

CHAPTER 56
[Engrossed Substitute Senate Bill No. 146]
PUBLIC BONDS AND OBLIGATIONS--
INTEREST RATES

AN ACT Relating to interest rates on obligations of the state and various political subdivisions thereof; amending section 1, chapter 232, Laws of 1969 ex. sess. (uncodified); amending section 11, chapter 154, Laws of 1915 as last amended by section 64, chapter 232, Laws of 1969 ex. sess. and RCW 8.12.400; amending section 1, chapter 53, Laws of 1957 as amended by section 2, chapter 232, Laws of 1969 ex. sess. and RCW 14.08.112; amending section 2, chapter 53, Laws of 1957 as amended by section 3, chapter 232, Laws of 1969 ex. sess. and RCW 14.08.114; amending section 26, chapter 153, Laws of 1957 as amended by section 65, chapter 232, Laws of 1969 ex. sess. and RCW 17.28.260; amending section 2, chapter 59, Laws of 1955 as amended by section 4, chapter 232, Laws of 1969 ex. sess. and RCW 27.12.223; amending section 12, page 329, chapter 97, Laws of 1909 as last amended by section 66, chapter 232, Laws of 1969 ex. sess. and RCW 28.51.180; amending section 5, page 333, chapter 97, Laws of 1909 as amended by section 67, chapter 232, Laws of 1969 ex. sess. and RCW 28.52.050; amending section 6, page 334, chapter 97, Laws of 1909 as amended by section 68, chapter 232, Laws of 1969 ex. sess. and RCW 28.52.055; amending section 7, chapter 229, Laws of 1961 as amended by section 6, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.192; amending section 8, chapter 229, Laws of 1961 as amended by section 7, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.194; amending section 4, chapter 229, Laws of 1961 as amended by section 8, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.200; amending section 3, chapter 284, Laws of 1947 as amended by section 9, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.370; amending section 4, chapter 254, Laws

of 1957 as last amended by section 10, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.530; amending section 8, chapter 193, Laws of 1959 as amended by section 11, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.547; amending section 4, chapter 12, Laws of 1961 ex. sess. as amended by section 12, chapter 232, Laws of 1969 ex. sess. and RCW 28.80.530; amending section 7, chapter 12, Laws of 1961 ex. sess. as amended by section 13, chapter 232, Laws of 1969 ex. sess. and RCW 28.80-.560; amending section 4, chapter 14, Laws of 1961 ex. sess. as amended by section 69, chapter 232, Laws of 1969 ex. sess. and RCW 28.81.530; amending section 8, chapter 14, Laws of 1961 ex. sess. as amended by section 70, chapter 232, Laws of 1969 ex. sess. and RCW 28.81.570; amending section 7, chapter (HB 41), Laws of 1970 1st ex. sess. and RCW 28.85.350; amending section 39, chapter 8, Laws of 1967 ex. sess. as amended by section 36, chapter 232, Laws of 1969 ex. sess. and RCW 28.85.390; amending section 28B.10.310, chapter 223, Laws of 1969 ex. sess. as amended by section 96, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10.310; amending section 28B.10-.315, chapter 223, Laws of 1969 ex. sess. as amended by section 97, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10-.315; amending section 28B.10.325, chapter 223, Laws of 1969 ex. sess. as amended by section 98, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10.325; amending section 28B.20.396, chapter 223, Laws of 1969 ex. sess. as amended by section 99, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.396; amending section 28B.20.715, chapter 223, Laws of 1969 ex. sess. as amended by section 100, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.715; amending section 28B.20.730, chapter 223, Laws of 1969 ex. sess. as amended by section 101, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.730; amending section 28B.30.730, chapter 223, Laws of 1969 ex. sess. as amended by

section 102, chapter 232, Laws of 1969 ex. sess. and RCW 28B-.30.730; amending section 28B.30.760, chapter 223, Laws of 1969 ex. sess. as amended by section 103, chapter 232, Laws of 1969 ex. sess. and RCW 28B.30.760; amending section 28B.40.730, chapter 223, Laws of 1969 ex. sess. as amended by section 104, chapter 232, Laws of 1969 ex. sess. and RCW 28B.40.730; amending section 28B.40.770, chapter 223, Laws of 1969 ex. sess. as amended by section 105, chapter 232, Laws of 1969 ex. sess. and RCW 28B.40.770; amending section 19, chapter ... (HB 41), Laws of 1970 1st ex. sess. and RCW 28B.50.350; amending section 28B.50.390, chapter 223, Laws of 1969 ex. sess. as amended by section 107, chapter 232, Laws of 1969 ex. sess. and RCW 28B.50.390; amending section 35.41.030, chapter 7, Laws of 1965 as amended by section 15, chapter 232, Laws of 1969 ex. sess. and RCW 35.41.030; amending section 35.45.020, chapter 7, Laws of 1965 as amended by section 11, chapter 258, Laws of 1969 ex. sess. and RCW 35.45.020; amending section 35.45.130, chapter 7, Laws of 1965 and RCW 35.45.130; amending section 35.45.150, chapter 7, Laws of 1965 and RCW 35.45.150; amending section 1, chapter ... (HB 37), Laws of 1970 1st ex. sess. and RCW 35.58.450; amending section 2, chapter ... (HB 37), Laws of 1970 1st ex. sess. and RCW 35.58-.460; amending section 35.58.470, chapter 7, Laws of 1965 as amended by section 18, chapter 232, Laws of 1969 ex. sess. and RCW 35.58.470; amending section 35.61.170, chapter 7, Laws of 1965 as amended by section 19, chapter 232, Laws of 1969 ex. sess. and RCW 35.61.170; amending section 35.67.080, chapter 7, Laws of 1965 as amended by section 20, chapter 232, Laws of 1969 ex. sess. and RCW 35.67.080; amending section 35.67-.140, chapter 7, Laws of 1965 as amended by section 71, chapter 232, Laws of 1969 ex. sess. and RCW 35.67.140; amending section 35.81.100, chapter 7, Laws of 1965 as amended by section 21, chapter 232, Laws of 1969 ex. sess. and RCW 35.81-.100; amending section 35.82.140, chapter 7, Laws of 1965 as

amended by section 22, chapter 232, Laws of 1969 ex. sess. and RCW 35.82.140; amending section 35.89.020, chapter 7, Laws of 1965 as amended by section 23, chapter 232, Laws of 1969 ex. sess. and RCW 35.89.020; amending section 35.92.080, chapter 7, Laws of 1965 as last amended by section 24, chapter 232, Laws of 1969 ex. sess. and RCW 35.92.080; amending section 35.92.100, chapter 7, Laws of 1965 as amended by section 25, chapter 232, Laws of 1969 ex. sess. and RCW 35.92.100; amending section 36.62.070, chapter 4, Laws of 1963 as amended by section 26, chapter 232, Laws of 1969 ex. sess. and RCW 36.62.070; amending section 3, chapter 142, Laws of 1965 as amended by section 27, chapter 232, Laws of 1969 ex. sess. and RCW 36.67.530; amending section 6, chapter 142, Laws of 1965 as amended by section 28, chapter 232, Laws of 1969 ex. sess. and RCW 36.67.560; amending section 36.76.010, chapter 4, Laws of 1963 as amended by section 72, chapter 232, Laws of 1969 ex. sess. and RCW 36.76.010; amending section 36.76.090, chapter 4, Laws of 1963 as amended by section 29, chapter 232, Laws of 1969 ex. sess. and RCW 36.76.090; amending section 36.76.140, chapter 4, Laws of 1963 as amended by section 30, chapter 232, Laws of 1969 ex. sess. and RCW 36.76.140; amending section 36.88.200, chapter 4, Laws of 1963 as amended by section 73, chapter 232, Laws of 1969 ex. sess. and RCW 36.88.200; amending section 3, chapter 4, Laws of 1917 as amended by section 74, chapter 232, Laws of 1969 ex. sess. and RCW 37.16.020; amending section 4, chapter 4, Laws of 1917 as amended by section 75, chapter 232, Laws of 1969 ex. sess. and RCW 37.16.030; amending section 3, chapter 151, Laws of 1923 as last amended by section 93, chapter 232, Laws of 1969 ex. sess. and RCW 39.44.030; amending section 1, chapter 30, Laws of 1933 ex. sess. as amended by section 76, chapter 232, Laws of 1969 ex. sess. and RCW 39.48.010; amending section 2, chapter 170,

