

by unanimous vote, authorize any of its members to serve as volunteer firemen without compensation. Only a commissioner actually serving as a volunteer fireman may enjoy the rights and benefits of a volunteer fireman. The first commissioners shall serve until after the next general election for the selection of commissioners and until their successors have been elected or appointed and have qualified.

Passed the House February 22, 1967.

Passed the Senate March 6, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 52.

[Engrossed House Bill No. 116.]

CITIES AND TOWNS—UTILITY LOCAL IMPROVEMENT DISTRICTS.

AN ACT relating to cities and towns and local improvements; authorizing the creation of utility local improvement districts; providing an additional method for securing the payment of certain revenue bonds; prescribing powers, duties, functions and procedures; amending section 35.43.030, chapter 7, Laws of 1965 and RCW 35.43.030; amending section 35.43.050, chapter 7, Laws of 1965 and RCW 35.43.050; amending section 35.43.075, chapter 7, Laws of 1965 and RCW 35.43.075; amending section 35.43.080, chapter 7, Laws of 1965 and RCW 35.43.080; amending section 35.43.130, chapter 7, Laws of 1965 and RCW 35.43.130; amending section 35.43.160, chapter 7, Laws of 1965 and RCW 35.43.160; amending section 35.43.180, chapter 7, Laws of 1965 as amended by section 2, chapter 58, Laws of 1965 and RCW 35.43.180; amending section 35.44.010, chapter 7, Laws of 1965 and RCW 35.44.010; amending section 35.44.030, chapter 7, Laws of 1965 and RCW 35.44.030; amending section 35.44.140, chapter 7, Laws of 1965 and RCW 35.44.140; amending section 35.44.360, chapter 7, Laws of 1965 and RCW 35.44.360; amending section 35.49.010, chapter 7, Laws of 1965 and RCW 35.49.010; amending section 35.49.060, chapter 7, Laws of 1965 and RCW 35.49.060; amending section 35.49.070, chapter 7, Laws of 1965 and RCW 35.49.070; amending section 35.49.080, chapter 7, Laws of 1965 and

RCW 35.49.080; amending section 35.50.020, chapter 7, Laws of 1965 and RCW 35.50.020; amending section 35.50.070, chapter 7, Laws of 1965 and RCW 35.50.070; amending section 35.50.230, chapter 7, Laws of 1965 and RCW 35.50.230; amending section 35.53.010, chapter 7, Laws of 1965 and RCW 35.53.010; amending section 35.53.020, chapter 7, Laws of 1965 and RCW 35.53.020; amending section 35.53.050, chapter 7, Laws of 1965 and RCW 35.53.050; amending section 35.53.070, chapter 7, Laws of 1965 and RCW 35.53.070; amending section 35.67.120, chapter 7, Laws of 1965 and RCW 35.67.120; amending section 35.92.100, chapter 7, Laws of 1965 and RCW 35.92.100; adding a new section to chapter 7, Laws of 1965 and to chapter 35.41 RCW; and adding a new section to chapter 7, Laws of 1965 and to chapter 35.43 RCW; and declaring an emergency.

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

Section 1. There is added to chapter 7, Laws of 1965 and to chapter 35.43 RCW a new section to read as follows:

Whenever the legislative authority of any city or town has provided pursuant to law for the acquisition, construction, reconstruction, purchase, condemnation and purchase, addition to, repair, or renewal of the whole or any portion of a:

(1) System for providing the city or town and the inhabitants thereof with water, which system includes as a whole or as a part thereof water mains, hydrants or appurtenances which are authorized subjects for local improvements under RCW 35.43.040 (13) or other law; or a

(2) System for providing the city or town with sewerage and storm or surface water disposal, which system includes as a whole or as a part thereof drains, sewers or sewer appurtenances which are authorized subjects for local improvements under RCW 35.43.040 (7) or other law, and

Has further provided in accordance with any applicable provisions of the Constitution or statutory authority for the issuance and sale of revenue bonds

New section.

Cities and towns. Utility local improvement districts —Initiation and formation

Cities and towns. Utility local improvement districts—Initiation and formation.

to pay the cost of all or a portion of any such system, such legislative authority shall have the authority to establish utility local improvement districts, and to levy special assessments on all property specially benefited by any such local improvement to pay in whole or in part the damages or costs of any local improvements so provided for.

