a debt of the state of Washington or of any political subdivision of this

state, nor shall such obligations be considered indebtedness of the port district issuing same within any constitutional, statutory, or other limitation of indebtedness, and neither the state nor any political subdivision thereof, including the port district issuing such revenue bonds or notes, shall ever become obligated to levy ad valorem taxes on any taxable property within the state for the payment of such revenue bonds and notes, but such revenue bonds and notes shall be payable solely from and shall be a charge only upon the revenues and other funds of the project or projects pledged to the payment thereof by the proceedings authorizing the issuance of such bonds and notes.

SEC. 14. Prior to the issuance and delivery of revenue bonds or notes under the authority of this act, such revenue bonds or notes and a certified copy of the resolution, resolutions, or trust agreements authorizing such revenue bonds or notes shall be forwarded by the port commission to the state auditor together with any additional information requested by him, and when such revenue bonds or notes have been examined they shall be registered by the auditor in books to be kept by him for that purpose, and a certificate of registration shall be endorsed upon each such revenue bond or note and signed by the auditor or a deputy appointed by him for that purpose.

Registration of  
bonds and  
notes—Prima  
facie validity.

Revenue bonds or notes so registered shall then be prima facie valid and binding obligations of the port district in accordance with the terms thereof, notwithstanding any defect or irregularity in the proceedings for the authorization and issuance of such revenue bonds or notes or in the sale, execution or delivery thereof or in the application of the proceeds thereof.

SEC. 15. Revenue bonds and notes issued under the authority of this act are made securities in which

Bonds and notes as legal investment and security.

all public officers and bodies of this state, all municipalities and municipal subdivisions and all other political subdivisions of this state, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them. Such bonds and notes are also made securities which may be deposited with and shall be received by all public officers and bodies of this state, all municipalities, municipal subdivisions, and other political subdivisions of this state for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized.

Projects declared public purposes—  
Tax exempt.

SEC. 16. It is found, determined, and declared that the creation and establishment of projects authorized by this act are in all respects for the benefit of the people of the state of Washington, for the improvement of their welfare and prosperity, and for the promotion of intrastate, interstate, and foreign commerce, the transportation of freight, commercial, and passenger traffic, is a public purpose, that such projects operated by port districts are essential parts of the public transportation system, and that such districts will be performing essential governmental functions in the exercise of the powers conferred upon them by this act; and the state of Washington covenants with the holders of revenue bonds and notes that port districts shall not be required to pay any taxes or assessments, or other governmental

charges in lieu thereof, upon any of the property acquired by them or under their respective jurisdictions, control, possession, or supervision, upon the activities of port districts in the operation and maintenance of such projects, or upon any charges, fees, rentals, revenues, or other income received by such districts from such projects and that the revenue bonds and notes of port districts and the income therefrom shall at all times be exempt from all taxation in the state of Washington, except transfer, inheritance, and estate taxes. This section shall constitute a covenant and agreement with the holders of all revenue bonds and notes issued by port districts pursuant to the provisions of this act.

SEC. 17. In the acquisition, construction, reconstruction, improvement, extension, or betterment of any project or projects authorized under the provisions of this act any port district creating and establishing any such project or projects may have and exercise all of the powers heretofore or hereafter granted to port districts for corporate purposes and, in addition thereto, may acquire by gift or grant, lease, purchase, or condemnation any public and private property, franchises and property rights, including state, county, and school lands and property, and littoral and water rights whether or not any such property is then devoted to public or quasi public proprietary or governmental use: *Provided*, That the court shall find that the proposed condemnation of any property already devoted to a public use is for a higher public use, and may by appropriate contracts with any city, county, or other political subdivision of the state, with the state and any department of the government of the state (hereinafter referred to collectively as public agencies), or with any department, instrumentality or agency of the United States, acquire title to or the use of existing roads, streets, parkways, avenues,

Acquisition of property, rights, authorized.

or highways or the closing of any roads, streets, parkways, avenues, or highways as may be necessary or convenient to the acquisition, construction, or operation of any such project or projects under such terms and conditions as may be mutually agreed upon. All public agencies are authorized to enter into contracts with port districts for the aforesaid purposes.