Laws of 1895 as amended by section 31, chapter 232, Laws of 1969 ex. sess. and RCW 39.52.020; amending section 43.21.340, chapter 8, Laws of 1965 as amended by section 32, chapter 232, Laws of 1969 ex. sess. and RCW 43.21.340; amending section 47.56.140, chapter 13, Laws of 1961 as last amended by section 33, chapter 232, Laws of 1969 ex. sess. and RCW 47.56.140; amending section 33, chapter 181, Laws of 1961 as amended by section 77, chapter 232, Laws of 1969 ex. sess. and RCW 47.57-.550; amending section 47.58.040, chapter 13, Laws of 1961 as last amended by section 78, chapter 232, Laws of 1969 ex. sess. and RCW 47.58.040; amending section 47.60.060, chapter 13, Laws of 1961 as amended by section 34, chapter 232, Laws of 1969 ex. sess. and RCW 47.60.060; amending section 3, chapter 176, Laws of 1953 as last amended by section 89, chapter 232, Laws of 1969 ex. sess. and RCW 52.16.061; amending section 5, chapter 24, Laws of 1951 2nd ex. sess. as amended by section 40, chapter 232, Laws of 1969 ex. sess. and RCW 52.16.100; amending section 45, chapter 34, Laws of 1939 as amended by section 90, chapter 232, Laws of 1969 ex. sess. and RCW 52-.20.060; amending section 3, chapter 236, Laws of 1959 as amended by section 79, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.030; amending section 4, chapter 236, Laws of 1959 as amended by section 80, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.040; amending section 6, chapter 236, Laws of 1959 as amended by section 81, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.060; amending section 3, chapter 218, Laws of 1941 as amended by section 82, chapter 232, Laws of 1969 ex. sess. and RCW 53.39.030; amending section 4, chapter 59, Laws of 1957 as last amended by section 37, chapter 232, Laws of 1969 ex. sess. and RCW 53.40.030; amending section 9, chapter 122, Laws of 1949 as last amended by section 38, chapter 232, Laws of 1969 ex. sess. and RCW 53.40.110; amending section 8, chapter 122, Laws of 1949 as last amended by section

39, chapter 232, Laws of 1969 ex. sess. and RCW 53.40.130; amending section 2, chapter 239, Laws of 1947 as amended by section 91, chapter 232, Laws of 1969 ex. sess. and RCW 53-44.020; amending section 7, chapter 1, Laws of 1931 as amended by section 14, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.018; amending section 4, chapter 182, Laws of 1941 as last amended by section 83, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.060; amending section 8, chapter 182, Laws of 1941 as last amended by section 84, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.090; amending section 18, chapter 210, Laws of 1941 as last amended by section 85, chapter 232, Laws of 1969 ex. sess. and RCW 56.16.040; amending section 19, chapter 210, Laws of 1941 as last amended by section 86, chapter 232, Laws of 1969 ex. sess. and RCW 56.16.060; amending section 21, chapter 210, Laws of 1941 and RCW 56.16.080; amending section 11, chapter 114, Laws of 1929 as last amended by section 87, chapter 232, Laws of 1969 ex. sess. and RCW 57-20.010; amending section 3, chapter 128, Laws of 1939 as last amended by section 88, chapter 232, Laws of 1969 ex. sess. and RCW 57.20.020; amending section 6, chapter 264, Laws of 1945 as last amended by section 1, chapter 65, Laws of 1969 ex. sess. and RCW 70.44.060; amending section 13, chapter 264, Laws of 1945 as amended by section 3, chapter 65, Laws of 1969 ex. sess. and RCW 70.44.120; amending section 30, chapter 117, Laws of 1895 as amended by section 43, chapter 232, Laws of 1969 ex. sess. and RCW 85.05.300; amending section 1, chapter 156, Laws of 1913 as amended by section 50, chapter 232, Laws of 1969 ex. sess. and RCW 85.05.480; amending section 27, chapter 115, Laws of 1895 as amended by section 51, chapter 232, Laws of 1969 ex. sess. and RCW 85.06.270; amending section 1, part, chapter 174, Laws of 1927 as amended by section 52, chapter 232, Laws of 1969 ex. sess. and RCW 85.06.321; amending section 2, chapter 103, Laws of 1935 as amended by [424]

section 53, chapter 232, Laws of 1969 ex. sess. and RCW 85.07-.070; amending section 13, chapter 26, Laws of 1949 as amended by section 54, chapter 232, Laws of 1969 ex. sess. and RCW 85-.16.180; amending section 194, chapter 72, Laws of 1937 as amended by section 44, chapter 232, Laws of 1969 ex. sess. and RCW 86.09.580; amending section 200, chapter 72, Laws of 1937 as amended by section 45, chapter 232, Laws of 1969 ex. sess. and RCW 86.09.598; amending section 15, page 679, Laws of 1889-90 as last amended by section 46, chapter 232, Laws of 1969 ex. sess. and RCW 87.03.200; amending section 3, chapter 161, Laws of 1923 as amended by section 55, chapter 232, Laws of 1969 ex. sess. and RCW 87.19.030; amending section 20, chapter 120, Laws of 1929 as last amended by section 56, chapter 232, Laws of 1969 ex. sess. and RCW 87.22.150; amending section 21, chapter 120, Laws of 1929 as amended by section 57, chapter 232, Laws of 1969 ex. sess. and RCW 87.22.160; amending section 2, chapter 57, Laws of 1949 as amended by section 58, chapter 232, Laws of 1969 ex. sess. and RCW 87.28-.020; amending section 6, chapter 57, Laws of 1949 as amended by section 59, chapter 232, Laws of 1969 ex. sess. and RCW 87-.28.070; amending section 10, chapter 236, Laws of 1907 as amended by section 60, chapter 232, Laws of 1969 ex. sess. and RCW 88.32.140; amending section 140, chapter 254, Laws of 1927 as amended by section 61, chapter 232, Laws of 1969 ex. sess. and RCW 89.30.418; amending section 174, chapter 254, Laws of 1927 as amended by section 62, chapter 232, Laws of 1969 ex. sess. and RCW 89.30.520; amending section 35, chapter 8, Laws of 1909 as last amended by section 47, chapter 232, Laws of 1969 ex. sess. and RCW 91.04.490; amending section 46, chapter 23, Laws of 1911 as amended by section 48, chapter 232, Laws of 1969 ex. sess. and RCW 91.08.480; amending section 4, chapter 80, Laws of 1899 and RCW 39.56.020; repealing section 1, chapter 151, Laws of 1965 ex. sess. as amended by section 41,

chapter 232, Laws of 1969 ex. sess. and RCW 79.24.610; repealing section 2, chapter 151, Laws of 1965 ex. sess. as amended by section 42, chapter 232, Laws of 1969 ex. sess. and RCW 79.24.612; providing effective dates and for the expiration of sections hereof; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 1, chapter 232, Laws of 1969 ex. sess. (uncodified) is amended to read as follows:

Because market conditions are such that the state, state agencies, state colleges and universities, and the political subdivisions, municipal corporations and quasi municipal corporations of this state are finding it increasingly difficult and, in some cases, impossible to market bond issues and all other obligations, at the maximum permissible rate of interest payable on such bonds and obligations, it is the purpose of this ((1969)) 1970 amendatory act to ~~((increase-the-permissible-maximum-rate-of-interest-payable-on-such-bonds-to-eight-percent-per-annum))~~ remove all maximum rates of interest payable on such bonds and obligations.