The initiation and formation of such utility local improvement districts and the levying, collection and enforcement of assessments shall be in the manner and subject to the same procedures and limitations as are now or hereafter provided by law for the initiation and formation of local improvement districts in cities and towns and the levying, collection and enforcement of assessments pursuant thereto.

It must be specified in any petition or resolution initiating the formation of such a utility local improvement district in a city or town and in the ordinance ordered pursuant thereto, that the assessments shall be for the sole purpose of payment into such revenue bond fund as may be specified by the legislative authority for the payment of revenue bonds issued to defray the cost of such system or any portion thereof as provided for in this section.

Assessments in any such utility local improvement district may be made on the basis of special benefits up to but not in excess of the total cost of the local improvements portion of any system payable by issuance of revenue bonds. No warrants or bonds shall be issued in any such utility local improvement district, but the collection of interest and principal on all assessments in such utility local improvement district, when collected, shall be paid into any such revenue bond fund.

When in the petition or resolution for establishment of a local improvement district and in the ordinance ordered pursuant thereto, it is specified or

provided that the assessments shall be for the sole purpose of payment into a revenue bond fund for the payment of revenue bonds, then the local improvement district shall be designated a "utility local improvement district".

The provisions of chapters 35.45, 35.47 and 35.48 RCW shall have no application to utility local improvement districts created under authority of this section.

Sec. 2. Section 35.43.030, chapter 7, Laws of 1965 and RCW 35.43.030 are each amended to read as follows:

RCW 35.43.030 amended.

This and the following chapters relating to municipal local improvements shall supersede the provisions of the charter of any city of the first class inconsistent herewith.

Utility and local improvement districts
—Creation.

They shall apply to all incorporated cities and towns, including unclassified cities and towns operating under special charters.

The council of each city and town shall pass such general ordinance or ordinances as may be necessary to carry out their provisions and thereafter all proceedings relating to local improvements shall be conducted in accordance with this and the following chapters relating to municipal local improvements and the ordinance or ordinances of such city or town.

Cities or towns may form local improvement districts or utility local improvement districts composed entirely or in part of unincorporated territory adjacent to such city or town's corporate limits in the manner provided in this chapter.

Sec. 3. Section 35.43.050, chapter 7, Laws of 1965 and RCW 35.43.050 are each amended to read as follows:

RCW 35.43.050 amended.

A local improvement district or utility local improvement district may include adjoining, vicinal or

Noncontinuous improvements.

Utility and
local improve-
ment districts.

neighboring streets, avenues and alleys even though the improvement thus made is not connected or continuous: *Provided*, That the cost and expense of each continuous unit of the improvement shall be ascertained separately, as near as may be, and the assessment rates shall be computed on the basis of the cost and expense of each unit. In the event of the initiation of a local improvement district authorized by this section or a utility local improvement district authorized by this section, the legislative body may, in its discretion, eliminate from said district any unit of the improvement which is not connected or continuous and may proceed with the balance of the improvement within said local improvement district or utility local improvement district, as fully and completely as though said eliminated unit had not been included within the improvement district, without the giving of any notices to the property owners remaining within the district, other than such notices as are required by the provisions of this chapter to be given subsequent to such elimination.

RCW 35.43.075
amended.

Sec. 4. Section 35.43.075, chapter 7, Laws of 1965 and RCW 35.43.075 are each amended to read as follows:

Petitions for
district outside
city may be
denied.

Whenever the formation of a local improvement district or utility local improvement district which lies entirely or in part outside of a city or town's corporate limits is initiated by petition the legislative authority of the city or town may by a majority vote deny the petition and refuse to form the local improvement district or utility local improvement district.

RCW 35.43.080
amended.

Sec. 5. Section 35.43.080, chapter 7, Laws of 1965 and RCW 35.43.080 are each amended to read as follows:

Every ordinance ordering a local improvement to be paid in whole or in part by assessments against the property specially benefited shall establish a local improvement district to be known as "local improvement district No.," or a utility local improvement district to be known as "utility local improvement district No.," which shall embrace as nearly as practicable all the property specially benefited by the improvement.

Ordinance—
Creation of
districts.