Contracts by public agencies with district authorized.

SEC. 18. Any public agency, including without limitation the aeronautics commission, the department of highways and the state toll bridge authority, may contract with any port district, constructing a project or projects under the authority of this act, for the contribution of moneys or real or personal property in aid of the construction of such projects, or for the furnishing of engineering, legal, police, and fire protection, and all other services necessary or convenient to the acquisition, construction, reconstruction, operation, maintenance, renewal, replacement, improvement, additions to, or extension of any such project or projects, such contracts to run for such period of years and to contain such terms and conditions as the parties thereto shall mutually agree upon. Any public agency, by resolution, may authorize the execution of such contracts with a port district and no other authorization on the part of such public agency shall be necessary, any provision of laws or of a city charter to the contrary notwithstanding. Obligations assumed by a public agency pursuant to such contracts entered into under the authority of this act shall be included and provided for in each annual budget of such public agency thereafter made until all such obligations have been fully discharged.

Rules, regulations—Violation of, punishable.

SEC. 19. Any port district establishing a project under the authority of this act may make such by-laws, rules, and regulations for the management and use of such project and for the collection of rentals,



tolls, fees, and other charges for services or commodities sold, furnished or supplied through such project, and the violation of any such bylaw, rule, or regulation shall be an offense punishable by fine not to exceed one hundred dollars or by imprisonment for not longer than thirty days, or both.

SEC. 20. In every action against a district for damages, for injuries to real or personal property, or for the destruction thereof, or for personal injuries or death arising in connection with the acquisition, construction, reconstruction, operation, or maintenance of a project authorized by the provisions of this act, the complaint shall contain an allegation that at least thirty days have elapsed since a demand, claim, or claims upon which such action is founded were presented to the secretary of the district, or to its chief executive officer, and that the district has neglected or refused to make an adjustment or payment thereof for thirty days after such presentment.

Civil actions  
against  
district,  
necessary  
allegations.

SEC. 21. No action against a district for damages for injuries to real or personal property, or for the destruction thereof, or for personal injuries or death, alleged to have been sustained in connection with the acquisition, construction, reconstruction, operation, or maintenance of a project shall be commenced more than one year after the cause of action therefor shall have accrued nor unless a notice of intention to commence such action and of the time when and place where the damages or personal injuries or death were incurred or sustained, together with a verified statement showing in detail the property alleged to have been damaged or destroyed and the value thereof or the personal injuries alleged to have been sustained and by whom, shall have been filed with the secretary of the district in the principal

Statute of  
limitations—  
Notice of  
commence-  
ment.

office of the district within six months after such cause of action shall have accrued.

Act supple-  
mental—  
Liberally  
construed.

SEC. 22. The powers and rights granted to port districts and public agencies by the provisions of this act are in addition and supplemental to and not in substitution of the powers and rights heretofore or hereafter granted to such districts and public agencies by any other law or city charter, and no limitations or restrictions or proceedings for the exercise of powers and rights by port districts and public agencies contained in any other laws or city charters shall apply to the exercise of powers and rights granted by the provisions of this act, and the provisions of this act shall be liberally construed to permit the accomplishment of the purposes hereof.

Severability.

SEC. 23. If any section, clause or provision of this act shall be declared unconstitutional or invalid in whole or in part, to the extent that this act is not unconstitutional or invalid this act shall be valid and effective, and no other section, clause, or provision hereof shall on account of such declaration be deemed invalid or ineffective.

Act controls.

SEC. 24. Insofar as the provisions of this act are inconsistent with the provisions of any other act or of any city charter, the provisions of this act shall be controlling.

Passed the Senate March 9, 1959.

Passed the House March 9, 1959.

Approved by the Governor March 23, 1959.