Sec. 2. Section 11, chapter 154, Laws of 1915 as last amended by section 64, chapter 232, Laws of 1969 ex. sess. and RCW 8.12.400 are each amended to read as follows:

Such bonds shall be issued only in pursuance of ordinances of the city directing the issuance of the same, and by their terms shall be made payable on or before a date not to exceed twelve years from and after their date, which latter date may be fixed by resolution or ordinance by council or other legislative body of said city and shall bear interest ~~((not-exceeding-eight-percent-per-annum))~~ at such rate or rates as may be authorized by the council or other legislative body of said city, which interest shall be payable annually, or semiannually, as may be provided by resolution or ordinance, and each bond shall have attached thereto interest coupons for each interest payment: PROVIDED, That the legislative body of any city of

the first class having a population of three hundred thousand inhabitants, or more, issuing any bonds hereunder may by ordinance, passed by unanimous vote, authorize the issuance of such bonds payable on or before a date not to exceed twenty-two years from and after the date of the issue of such bonds, and shall in such ordinance provide that said bonds shall be sold at not less than par and shall bear interest (~~(at not to exceed eight percent per annum)~~) at such rate or rates as may be authorized by the legislative body.

Such bonds shall be in such denominations as shall be provided in the resolution or ordinance authorizing their issuance and shall be numbered from one upwards, consecutively, and each bond and coupon shall be signed by the mayor and attested by the clerk or controller of such city: PROVIDED, HOWEVER, That said coupons may in lieu of being so signed have printed thereon a facsimile of the signature of said officers and each bond shall have the seal of such city affixed thereto and shall refer to the improvement to pay for which the same shall be issued and to the ordinance authorizing the same. Each bond shall provide that the principal sum therein named, and the interest thereon, shall be payable out of the local improvement fund created for the payment of the cost and expense of such improvement, and not otherwise. Such bonds shall not be issued in any amount in excess of the cost and expense of the improvement.

Sec. 3. Section 1, chapter 53, Laws of 1957 as amended by section 2, chapter 232, Laws of 1969 ex. sess. and RCW 14.08.112 are each amended to read as follows:

Municipalities, including any governmental subdivision which may be hereafter authorized by law to own, control and operate an airport or other air navigation facility, are hereby authorized to issue revenue bonds to provide part or all of the funds required to accomplish the powers granted them by chapter 14.08 RCW, and to construct, acquire by purchase or condemnation, equip, add to, extend, enlarge, improve, replace and repair airports, facilities and structures thereon including but not being limited to facilities for the

servicing of aircraft and for the comfort and accommodation of air travelers, and other properties incidental to the operation of airports and to pay all costs incidental thereto.

The legislative body of the municipality shall create a special fund for the sole purpose of paying the principal of and interest on the bonds of each issue, into which fund the legislative body shall obligate the municipality to pay an amount of the gross revenue derived from its ownership, control, use and operation of the airport and all airport facilities and structures thereon and used and operated in connection therewith, including but not being limited to fees charged for all uses of the airport and facilities, rentals derived from leases of part or all of the airport, buildings and any or all air navigation facilities thereon, fees derived from concessions granted, and proceeds of sales of part or all of the airport and any or all buildings and structures thereon or equipment therefor, sufficient to pay the principal and interest as the same shall become due, and to maintain adequate reserves therefor if necessary. Revenue bonds and the interest thereon shall be payable only out of and shall be a valid claim of the holder thereof only as against the special fund and the revenue pledged to it, and shall not constitute a general indebtedness of the municipality.

Each revenue bond and interest coupon attached thereto shall name the fund from which it is payable and state upon its face that it is only payable therefrom; however, all revenue bonds and interest coupons issued under RCW 14.08.112 and 14.08.114 shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state. Each issue of revenue bonds may be bearer coupon bonds or may be registered either as to principal only or as to principal and interest; shall be in the denomination or denominations the legislative body of the municipality shall deem proper; shall be payable at the time or times and at the place or places as shall be determined by the legislative body; shall bear interest (~~over the life of the issue at a net interest cost to the~~

~~municipality-of-not-to-exceed-eight-percent-per-annum-and-no-semi-annual-interest-on-any-bonds-shall-be-greater-than-eight-percent+ PROVIDED,-HOWEVER,-That-the-amount-of-the-premium,-if-any,-to-be-paid on-the-redemption-of-bonds-prior-to-their-maturity-shall-not-be-considered-in-determining-the-net-interest-cost))~~ at such rate or rates as authorized by the legislative body; shall be signed on behalf of the municipality by the chairman of the board of county commissioners, mayor of the city or town, president of the port commission, and similar officer of any other municipality, shall be attested by the county auditor, the clerk or comptroller of the city or town, the secretary of the port commission, and similar officer of any other municipality, one of which signatures may be a facsimile signature, and shall have the seal of the municipality impressed thereon; each of the interest coupons attached thereto shall be signed by the facsimile signatures of said officials. Revenue bonds shall be sold in the manner as the legislative body of the municipality shall deem best, either at public or private sale.

The municipality at the time of the issuance of revenue bonds may provide covenants as it may deem necessary to secure and guarantee the payment of the principal thereof and interest thereon, including but not being limited to covenants to create a reserve fund or account and to authorize the payment or deposit of certain moneys therein for the purpose of securing or guaranteeing the payment of the principal and interest, to establish and maintain rates, charges, fees, rentals and sales prices sufficient to pay the principal and interest and to maintain an adequate coverage over annual debt service, to appoint a trustee for the bondholders and a trustee for the safeguarding and disbursing of the proceeds of sale of the bonds and to fix the powers and duties of the trustee or trustees, and to make any and all other covenants as the legislative body may deem necessary to its best interest and that of its inhabitants to accomplish the most advantageous sale possible of the bonds. The legislative body may also provide that revenue bonds payable out of the same

source or sources may later be issued on a parity with revenue bonds being issued and sold.

The legislative body of the municipality may include an amount for working capital and an amount necessary for interest during the period of construction of the airport or any facilities plus six months, in the principal amount of any revenue bond issue; if it deems it to the best interest of the municipality and its inhabitants, it may provide in any contract for the construction or acquisition of an airport or facilities that payment therefor shall be made only in revenue bonds at the par value thereof.

If the municipality or any of its officers shall fail to carry out any of its or their obligations, pledges or covenants made in the authorization, issuance and sale of bonds, the holder of any bond or the trustee may bring action against the municipality and/or said officers to compel the performance of any or all of the covenants.

Sec. 4. Section 2, chapter 53, Laws of 1957 as amended by section 3, chapter 232, Laws of 1969 ex. sess. and RCW 14.08.114 are each amended to read as follows:

When any municipality has outstanding revenue bonds or warrants payable solely from revenues derived from the ownership, control, use and operation of the airport and all its facilities and structures thereon used and operated in connection therewith, the legislative body thereof may provide for the issuance of funding or refunding bonds to fund or refund outstanding warrants or bonds or any part thereof at or before maturity, and may combine various outstanding warrants and various series and issues of outstanding bonds in the amount thereof to be funded or refunded and may issue funding or refunding bonds to pay any redemption premium and interest payable on the outstanding revenue warrants or bonds being funded or refunded. The legislative body of the municipality shall create a special fund for the sole purpose of paying the principal of and interest on funding or refunding bonds, into which fund the legislative body shall obligate the municipality to pay an amount of the gross revenue de-

rived from its ownership, control, use and operation of the airport and all airport facilities and structures thereon as provided in RCW 14.08.112, sufficient to pay the principal and interest as the same shall become due, and to maintain adequate reserves therefor if necessary. Bonds and the interest thereon shall be payable only out of and shall be a valid claim of the holder thereof only as against the special fund and the revenue pledged to it, and shall not constitute a general indebtedness of the municipality.

The net interest cost to maturity on funding or refunding bonds shall ~~((net-exceed-eight-percent-per-annum--PROVIDED, HOWEVER, That the amount of premium, if any, to be paid on the redemption of funding or refunding bonds prior to their maturity shall not be considered in determining net interest cost))~~ be at such rate or rates as shall be authorized by the legislative body.

The municipality may exchange funding or refunding bonds at par for the warrants or bonds which are being funded or refunded, or it may sell the funding or refunding bonds in the manner as it shall deem for the best interest of the municipality and its inhabitants, either at public or private sale. Funding or refunding bonds shall be governed by and issued under and in accordance with the provisions of RCW 14.08.112 with respect to revenue bonds unless there is a specific provision to the contrary in this section.