Unless otherwise provided in the ordinance ordering the improvement, the improvement district shall include all the property between the termini of the improvement abutting upon, adjacent, vicinal, or proximate to the street, avenue, lane, alley, boulevard, park drive, parkway, public place or square proposed to be improved to a distance of ninety feet back from the marginal lines thereof or to the center line of the blocks facing or abutting thereon, whichever is greater (in the case of unplatted property, the distance back shall be the same as in the platted property immediately adjacent thereto): *Provided*, That if the local improvement is such that the special benefits resulting therefrom extend beyond the boundaries as above set forth, the council may create an enlarged district to include as nearly as practicable all the property to be specially benefited by the improvement; the petition or resolution for an enlarged district and all proceedings pursuant thereto shall conform as nearly as practicable to the provisions relating to local improvement districts generally except that the petition or resolution must describe it as an enlarged district and state what proportion of the amount to be charged to the property specially benefited shall be charged to the property lying between the termini of the proposed improvement and extending back from the marginal lines thereof to the middle of the block (or ninety feet back) on each side thereof,

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local improve-
ment districts.

and what proportion thereof to the remainder of the enlarged district: *Provided Further*, That whenever the nature of the improvement is such that the special benefits conferred on the property are not fairly reflected by the use of the aforesaid termini and zone method, the ordinance ordering the improvement may provide that the assessment shall be made against the property of the district in accordance with the special benefits it will derive from the improvement without regard to the zone and termini method.

RCW 35.43.130
amended.

Sec. 6. Section 35.43.130, chapter 7, Laws of 1965 and RCW 35.43.130 are each amended to read as follows:

Preliminary
estimates and
assessment
rolls.

Upon the filing of a petition or upon the adoption of a resolution, as the case may be, initiating a proceeding for the formation of a local improvement district or utility local improvement district, the proper board, officer, or authority designated by charter or ordinance to make the preliminary estimates and assessment roll shall cause an estimate to be made of the cost and expense of the proposed improvement and certify it to the legislative authority of the city or town together with all papers and information in its possession touching the proposed improvement, a description of the boundaries of the district, a statement of what portion of the cost and expense of the improvement should be borne by the property within the proposed district, a statement in detail of the local improvement assessments outstanding and unpaid against the property in the proposed district, and a statement of the aggregate actual valuation of the real estate including twenty-five percent of the actual valuation of the improvements in the proposed district according to the valuation last placed upon it for the purposes of general taxation.

If the proceedings were initiated by petition the designated board, officer or authority shall also determine the sufficiency of the petition and whether the facts set forth therein are true. If the petition is found to be sufficient and in all proceedings initiated by resolution of the legislative authority of the city or town, the estimates must be accompanied by a diagram showing thereon the lots, tracts, and parcels of land and other property which will be specially benefited by the proposed improvement and the estimated amount of the cost and expense thereof to be borne by each lot, tract, or parcel of land or other property: *Provided*, That no such diagram shall be required where such estimates are on file in the office of the city engineer, or other designated city office, together with a detailed copy of the preliminary assessment roll and the plans and assessment maps of the proposed improvement.

For the purpose of estimating and levying local improvement assessments, the value of property of the United States, of the state, or of any county, city, town, school district, or other public corporation whose property is not assessed for general taxes shall be computed according to the standards afforded by similarly situated property which is assessed for general taxes.

Sec. 7. Section 35.43.160, chapter 7, Laws of 1965 and RCW 35.43.160 are each amended to read as follows:

RCW 35.43.160 amended.

No city or town shall proceed with a local improvement initiated by petition, if it appears from the preliminary estimates and assessment roll that the amount of the estimated cost and expense thereon, which is to be assessed against the property in the proposed district, when added to all other outstanding local improvement assessments against the property in the proposed district (excluding penalties and interest and excluding assessments for diking,

Restraints on authority—
When initiated by petition.

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local improve-
ment districts.

drainage, sanitary fill or for filling any street to the established grade over any tideflats or tidelands or for storm or for sanitary sewer or water mains) exceeds the aggregate actual valuation of the real estate (including twenty-five percent of the actual valuation of the improvements thereon), within the district according to the valuation last placed upon it for the purposes of general taxation, unless the property owners or someone in their behalf, deposits with the city or town, a sum of money equal to the amount by which the estimated cost of the improvement exceeds the limit herein fixed: *Provided*, That the limitation of assessment herein fixed shall not apply to the improvement of a particular disconnected unit included in a local improvement district or utility local improvement district as permitted by RCW 35.43.050, but shall pertain only to the local improvement district or utility local improvement district as a whole.