Sec. 5. Section 26, chapter 153, Laws of 1957 as amended by section 65, chapter 232, Laws of 1969 ex. sess. and RCW 17.28.260 are each amended to read as follows:

A mosquito control district shall have the power to issue general obligation bonds and to pledge the full faith and credit of the district to the payment thereof, for any authorized purpose or purposes of the mosquito control district: PROVIDED, That a proposition authorizing the issuance of such bonds shall have been submitted to the electors of the mosquito control district at a special or general election and assented to by three-fifths of the persons voting on said proposition at said election at which such election the total

number of persons voting on such bond proposition shall constitute not less than forty percent of the total number of votes cast within the area of said mosquito control district at the last preceding county or state general election.

General obligation bonds shall bear interest (~~(at a rate of not to exceed eight percent per annum)~~) at a rate or rates as authorized by the board of trustees. The various annual maturities shall commence not more than two years from the date of issue of the bonds and shall as nearly as practicable be in such amounts as will, together with the interest on all outstanding bonds of such issue, be met by equal annual tax levies.

Such bonds shall never be issued to run for a longer period than ten years from the date of issue.

The bonds shall be signed by the presiding officer of the board of trustees of the district and shall be attested by the secretary of the board, one of which signatures may be a facsimile signature and the seal of the mosquito control district shall be impressed thereon. Each of the interest coupons shall be signed by the facsimile signatures of said officials. General obligation bonds shall be sold at public sale as provided by law for sale of general obligation bonds of cities of the first class and at a price not less than par and accrued interest.

There shall be levied by the officers or governing body now or hereafter charged by law with the duty of levying taxes in the manner provided by law an annual levy in excess of the forty mill tax limitation sufficient to meet the annual or semiannual payments of the principal and interest on the said bonds maturing as herein provided upon all taxable property within the mosquito control district.

Sec. 6. Section 2, chapter 59, Laws of 1955 as amended by section 4, chapter 232, Laws of 1969 ex. sess. and RCW 27.12.223 are each amended to read as follows:

Bonds authorized by RCW 27.12.222 shall be serial in form and maturity and numbered from one upward consecutively. Only bond No. 1
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of any issue shall be of a denomination other than a multiple of one hundred dollars. The resolution authorizing the issuance of the bonds shall fix the rate of interest the bonds shall bear (~~(at not to exceed eight percent per annum)~~), and the place and date of payment of principal and interest. The bonds shall be signed by the chairman of the board of library trustees and attested by the secretary. Coupons in lieu of being signed may bear the facsimile signature of such officers. Bonds shall be sold in such manner as the board of library trustees deems for the best interests of the district. All such bonds shall be legal securities for any bank or trust company for deposit with the state treasurer or any county or city treasurer as security for deposits in lieu of a surety bond under any law relating to deposits of public moneys.

Sec. 7. Section 12, page 329, chapter 97, Laws of 1909 as last amended by section 66, chapter 232, Laws of 1969 ex. sess. and RCW 28.51.180 are each amended to read as follows:

Whenever any bonds lawfully issued by any school district under the provisions of this act shall reach maturity and shall remain unpaid, or may be paid under any option provided in the bonds, the board of directors thereof shall have the power without any vote of the school district to fund the same by issuing coupon bonds conformable to the requirements of this act and sell the same at not less than their par value and use the proceeds exclusively for the purpose of retiring and canceling such outstanding bonds as aforesaid, or the said directors may in their discretion exchange such refunding bonds par for par for such outstanding bonds: PROVIDED, That such bonds shall be issued in denominations of not less than one hundred dollars nor more than one thousand dollars, shall be redeemable within twenty years from the date of issue, and shall (~~(draw a rate of interest not to exceed eight percent per annum)~~) bear interest at such rate or rates as authorized by the board of directors.

Sec. 8. Section 5, page 333, chapter 97, Laws of 1909 as amended by section 67, chapter 232, Laws of 1969 ex. sess. and RCW

28.52.050 are each amended to read as follows:

If the indebtedness of such school district is validated and ratified, as provided in this chapter, by three-fifths of the voters voting at such election, the board of directors of such school district, without any further vote, may borrow money and issue negotiable coupon bonds therefor. Bonds so issued shall bear a rate or rates of interest (~~(not-to-exceed-eight-percent-per-annum)~~) as authorized by the board of directors, interest payable semiannually, payable and redeemable at such time and place as designated in the bonds, but not exceeding twenty years from date of issue. The bonds and coupons shall be in such form as the board of directors shall prescribe, and payable at such place as may be designated therein. In all school districts of the second or third class, said bonds, with the coupons, must be signed by the board of directors and countersigned by the clerk of the school district. In school districts of the first class said bonds, with the coupons, must be signed in the corporate name of the district, by the president of the board of directors thereof.

Sec. 9. Section 6, page 334, chapter 97, Laws of 1909 as amended by section 68, chapter 232, Laws of 1969 ex. sess. and RCW 28.52.055 are each amended to read as follows:

When authorized to issue bonds, as provided in this chapter, the board of directors shall, at a meeting of such board, by resolution provide for the issuing of such bonds, prescribing their number, amount and term, and shall deliver a copy of said resolution to the county treasurer of the county in which such school district is situated or to which it belongs as provided in this act, who shall immediately advertise for sale said bonds, and the law relating to other school bonds shall govern, control and apply to bonds issued or sold under this chapter, except that bonds issued under this chapter shall (~~(not-bear-a-greater-rate-of-interest-than-eight-percent-per-annum)~~) bear interest at such rate or rates as authorized by the board of directors, and they may be sold in such amounts or blocks

as the board of directors may direct, and such board may also require all persons bidding for said bonds, except the state of Washington, to deposit one percent of the par value of the bonds bid for on depositing with the treasurer their bids, and if the bidder fails to take and pay for the bonds for which he bid, in case of their sale to him, the amount so deposited shall be forfeited to the school district, otherwise to be returned to such bidder, and a resale of such bonds so refused to be taken may be made as if the bid for the same had been rejected, and the money arising from the sale of the bonds issued under this chapter shall be applied as provided in RCW 28.52-.050.

Sec. 10. Section 7, chapter 229, Laws of 1961 as amended by section 6, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.192 are each amended to read as follows:

Each issue or series of such bonds: Shall be sold at (~~(a price which will result in a net interest cost over the life thereof of not to exceed eight percent per annum, and no single interest or coupon rate shall be greater than eight percent per annum)~~ such price and at such rate or rates of interest; may be serial or term bonds, may mature at such time or times in not to exceed forty years from date of issue; may be sold at public or private sale; may be payable both principal and interest at such place or places; may be subject to redemption prior to any fixed maturities; may be in such denominations; may be payable to bearer or to the purchaser or purchasers thereof or may be registrable as to principal or principal and interest at the option of the holder; may be issued under and subject to such terms, conditions, and covenants providing for the payment of the principal thereof and interest thereon, which may include the creation and maintenance of a reserve fund or account to secure the payment of such principal and interest and a provision that additional bonds payable out of the same source or sources may later be issued on a parity therewith, and such other terms, conditions, covenants and protective provisions safeguarding such payment, all as determin-

ed and found necessary and desirable by said boards of regents or trustees. If found reasonably necessary and advisable, such boards of regents or trustees may select a trustee for the owners and holders of each such issue or series of bonds and/or for the safeguarding and disbursements of the proceeds of their sale for the uses and purposes for which they were issued and, if such trustee or trustees are so selected, shall fix its or their rights, duties, powers, and obligations. The bonds of each such issue or series: Shall be executed on behalf of such universities or colleges by the president of the board of regents or the chairman of the board of trustees, and shall be attested by the secretary of such board, one of which signatures may be a facsimile signature; and shall have the seal of such university or college impressed, printed, or lithographed thereon, and the interest coupons attached thereto shall be executed with the facsimile signatures of said officials. The bonds of each such issue or series and each of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state even though they shall be payable solely from any special fund or funds.

Sec. 11. Section 8, chapter 229, Laws of 1961 as amended by section 7, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.194 are each amended to read as follows:

Such boards of regents or trustees may from time to time provide for the issuance of funding or refunding revenue bonds to fund or refund at or prior to maturity any or all bonds of other indebtedness, including any premiums or penalties required to be paid to effect such funding or refunding, heretofore or hereafter issued or incurred to pay all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities of the nature described in RCW 28.76.180.

Such funding or refunding bonds and each of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state. ((The

~~net-interest-cost-over-the-life-of-such-funding-or-refunding-bonds shall-not-exceed-eight-percent-per-annum,-and-the-amount-of-any-premium-or-penalty-paid-to-effect-such-funding-or-refunding-shall-not-be-considered-in-determining-such-net-interest-cost.)~~

Such funding or refunding bonds may be exchanged for or applied to the payment of the bonds or other indebtedness being funded or refunded or may be sold in such manner and at such price and at such rate or rates of interest as the boards of regents or trustees deem advisable, either at public or private sale.

The provisions of this chapter relating to the maturities, terms, conditions, covenants, interest rate, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section.

Sec. 12. Section 4, chapter 229, Laws of 1961 as amended by section 8, chapter 232, Laws of 1969 ex. sess. and RCW 28.76.200 are each amended to read as follows:

The rate or rates of interest on the principal of any obligation made or incurred under the authority granted in RCW 28.76.180 shall (~~not-exceed-eight-percent-per-annum~~) be as authorized by the board of regents or trustees.

Sec. 13. Section 3, chapter 284, Laws of 1947 as amended by section 9, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.370 are each amended to read as follows:

Bonds issued pursuant to the authority granted under subdivision (4) of RCW 28.77.360--

(1) shall not constitute (a) an obligation, either general or special, of the state of*[or] (b) a general obligation of the University of Washington or of the board:

(2) shall be--

(a) either registered or in coupon form, and

(b) issued in denominations of not less than one hundred dollars;

(3) shall state--

- (a) the date of issue, and
- (b) the series of the issue and be consecutively numbered within the series, and
- (c) that the bond is payable only out of a special fund established for the purpose, and designate the fund;
- (4) shall bear interest, payable either annually or semiannually as the board may determine (~~(7--at-a-rate-not-to-exceed-eight percent-per-annum)~~);
- (5) shall be payable solely out of--
 - (a) revenue derived from operating, managing and leasing the university tract, and
 - (b) a special fund, created by the board for the purpose, consisting either of (i) a fixed proportion, or (ii) a fixed amount out of and not exceeding a fixed proportion, or (iii) a fixed amount without regard to any fixed proportion, of the revenue so derived.
- (6) may contain covenants by the board in conformity with the provisions of RCW 28.77.380(2);
- (7) shall be payable at such times over a period of not to exceed thirty years, in such manner and at such place or places as the board determines;
- (8) shall be executed in such manner as the board by resolution determines;
- (9) shall be sold in such manner as the board deems for the best interest of the University of Washington.

Sec. 14. Section 4, chapter 254, Laws of 1957 as last amended by section 10, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.530 are each amended to read as follows:

For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute

- (a) An obligation, either general or special, of the state;
or
- (b) A general obligation of the University of Washington or of the board;
- (2) Shall be
- (a) Either registered or in coupon form; and
- (b) Issued in denominations of not less than one hundred dollars; and
- (c) Fully negotiable instruments under the laws of this state;
and
- (d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;
- (3) Shall state
- (a) The date of issue; and
- (b) The series of the issue and be consecutively numbered within the series; and
- (c) That the bond is payable both principal and interest solely out of the bond retirement fund;
- (4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);
- (5) Shall be payable both principal and interest out of the bond retirement fund;
- (6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe (~~(, -but -never -at -a -price -at -which -the -net -inter -est -cost -over -the -life -thereof -shall -exceed -eight -percent -per -annum)~~);

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with this chapter, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the University of Washington building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the University of Washington building account and shall be used solely for paying the

costs of the projects.

Sec. 15. Section 8, chapter 193, Laws of 1959 as amended by section 11, chapter 232, Laws of 1969 ex. sess. and RCW 28.77.547 are each amended to read as follows:

The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by this chapter for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the University of Washington or the board. (~~(The net interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.)~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university.

Sec. 16. Section 4, chapter 12, Laws of 1961 ex. sess. as amended by section 12, chapter 232, Laws of 1969 ex. sess. and RCW 28.80.530 are each amended to read as follows:

For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute
 - (a) An obligation, either general or special, of the state; or
 - (b) A general obligation of Washington State University or of the board;

- (2) Shall be

- (a) Either registered or in coupon form; and
- (b) Issued in denominations of not less than one hundred dollars; and
- (c) Fully negotiable instruments under the laws of this state; and
- (d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;
- (3) Shall state
- (a) The date of issue; and
- (b) The series of the issue and be consecutively numbered within the series; and
- (c) That the bond is payable both principal and interest solely out of the bond retirement fund;
- (4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);
- (5) Shall be payable both principal and interest out of the bond retirement fund;
- (6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;
- (7) Shall be sold in such manner and at such price as the board may prescribe (~~(7-but-never-at-a-price-at-which-the-net-interest cost-over-the-life-thereof-shall-exceed-eight-percent-per-annum)~~);
- (8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof

and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28.80.500 through 28.80.580, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the Washington State University building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the Washington State University building account and shall be used solely for paying the costs of the projects.

Sec. 17. Section 7, chapter 12, Laws of 1961 ex. sess. as amended by section 13, chapter 232, Laws of 1969 ex. sess. and RCW 28.80.560 are each amended to read as follows:

The board is hereby empowered to issue refunding bonds to pro-

vide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28.80.500 through 28.80.580 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of Washington State University or the board. (~~The net interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university.

Sec. 18. Section 4, chapter 14, Laws of 1961 ex. sess. as amended by section 69, chapter 232, Laws of 1969 ex. sess. and RCW 28.81.530 are each amended to read as follows:

For the purpose of financing the cost of any projects, each of the boards is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

(1) Shall not constitute

(a) An obligation, either general or special, of the state;

or

(b) A general obligation of the college or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the college by the chairman of the board, attested by the secretary of the board, have the seal of the college impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such chairman and the secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe (~~but never at a price at which the net interest cost over the life thereof shall exceed eight percent per annum~~);

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28.81.500 through 28.81.590, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the capital projects account of the college issuing the bonds to the bond retirement fund of such college when ordered by the board of trustees in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college issuing the bonds and shall be used solely for paying the costs of the projects.

Sec. 19. Section 8, chapter 14, Laws of 1961 ex. sess. as amended by section 70, chapter 232, Laws of 1969 ex. sess. and RCW 28.81.570 are each amended to read as follows:

Each board of trustees is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28.81.500 through 28.81.590 for the issu-

ance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college of Washington issuing the bonds or the board thereof. (~~The net interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the college.

Sec. 20. Section 7, chapter ... (HB 41), Laws of 1970 1st ex. sess. and RCW 28.85.350 are each amended to read as follows:

For the purpose of financing the cost of any projects, the college board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable.

Said bonds:

- (1) Shall not constitute
 - (a) an obligation, either general or special, of the state;or
 - (b) a general obligation of the college or of the college board;
- (2) Shall be
 - (a) either registered or in coupon form; and
 - (b) issued in denominations of not less than one hundred dollars; and
 - (c) fully negotiable instruments under the laws of this state; and
 - (d) signed on behalf of the college board with the manual or facsimile signature of the chairman of the board, attested by the secretary of the board, have the seal of the college board impressed thereon or a facsimile of such seal printed or lithographed in the

bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such chairman and the secretary;

(3) Shall state

(a) the date of issue; and

(b) the series of the issue and be consecutively numbered within the series; and

(c) that the bond is payable both principal and interest solely out of the bond retirement fund created for retirement thereof;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~).

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under the *[and] subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28.85.330 through 28.85.400, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts

be set aside and maintained therein;

(b) A covenant that sufficient moneys may be transferred from the capital projects account of the college board issuing the bonds to the bond retirement fund of the college board when ordered by the board in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(c) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college board and shall be used solely for paying the costs of the projects, the costs of bond counsel and professional bond consultants incurred in issuing the bonds, and for the purposes set forth in (8) (b) above;

(9) Shall constitute a prior lien and charge against forty percent of all general tuition fees of the community colleges.