RCW 35.43.180
amended.

Sec. 8. Section 35.43.180, chapter 7, Laws of 1965 as amended by section 2, chapter 58, Laws of 1965 and RCW 35.43.180 are each amended to read as follows:

Restraints by
protest.

The jurisdiction of the legislative authority of a city or town to proceed with any local improvement initiated by resolution shall be divested by a protest filed with the city or town council within thirty days from the date of passage of the ordinance ordering the improvement, signed by the owners of the property within the proposed local improvement district or utility local improvement district subject to sixty percent or more of the total cost of the improvement including federally-owned or other nonassessable property as shown and determined by the preliminary estimates and assessment roll of the proposed improvement district or, if all or part of the local improvement district or utility local improvement district lies outside of the city or town,

such jurisdiction shall be divested by a protest filed in the same manner and signed by the owners of property which is within the proposed local improvement district or utility local improvement district but outside the boundaries of the city or town, and which is subject to sixty percent or more of that part of the total cost of the improvement allocable to property within the proposed local improvement district or utility local improvement district but outside the boundaries of the city or town, including federally-owned or other nonassessable property: *Provided*, That such restraint by protest shall not apply to any local improvement by sanitary sewers or watermains and fire hydrants where the health officer of any city or town shall file with the legislative authority thereof a report showing the necessity for such improvement accompanied by a report of the chief of the fire department in the event such improvement includes fire hydrants, and such legislative body finds and recites in the ordinance or resolution authorizing the improvement that such improvement is necessary for the protection of the public health and safety and such ordinance or resolution is passed by unanimous vote of all members present.

Sec. 9. Section 35.44.010, chapter 7, Laws of 1965 and RCW 35.44.010 are each amended to read as follows:

All property included within the limits of a local improvement district or utility local improvement district shall be considered to be the property specially benefited by the local improvement and shall be the property to be assessed to pay the cost and expense thereof or such part thereof as may be chargeable against the property specially benefited. The cost and expense shall be assessed upon all the property in accordance with the special benefits conferred thereon in proportion to area and distance

RCW 35.44.010
amended.

Assessments
and reassess-
ments. Assess-
ment district—
All property to
be assessed—
Basis.

back from the marginal line of the public way or area improved.

RCW 35.44.030
amended.

Sec. 10. Section 35.44.030, chapter 7, Laws of 1965 and RCW 35.44.030 are each amended to read as follows:

Utility and
local improve-
ment districts
—Assessment
districts—
Zones.

For the purpose of ascertaining the amount to be assessed against each separate lot, tract, parcel of land or other property therein, the local improvement district or utility local improvement district shall be divided into subdivisions or zones paralleling the margin of the street, avenue, lane, alley, boulevard, park drive, parkway, public place or public square to be improved, numbered respectively first, second, third, fourth, and fifth.

The first subdivision shall include all lands within the district lying between the street margins and lines drawn parallel therewith and thirty feet therefrom.

The second subdivision shall include all lands within the district lying between lines drawn parallel with and thirty and sixty feet respectively from the street margins.

The third subdivision shall include all lands within the district lying between lines drawn parallel with and sixty and ninety feet respectively from the street margins.

The fourth subdivision shall include all lands, if any, within the district lying between lines drawn parallel with and ninety and one hundred twenty feet respectively from the street margins.

The fifth subdivision shall include all lands, if any, within the district lying between a line drawn parallel with and one hundred twenty feet from the street margin and the outer limit of the improvement district.

RCW 35.44.140
amended.

Sec. 11. Section 35.44.140, chapter 7, Laws of 1965 and RCW 35.44.140 are each amended to read as follows:

All lands held or owned by any county in fee simple, in trust, or otherwise within the limits of a local improvement district or utility local improvement district in a city or town shall be assessed and charged for their proportion of the cost of the local improvement in the same manner as other property in the district and the county commissioners are authorized to cause the assessments to be paid at the times and in the manner provided by law and the ordinances of the city or town. This section shall apply to all cities and towns, any charter or ordinance provision to the contrary notwithstanding.