Sec. 21. Section 39, chapter 8, Laws of 1967 ex. sess. as amended by section 36, chapter 232, Laws of 1969 ex. sess. and RCW 28.85.390 are each amended to read as follows:

The college board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28.85.330 through 28.85.400 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college board. ~~((The-effective-interest-cost-to-maturity-on-such-refunding-bonds-shall-not-exceed-eight-percent-per-annum-or-shall-any~~

~~single-interest-or-coupon-rate-exceed-eight-percent-per-annum~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the college.

Sec. 22. Section 28B.10.310, chapter 223, Laws of 1969 ex. sess. as amended by section 96, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10.310 are each amended to read as follows:

Each issue or series of such bonds: Shall be sold at ~~(a-price-which will result in a net interest cost over the life thereof of not to exceed eight percent per annum, and no single interest or coupon rate shall be greater than eight percent per annum)~~ such price and at such rate or rates of interest; may be serial or term bonds; may mature at such time or times in not to exceed forty years from date of issue; may be sold at public or private sale; may be payable both principal and interest at such place or places; may be subject to redemption prior to any fixed maturities; may be in such denominations; may be payable to bearer or to the purchaser or purchasers thereof or may be registrable as to principal or principal and interest at the option of the holder; may be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon, which may include the creation and maintenance of a reserve fund or account to secure the payment of such principal and interest and a provision that additional bonds payable out of the same source or sources may later be issued on a parity therewith, and such other terms, conditions, covenants and protective provisions safeguarding such payment, all as determined and found necessary and desirable by said boards of regents or trustees. If found reasonably necessary and advisable, such boards of regents or trustees may select a trustee for the owners and holders of each such issue or series of bonds and/or for the safeguarding and disbursements of the proceeds of their sale for the uses and purposes for which they were issued and, if such trustee or trustees are so selected, shall fix its or their

rights, duties, powers, and obligations. The bonds of each such issue or series: Shall be executed on behalf of such universities or colleges by the president of the board of regents or the chairman of the board of trustees, and shall be attested by the secretary of such board, one of which signatures may be a facsimile signature; and shall have the seal of such university or college impressed, printed, or lithographed thereon, and the interest coupons attached thereto shall be executed with the facsimile signatures of said officials. The bonds of each such issue or series and each of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state even though they shall be payable solely from any special fund or funds.

Sec. 23. Section 28B.10.315, chapter 223, Laws of 1969 ex. sess. as amended by section 97, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10.315 are each amended to read as follows:

Such boards of regents or trustees may from time to time provide for the issuance of funding or refunding revenue bonds to fund or refund at or prior to maturity any or all bonds of other indebtedness, including any premiums or penalties required to be paid to effect such funding or refunding, heretofore or hereafter issued or incurred to pay all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities of the nature described in RCW 28B.10.300.

Such funding or refunding bonds and each of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state. ((The net-interest-cost-over-the-life-of-such-funding-or-refunding-bonds shall-not-exceed-eight-percent-per-annum,-and-the-amount-of-any-premium-or-penalty-paid-to-effect-such-funding-or-refunding-shall-not-be considered-in-determining-such-net-interest-cost-))

Such funding or refunding bonds may be exchanged for or applied to the payment of the bonds or other indebtedness being funded or refunded or may be sold in such manner and at such price, and at

such rate or rates of interest as the boards of regents or trustees deem advisable, either at public or private sale.

The provisions of this chapter relating to the maturities, terms, conditions, covenants, interest rate, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section.

Sec. 24. Section 28B.10.325, chapter 223, Laws of 1969 ex. sess. as amended by section 98, chapter 232, Laws of 1969 ex. sess. and RCW 28B.10.325 are each amended to read as follows:

The rate or rates of interest on the principal of any obligation made or incurred under the authority granted in RCW 28B.10.300 shall (~~((not-exceed-eight-percent-per-annum))~~) be as authorized by the board of regents or trustees.

Sec. 25. Section 28B.20.396, chapter 223, Laws of 1969 ex. sess. as amended by section 99, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.396 are each amended to read as follows:

Bonds issued pursuant to the authority granted under subdivision (4) of RCW 28B.20.392--

- (1) shall not constitute (a) an obligation, either general or special, of the state or (b) a general obligation of the University of Washington or of the board;
- (2) shall be--
 - (a) either registered or in coupon form, and
 - (b) issued in denominations of not less than one hundred dollars;
- (3) shall state--
 - (a) the date of issue, and
 - (b) the series of the issue and be consecutively numbered within the series, and
 - (c) that the bond is payable only out of a special fund established for the purpose, and designate the fund;
- (4) shall bear interest, payable either annually, or semiannually as the board may determine (~~((--at-a-rate-not-to-exceed-eight~~

percent-per-annum));

(5) shall be payable solely out of--

(a) revenue derived from operating, managing and leasing the university tract, and

(b) a special fund, created by the board for the purpose, consisting either of (i) a fixed proportion, or (ii) a fixed amount out of and not exceeding a fixed proportion, or (iii) a fixed amount without regard to any fixed proportion, of the revenue so derived;

(6) may contain covenants by the board in conformity with the provisions of RCW 28B.20.398(2);

(7) shall be payable at such times over a period of not to exceed thirty years, in such manner and at such place or places as the board determines;

(8) shall be executed in such manner as the board by resolution determines;

(9) shall be sold in such manner as the board deems for the best interest of the University of Washington.

Sec. 26. Section 28B.20.715, chapter 223, Laws of 1969 ex. sess. as amended by section 100, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.715 are each amended to read as follows:

For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable.

Said bonds:

(1) Shall not constitute

(a) An obligation, either general or special, of the state;

or

(b) A general obligation of the University of Washington or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe; (~~but never at a price at which the net interest cost over the life thereof shall exceed eight percent per annum~~);

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants

and protective provisions safeguarding such payment, not inconsistent with this chapter, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the University of Washington building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the University of Washington building account and shall be used solely for paying the costs of the projects.

Sec. 27. Section 28B.20.730, chapter 223, Laws of 1969 ex. sess. as amended by section 101, chapter 232, Laws of 1969 ex. sess. and RCW 28B.20.730 are each amended to read as follows:

The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the

bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by this chapter for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the University of Washington or the board. (~~(The net interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.)~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university.

Sec. 28. Section 28B.30.730, chapter 223, Laws of 1969 ex. sess. as amended by section 102, chapter 232, Laws of 1969 ex. sess. and RCW 28B.30.730 are each amended to read as follows:

For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute
- (a) An obligation, either general or special, of the state;

or

- (b) A general obligation of Washington State University or of the board;

- (2) Shall be

- (a) Either registered or in coupon form; and
- (b) Issued in denominations of not less than one hundred dollars; and
- (c) Fully negotiable instruments under the laws of this state;

and

(d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe (~~(but never at a price at which the net interest cost over the life thereof shall exceed eight percent per annum)~~);

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.30.700 through 28B.30.780, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the Washington State University building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the Washington State University building account and shall be used solely for paying the costs of the projects.

Sec. 29. Section 28B.30.760, chapter 223, Laws of 1969 ex. sess. as amended by section 103, chapter 232, Laws of 1969 ex. sess. and RCW 28B.30.760 are each amended to read as follows:

The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.30.700 through 28B.30.780 for the issuance

of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of Washington State University or the board. ~~((The net interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.))~~

The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the university.

Sec. 30. Section 28B.40.730, chapter 223, Laws of 1969 ex. sess. as amended by section 104, chapter 232, Laws of 1969 ex. sess. and RCW 28B.40.730 are each amended to read as follows:

For the purpose of financing the cost of any projects, each of the boards is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute
 - (a) An obligation, either general or special, of the state;
- or
- (b) A general obligation of the college or of the board;
- (2) Shall be
 - (a) Either registered or in coupon form; and
 - (b) Issued in denominations of not less than one hundred dollars; and
 - (c) Fully negotiable instruments under the laws of this state;
- and
- (d) Signed on behalf of the college by the chairman of the board, attested by the secretary of the board, have the seal of the college impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such chair-

man and the secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe (~~(but never at a price at which the net interest cost over the life thereof shall exceed eight percent per annum)~~);

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.40.700 through 28B.40.790, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fee shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and

interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the capital projects account of the college issuing the bonds to the bond retirement fund of such college when ordered by the board of trustees in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college issuing the bonds and shall be used solely for paying the costs of the projects.

Sec. 31. Section 28B.40.770, chapter 223, Laws of 1969 ex. sess. as amended by section 105, chapter 232, Laws of 1969 ex. sess. and RCW 28B.40.770 are each amended to read as follows:

Each board of trustees is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.40.700 through 28B.40.790 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college of Washington issuing the bonds or the board thereof. ((The net-interest-cost-to-maturity-on-such-refunding-bonds-shall-not-ex-

~~ceed-eight-percent-per-annum-or-shall-any-single-interest-or-coupon~~
~~rate-exceed-eight-percent-per-annum-))~~ The board may exchange the
refunding bonds at par for the bonds which are being refunded or may
sell them in such manner, at such price and at such rate or rates of
interest as it deems for the best interest of the college.

Sec. 32. Section 19, chapter ... (HB 41), Laws of 1970 1st
ex. sess. and RCW 28B.50.350 are each amended to read as follows:

For the purpose of financing the cost of any projects, the
college board is hereby authorized to adopt the resolution or resolu-
tions and prepare all other documents necessary for the issuance,
sale and delivery of the bonds or any part thereof at such time or
times as it shall deem necessary and advisable.

Said bonds:

- (1) Shall not constitute
 - (a) an obligation, either general or special, of the state;

or

- (b) a general obligation of the college or of the college

board;

- (2) Shall be

- (a) either registered or in coupon form; and

- (b) issued in denominations of not less than one hundred

dollars; and

- (c) fully negotiable instruments under the laws of this

state; and

- (d) signed on behalf of the college board with the manual or

facsimile signature of the chairman of the board, attested by the

secretary of the board, have the seal of the college board impressed

thereon or a facsimile of such seal printed or lithographed in the

bottom border thereof, and the coupons attached thereto shall be

signed with the facsimile signatures of such chairman and the secre-

tary;

- (3) Shall state

- (a) the date of issue; and

(b) the series of the issue and be consecutively numbered within the series; and

(c) that the bond is payable both principal and interest solely out of the bond retirement fund created for retirement thereof;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine (~~at an effective rate not to exceed eight percent per annum over the life thereof, and no single interest or coupon rate shall exceed eight percent per annum~~);

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights or prior redemption, as the board may prescribe;

(7) Shall be sold in such manner and at such price as the board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.50.330 through 28B.50.400, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(b) A covenant that sufficient moneys may be transferred from the capital projects account of the college board issuing the bonds to the bond retirement fund of the college board when ordered by the board in the event there is ever an insufficient amount of money in

the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(c) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the capital projects account of the college board and shall be used solely for paying the costs of the projects, the costs of bond counsel and professional bond consultants incurred in issuing the bonds, and for the purposes set forth in (8) (b) above;

(9) Shall constitute a prior lien and charge against forty percent of all general tuition fees of the community colleges.

Sec. 33. Section 28B.50.390, chapter 223, Laws of 1969 ex. sess. as amended by section 107, chapter 232, Laws of 1969 ex. sess. and RCW 28B.50.390 are each amended to read as follows:

The college board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by RCW 28B.50.330 through 28B.50.400 for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of the college board. (~~The effective interest cost to maturity on such refunding bonds shall not exceed eight percent per annum nor shall any single interest or coupon rate exceed eight percent per annum.~~) The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the college.

Sec. 34. Section 35.41.030, chapter 7, Laws of 1965 as amended by section 15, chapter 232, Laws of 1969 ex. sess. and RCW 35.41-.030 are each amended to read as follows:

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:

- (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-eight-percent-per-annum~~) at such rate or rates as authorized by the legislative body of the city or town, 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;
- (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;

(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.

Sec. 35. Section 35.45.020, chapter 7, Laws of 1965 as amended by section 11, chapter 258, Laws of 1969 ex. sess. and RCW 35.45-.020 are each amended to read as follows:

Local improvement bonds shall be issued pursuant to ordinance and shall be made payable on or before a date not to exceed thirty years from and after the date of issue, which latter date may be fixed by ordinance of the council, and bear ~~((coupon-and-net-effective-interest-not-to-exceed-eight-percent-per-annum))~~ interest at such rate or rates as authorized by the council.

Sec. 36. Section 35.45.130, chapter 7, Laws of 1965, and RCW 35.45.130 are each amended to read as follows:

Every city or ~~*(and]~~ town may provide by ordinance for the issuance of warrants in payment of the cost and expense of any local improvement, payable out of the local improvement district fund. The warrants shall bear interest at a rate ~~((net-to-exceed-eight-percent per-annum))~~ or rates as authorized by ordinance and shall be redeemed either in cash or by local improvement bonds for the same improvement authorized by ordinance.

All warrants against any local improvement fund sold by the city or town or issued to a contractor and by him sold or hypothecated for a valuable consideration shall be claims and liens against the improvement fund against which they are drawn prior and superior to any right, lien, or claim of any surety upon the bond or bonds given to the city or town by or for the contractor to secure the performance of his contract or to secure the payment of persons who have performed work thereon, furnished materials therefor, or provisions

and supplies for the carrying on of the work.

Sec. 37. Section 35.45.150, chapter 7, Laws of 1965 and RCW 35.45.150 are each amended to read as follows:

In addition to the issuance of bonds and warrants in payment of the cost and expense of any local improvement, any city or town may also issue installment notes payable out of the local improvement district fund, where such notes are to be sold exclusively to another fund of the same municipality as an investment thereof. Such installment notes may be issued any time after the thirty day period allowed by law for the payment of assessments of any district without penalty or interest, and may bear any denomination or denominations, the aggregate of which shall represent the balance of the cost and expense of the local improvement district which is to be borne by the property owners therein.

Application of local improvement district funds for the reduction of the principal and interest amounts due on any notes herein provided to finance said improvement shall be made not less than once each year beginning with the issue date thereof. If more than one local improvement installment note is issued for a single district, said notes shall be numbered consecutively. All notes issued shall bear on the face thereof: (1) The name of the payee; (2) the number of the local improvement district from whose funds the notes are payable; (3) the date of issue of each note; (4) the date on which the note, or the final installment thereon shall become due; (5) the rate of interest (~~not to exceed eight percent~~) to be paid on the unpaid balance thereof, and; (6) such manual or facsimile signatures and attestations as are required by state statute or city charter to appear on the warrants of each issuing municipality.

The reverse side of each installment note issued pursuant to this section shall bear a tabular payment record which shall indicate at prescribed installment dates, the receipt of any local improvement district funds for the purpose of servicing the debt evidenced by said notes. Such receipts shall first be applied toward the interest

due on the unpaid balance of the note, and any additional moneys shall thereafter apply as a reduction of the principal amount thereof. The tabular payment record shall, in addition to the above, show the unpaid principal balance due on each installment note, together with sufficient space opposite each transaction affecting said note for the manual signature of the city's clerk, treasurer or other properly designated receiving officer of the municipality.

Whenever there are insufficient funds in a local improvement district to meet any payment of installment interest due on any note herein authorized, a non-interest-bearing defaulted installment interest certificate shall be issued by the city treasurer which shall consist of a written statement certifying the amount of such defaulted interest installment; the name of the payee of the note to whom the interest is due and the number of the local improvement district from whose funds the note and interest thereon is payable. The certificate herein provided shall bear the manual signature of the city treasurer or his authorized agent. The defaulted installment interest certificate so issued shall be redeemed for the face amount thereof with any available funds in the local improvement guaranty fund.

Whenever at the date of maturity of any installment note issued pursuant to this section, there are insufficient funds in a local improvement district, due to delinquencies in the collection of assessments, to pay the final installment of principal due thereon, the note shall be redeemed with any available funds in the local improvement guaranty fund for the amount of said final installment.