County property assessment.

Sec. 12. Section 35.44.360, chapter 7, Laws of 1965 and RCW 35.44.360 are each amended to read as follows:

RCW 35.44.360 amended.

If by reason of mistake, inadvertence, or for any cause, property in a local improvement district or utility local improvement district which except for its omission would have been subject to assessment has been omitted from the assessment roll, the city or town council, upon its own motion, or upon the application of the owner of any property in the district which has been assessed for the improvement, may proceed to assess the property so omitted in accordance with the benefits accruing to it by reason of the improvement in proportion to the assessments levied upon other property in the district.

Assessments on omitted property—Authority.

Sec. 13. Section 35.49.010, chapter 7, Laws of 1965 and RCW 35.49.010 are each amended to read as follows:

RCW 35.49.010 amended.

All assessments for local improvements in local improvement districts shall be collected by the city treasurer and shall be kept in a separate fund to be known as "local improvement fund, district No." and shall be used for no other purpose than the redemption of warrants drawn upon and bonds issued against the fund to provide payment for the cost and expense of the improvement.

Collection of assessments—Notice.

Cities and towns—
Improvement districts.

All assessments for local improvements in a utility local improvement district shall be collected by the city treasurer, shall be paid into the appropriate revenue bond fund, and shall be used for no other purpose than the redemption of revenue bonds issued to provide funds for the cost and expense of the improvement.

Collection of assessments—
Notice.

As soon as the assessment roll has been placed in the hands of the city or town treasurer for collection, he shall publish a notice in the official newspaper of the city or town for ten consecutive daily or two consecutive weekly issues, that the roll is in his hands for collection and that all or any portion of the assessment may be paid within thirty days from the date of the first publication of the notice without penalty, interest or costs.

RCW 35.49.060 amended.

Sec. 14. Section 35.49.060, chapter 7, Laws of 1965 and RCW 35.49.060 are each amended to read as follows:

Collection of assessments—
Payment by city or town.

On or before the fifteenth day of August of each year, the city or town treasurer shall certify to the city or town council a detailed statement showing:

- (1) The proceedings authorizing and confirming any local improvement assessments or utility local improvement assessments affecting city or town property,
- (2) The lots, tracts, or parcels of lands of the city or town so assessed,
- (3) The several assessments against each,
- (4) The interest, penalties, and charges thereon,
- (5) The penalties and charges which will accrue upon the assessments to the date of payment, and
- (6) The total of all such assessments, interest, penalty, and charges.

The longest outstanding liens shall be paid first, but if the money in the "city (or town) property assessments redemption fund" is insufficient at any time to discharge all such liens against the lands of

the city or town upon a given assessment roll, the city or town treasurer may pay such portion thereof as may be possible from the funds available.

If deemed necessary, the city or town council may transfer money from the general fund to the redemption fund as a loan to be repaid when the money is available for repayment.

Sec. 15. Section 35.49.070, chapter 7, Laws of 1965 and RCW 35.49.070 are each amended to read as follows:

RCW 35.49.070
amended.

Upon the confirmation of the assessment roll for a local improvement district or utility local improvement district, the city or town treasurer shall certify and forward to the board of county commissioners a statement of all the lots, tracts, or parcels of land held or owned by the county assessed thereon, separately describing each lot, tract, or parcel, with the amount of the assessment charged against it.

Payment by
county.

The board of county commissioners shall cause the amount of such local assessments to be paid to the city or town as other claims against the county are paid.

If title to any property thus described was acquired by the county through foreclosure of general tax liens, the county shall:

- (1) Pay the assessment from the proceeds of the sale of the property; or
- (2) Sell the property subject to the lien of the assessment.

Sec. 16. Section 35.49.080, chapter 7, Laws of 1965 and RCW 35.49.080 are each amended to read as follows:

RCW 35.49.080
amended.

Upon the confirmation of the assessment roll for a local improvement district or utility local improvement district, the city treasurer shall certify and forward to the board of park commissioners of any metropolitan park district in which the city is

Collection of
assessments—
Payment by
metropolitan
park district.

located, a statement of all the lots, tracts, and parcels of land or other property held or owned by the district, assessed thereon, separately describing each lot, tract, or parcel with the amount of the assessment charged against it.

The board of park commissioners shall cause the amount of the local assessments to be paid as other claims against the metropolitan park district are paid.

RCW 35.50.020
amended.

Sec. 17. Section 35.50.020, chapter 7, Laws of 1965 and RCW 35.50.020 are each amended to read as follows:

Cities and
towns. Im-
provement
districts. Fore-
closure of as-
sessments—
Assessment
lien—Validity.

If the city or town council in making assessments against any property within any local improvement district or utility local improvement district has acted in good faith and without fraud, the assessments shall be valid and enforceable as such and the lien thereof upon the property assessed shall be valid.

It shall be no objection to the validity of the assessment, or the lien thereof:

(1) That the contract for the improvement was not awarded in the manner or at the time required by law; or

(2) That the assessment was made by an unauthorized officer or person if the assessment roll was confirmed by the city or town authorities; or

(3) That the assessment is based upon a front foot basis, or upon a basis of benefits to the property within the improvement district unless it is made to appear that the city or town authorities did not act in good faith and did not attempt to act fairly in regard thereto or unless it is made to appear that the city or town authorities acted fraudulently or oppressively in making the assessment.

All local improvement assessments heretofore or hereafter made by city or town authorities in good faith are valid and in full force and effect.

Sec. 18. Section 35.50.070, chapter 7, Laws of 1965 and RCW 35.50.070 are each amended to read as follows:

RCW 35.50.070 amended.

It shall not be necessary to bring a separate suit for each lot, tract, or parcel of land or other property or for each separate local improvement district or utility local improvement district, but all or any part of the property upon which local improvement assessments are delinquent under any and all local improvement assessment rolls in the city or town may be proceeded against in the same action and all or any of the owners or persons interested in any of the property being foreclosed upon may be joined as parties defendant in a single action to foreclose, and all or any liens for such delinquent assessments or installments thereof may be foreclosed in such proceeding.

Procedure—Parties and property included.

Sec. 19. Section 35.50.230, chapter 7, Laws of 1965 and RCW 35.50.230 are each amended to read as follows:

RCW 35.50.230 amended.

In the alternative method of foreclosing local improvement assessment liens, all or any of the lots, tracts, or parcels of land or other property included in the assessment for one local improvement district or one utility local improvement district may be proceeded against in the same action. All persons owning or claiming to own or having or claiming to have any interest in or lien upon the lots, tracts, or parcels involved in the action and all persons unknown who may have an interest or claim of interest therein shall be made defendants thereto.

Alternative procedure—Parties and property included.

Sec. 20. Section 35.53.010, chapter 7, Laws of 1965 and RCW 35.53.010 are each amended to read as follows:

RCW 35.53.010 amended.

Property bid in by the city or town or struck off to it pursuant to proceedings for the foreclosure of local improvement assessment liens shall be held in

Disposition of property.

Cities and Towns. Improvement districts. Disposition of property acquired.

trust by the city or town for the fund of the improvement district or the revenue bond fund into which assessments in utility local improvement districts are pledged to be paid for the benefit of which the property was sold. Any property so held in trust shall be exempt from taxation for general state, county and municipal purposes during the period that it is so held.

RCW 35.53.020 amended

Sec. 21. Section 35.53.020, chapter 7, Laws of 1965 and RCW 35.53.020 are each amended to read as follows:

Discharge of trust.

The city or town may relieve itself of its trust relation to a local improvement district fund or revenue bond fund into which utility local improvement assessments are pledged to be paid as to any lot, tract, or parcel of property by paying into the fund the amount of the delinquent assessment for which the property was sold and all accrued interest, together with interest to the time of the next call of bonds or warrants against such fund at the rate provided thereon. Upon such payment the city or town shall hold the property discharged of the trust.

RCW 35.53.050 amended.

Sec. 22. Section 35.53.050, chapter 7, Laws of 1965 and RCW 35.53.050 are each amended to read as follows:

Termination of trust in certain property—Complaint—Allegations.

The complaint in any such action by a city or town to terminate its trust in property acquired at a local improvement assessment sale shall set forth:

- (1) The number of the local improvement district or utility local improvement district,
- (2) The bonds and warrants owing thereby,
- (3) The owners thereof or that the owners are unknown,
- (4) A description of the assets of the district with the estimated value thereof,
- (5) The amount of the assessments, including penalty and interest, of any other local improve-

ment districts or utility local improvement districts which are a lien upon the same property,

(6) The amount of the bonds and warrants owing by such other districts and the names of the owners thereof unless they are unknown, except where the bonds and warrants are guaranteed by a local improvement guaranty fund or pursuant to any other form of guaranty authorized by law.

Sec. 23. Section 35.53.070, chapter 7, Laws of 1965 and RCW 35.53.070 are each amended to read as follows: RCW 35.53.070 amended.

In such an action the court after acquiring jurisdiction shall proceed as in the case of a receivership except that the city or town shall serve as trustee in lieu of a receiver. Receivership—Regulations.

The assets of the improvement districts involved shall be sold at such prices and in such manner as the court may deem advisable and be applied to the costs and expenses of the action and the liquidation of the bonds and warrants of the districts or revenue bonds to which utility local improvement assessments are pledged to pay.

No notice to present claims other than the summons in the action shall be necessary. Any claim presented shall be accompanied by the bonds and warrants upon which it is based. Dividends upon any bonds or warrants for which no claim was filed shall be paid into the general fund of the city or town, but the owner thereof may obtain it at any time within five years thereafter upon surrender and cancellation of his bonds and warrants.

Upon the termination of the receivership the city or town shall be discharged from all trusts relating to the property, funds, bonds, and warrants involved in the action.

Sec. 24. Section 35.67.120, chapter 7, Laws of 1965 and RCW 35.67.120 are each amended to read as follows: RCW 35.67.120 amended.

Cities and towns. Sewerage systems—Refuse collection and disposal—Revenue bond fund.

After the city or town legislative body adopts a proposition for any such public utility, and either (1) no general indebtedness has been authorized, or (2) the city or town legislative body does not desire to incur a general indebtedness, and the legislative body can lawfully proceed without submitting the proposition to a vote of the people, it may create a special fund or funds for the sole purpose of defraying the cost of the proposed system, or additions, betterments or extensions thereto.

The city or town legislative body may obligate the city or town to set aside and pay into this special fund: (1) A fixed proportion of the gross revenues of the system, or (2) a fixed amount out of and not exceeding a fixed proportion of the gross revenues, or (3) a fixed amount without regard to any fixed proportion, and (4) amounts received from any utility local improvement district assessments pledged to secure such bonds.

RCW 35.92.100 amended.

Sec. 25. Section 35.92.100, chapter 7, Laws of 1965 and RCW 35.92.100 are each amended to read as follows:

Municipal utilities. Revenue bonds or warrants.

When the voters of a city or town, or the corporate authorities thereof, have adopted a proposition for any public utility and either no general indebtedness has been authorized or the corporate authorities do not desire to incur a general indebtedness, and when the corporate authorities are authorized to exercise any of the powers conferred by this chapter without submitting the proposition to a vote, the corporate authorities may create a special fund for the sole purpose of defraying the cost of the public utility or addition, betterment, or extension thereto, into which special fund they may obligate and bind the city or town to set aside and pay a fixed proportion of the gross revenues of the utility, or any fixed amount out of and not exceeding a fixed proportion of such revenues, or a fixed amount

without regard to any fixed proportion, and issue and sell bonds or warrants bearing interest not exceeding six percent per year, payable semiannually, executed in such manner and payable at such times and places as the corporate authorities shall determine, but the bonds or warrants and the interest thereon shall be payable only out of the special fund and shall be a lien and charge against payments received from any utility local improvement district assessments pledged to secure such bonds. Such bonds shall be negotiable instruments within the meaning of the negotiable instruments law, Title 62, or Title 62A, notwithstanding same are made payable out of a particular fund contrary to the provisions of RCW 62.01.003 or 62A.3-105.

When corporate authorities deem it necessary to construct any sewage disposal plant, it may be considered as a part of the waterworks department of the city or town and the cost of construction and maintenance thereof may be chargeable to the water fund of the municipality, or to any other special fund which the corporate authorities may by ordinance designate.

In creating a special fund, the corporate authorities shall have due regard to the cost of operation and maintenance of the plant or system as constructed or added to, and to any proportion or part of the revenue previously pledged as a fund for the payment of bonds, warrants, or other indebtedness, and shall not set aside into such special fund a greater amount or proportion of the revenue and proceeds than in their judgment will be available above such cost of maintenance and operation and the amount or proportion, if any, of the revenue so previously pledged. Rates shall be maintained adequate to service such bonds and to maintain the utility in sound financial condition.

Municipal utilities. Revenue bonds or warrants.

The bonds or warrants and interest thereon issued against any such fund shall be a valid claim of the holder thereof only as against the special fund and its fixed proportion or amount of the revenue pledged thereto, and shall not constitute an indebtedness of the city or town within the meaning of constitutional provisions and limitations. Each bond or warrant shall state upon its face that it is payable from a special fund, naming it and the ordinance creating it. The bonds and warrants shall be sold in such manner as the corporate authorities shall deem for the best interest of the city or town, and they may provide in any contract for the construction and acquirement of the proposed improvement that payment therefor shall be made only in such bonds and warrants at par value thereof.

When a special fund is created and any such obligation is issued against it, a fixed proportion, or a fixed amount out of and not exceeding such fixed proportion, or a fixed amount without regard to any fixed proportion, of revenue shall be set aside and paid into such fund as provided in the ordinance creating it, and in case the city or town fails to thus set aside and pay such fixed proportion or amount, the holder of any bond or warrant against the fund may bring action against the city or town and compel such setting aside and payment: *Provided*, That whenever the corporate authorities of any city or town shall so provide by ordinance then all such bonds thereafter issued shall be on a parity, without regard to date of issuance or authorization and without preference or priority of right or lien with respect to participation of special funds in amounts from gross revenues for payment thereof.

New section.

Sec. 26. There is added to chapter 7, Laws of 1965 and to chapter 35.41 RCW a new section to read as follows:

The legislative body of any city or town may provide as an additional method for securing the payment of any such bonds issued to pay the whole or a portion of the cost of providing the city or town with a system of water or sewerage as set forth in section 1 of this 1967 amendatory act, that utility local improvement district assessments authorized to be made for the purposes and subject to the limitations contained in section 1 of this 1967 amendatory act may be pledged to secure the payment of such bonds.

Authority to pledge improvement district assessments to pay revenue bonds.

Sec. 27. The authority granted by this 1967 amendatory act shall be considered an alternative and additional method of securing payment of revenue bonds issued for the purposes specified in section 1 of this 1967 amendatory act and shall not be construed as a restriction or limitation upon any other method for providing for the payment of any such revenue bonds.

Provisions of act additional and cumulative.

Sec. 28. The legislative authority of any city or town may by ordinance convert any then existing local improvement district into a utility local improvement district at any time prior to the adoption of an ordinance approving and confirming the final assessment roll of such local improvement district. The ordinance so converting the local improvement district shall provide for the payment of the special assessments levied in that district into the special fund established or to be established for the payment of revenue bonds issued to defray the cost of the local improvement in that district.

Conversion of improvement district.

Sec. 29. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Severability.

Emergency.

Sec. 30. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 7, 1967.

Passed the Senate March 8, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 53.

[Engrossed House Bill No. 174.]

WATER RESOURCES—BASIC DATA FUND—STREAM GAUGING FUND.

AN ACT relating to water resources; authorizing the creation of basic data fund; abolishing the stream gauging fund; transferring funds; and amending section 43.21.140, chapter 8, Laws of 1965, and RCW 43.21.140.

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

RCW 43.21.140
amended.

Section 1. Section 43.21.140, chapter 8, Laws of 1965, and RCW 43.21.140 are each amended to read as follows:

Water re-
sources. Basic
data fund—
Creation—
Sources—Use.

The director of conservation, through the division of water resources, may create within his department a fund to be known as the "basic data fund."

Into such fund shall be deposited all moneys contributed by persons for stream flow, ground water and water quality data or other hydrographic information furnished by the department in cooperation with the United States geological survey, and the fund shall be expended on a matching basis with the United States geological survey for the purpose of obtaining additional basic information needed for an intelligent inventory of water resources in the state.

Disbursements from the basic data fund shall be