All certificates and notes issued pursuant to this section are to become subject to the same redemption privileges as apply to any local improvement district bonds and warrants now accorded the protection of the local improvement guaranty fund as provided in chapter 35.54 RCW, and whenever the certificates or notes issued as herein provided are redeemed by said local improvement guaranty fund, they shall be held therein as investments thereof in the same manner

as prescribed for other defaulted local improvement district obligations.

Notwithstanding any other statutory provisions, local improvement installment notes authorized by this section which are within the protection of the local improvement guaranty fund law shall be considered legal investments for any available surplus funds of the issuing municipality which now or hereafter may be authorized to be invested in the city's local improvement districts' bonds or warrants.

Sec. 38. Section 1, chapter ... (HB 37), Laws of 1970 1st ex. sess. and RCW 35.58.450 are each amended to read as follows:

Notwithstanding the limitations of chapter 39.36 RCW and any other statutory limitations otherwise applicable and limiting municipal debt, a metropolitan municipal corporation shall have the power to authorize and to issue general obligation bonds and to pledge the full faith and credit of the corporation to the payment thereof, for any authorized capital purpose of the metropolitan municipal corporation: PROVIDED, That a proposition authorizing the issuance of any such bonds to be issued in excess of one and one-half percent of the actual value of the taxable property therein as ascertained by the last assessment for state and county purposes previous to the incurring of such indebtedness shall have been submitted to the electors of the metropolitan municipal corporation at a special election and assented to by three-fifths of the persons voting on said proposition at said election at which such election the total number of persons voting on such bond proposition shall constitute not less than forty percent of the total number of votes cast within the area of said metropolitan municipal corporation at the last preceding state general election. Such general obligation bonds may be authorized in any total amount in one or more propositions and the amount of such authorization may exceed the amount of bonds which could then lawfully be issued. Such bonds may be issued in one or more series from time to time out of such authorization but at no time shall the total general indebtedness of the metropolitan municipal

corporation exceed five percent of the actual value of the taxable property therein to be ascertained by the last assessment for state and county purposes previous to the incurring of such indebtedness. Both principal of and interest on such general obligation bonds shall be payable from annual tax levies to be made upon all the taxable property within the metropolitan municipal corporation in excess of the forty mill tax limit and may also be made payable from any other taxes or any special assessments which the metropolitan municipal corporation may be authorized to levy and from any otherwise unpledged revenue which may be derived from the ownership or operation of properties or facilities incident to the performance of the authorized function for which such bonds are issued. The metropolitan council may include in the principal amount of such bond issue an amount for engineering, architectural, planning, financial, legal, urban design and other services incident to acquisition or construction solely for authorized capital purposes and may include an amount to establish a guaranty fund for revenue bonds issued solely for capital purposes.

General obligation bonds shall bear interest at a rate (~~not to exceed eight percent per annum~~) or rates as authorized by the metropolitan council and shall mature in not to exceed forty years from the date of issue. The various annual maturities shall commence not more than five years from the date of issue of the bonds and shall as nearly as practicable be in such amounts as will, together with the interest on all outstanding bonds of such issue, be met by equal annual tax levies.

Such bonds shall be signed by the chairman and attested by the secretary of the metropolitan council, one of which signatures may be a facsimile signature and the seal of the metropolitan corporation shall be impressed or imprinted thereon. Each of the interest coupons shall be signed by the facsimile signatures of said officials. General obligation bonds shall be sold at public sale as provided by law for sale of general obligation bonds of cities of

the first class and at a price not less than par and accrued interest.

Sec. 39. Section 2, chapter ... (HB 37), Laws of 1970 1st ex. sess. and RCW 35.58.460 are each amended to read as follows:

A metropolitan municipal corporation may issue revenue bonds to provide funds to carry out its authorized metropolitan sewage disposal, water supply, garbage disposal or transportation purposes, without submitting the matter to the voters of the metropolitan municipal corporation. The metropolitan council shall create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the metropolitan council may obligate the metropolitan municipal corporation to pay such amounts of the gross revenue of the particular utility constructed, acquired, improved, added to, or repaired out of the proceeds of sale of such bonds, as the metropolitan council shall determine and may obligate the metropolitan municipal corporation to pay such amounts out of otherwise unpledged revenue which may be derived from the ownership, use or operation of properties or facilities owned, used or operated incident to the performance of the authorized function for which such bonds are issued or out of otherwise unpledged fees, tolls, charges, tariffs, fares, rentals, special taxes or other sources of payment lawfully authorized for such purpose, as the metropolitan council shall determine. The principal of, and interest on, such bonds shall be payable only out of such special fund or funds, and the owners and holders of such bonds shall have a lien and charge against the gross revenue of such utility or any other revenue, fees, tolls, charges, tariffs, fares, special taxes or other authorized sources pledged to the payment of such bonds.

Such revenue bonds and the interest thereon issued against such fund or funds shall be a valid claim of the holders thereof only as against such fund or funds and the revenue pledged therefor, and shall not constitute a general indebtedness of the metropolitan municipal corporation.

Each such revenue bond shall state upon its face that it is payable from such special fund or funds, and all revenue bonds issued under this chapter shall be negotiable securities within the provisions of the law of this state. Such revenue bonds may be registered either as to principal only or as to principal and interest, or may be bearer bonds, shall be in such denominations as the metropolitan council shall deem proper; shall be payable at such time or times and at such places as shall be determined by the metropolitan council; shall bear interest at such rate or rates as shall be determined by the metropolitan council, shall be signed by the chairman and attested by the secretary of the metropolitan council, one of which signatures may be a facsimile signature, and the seal of the metropolitan municipal corporation shall be impressed or imprinted thereon; each of the interest coupons shall be signed by the facsimile signatures of said officials.

Such revenue bonds shall be sold in such manner, at such price and at such rate or rates of interest as the metropolitan council shall deem to be for the best interests of the metropolitan municipal corporation, either at public or private sale. (~~The aggregate interest east-to-maturity-of-the-money-received-for-such-revenue-bonds shall-not-exceed-eight-percent-per-annum-~~)

The metropolitan council may at the time of the issuance of such revenue bonds make such covenants with the purchasers and holders of said bonds as it may deem necessary to secure and guarantee the payment of the principal thereof and the interest thereon, including but not being limited to covenants to set aside adequate reserves to secure or guarantee the payment of such principal and interest, to maintain rates sufficient to pay such principal and interest and to maintain adequate coverage over debt service, to appoint a trustee or trustees for the bondholders to safeguard the expenditure of the proceeds of sale of such bonds and to fix the powers and duties of such trustee or trustees and to make such other covenants as the metropolitan council may deem necessary to accomplish the most

advantageous sale of such bonds. The metropolitan council may also provide that revenue bonds payable out of the same source may later be issued on a parity with revenue bonds being issued and sold.

The metropolitan council may include in the principal amount of any such revenue bond issue an amount to establish necessary reserves, an amount for working capital and an amount necessary for interest during the period of construction of any such metropolitan facilities plus six months. The metropolitan council may, if it deems it to the best interest of the metropolitan municipal corporation, provide in any contract for the construction or acquisition of any metropolitan facilities or additions or improvements thereto or replacements or extensions thereof that payment therefor shall be made only in such revenue bonds at the par value thereof.

If the metropolitan municipal corporation shall fail to carry out or perform any of its obligations or covenants made in the authorization, issuance and sale of such bonds, the holder of any such bond may bring action against the metropolitan municipal corporation and compel the performance of any or all of such covenants.

Sec. 40. Section 35.58.470, chapter 7, Laws of 1965 as amended by section 18, chapter 232, Laws of 1969 ex. sess. and RCW 35.58-.470 are each amended to read as follows:

The metropolitan council may, by resolution, without submitting the matter to the voters of the metropolitan municipal corporation, provide for the issuance of funding or refunding general obligation bonds to refund any outstanding general obligation bonds or any part thereof at maturity, or before maturity if they are by their terms or by other agreement subject to prior redemption, with the right in the metropolitan council to combine various series and issues of the outstanding bonds by a single issue of funding or refunding bonds, and to issue refunding bonds to pay any redemption premium payable on the outstanding bonds being refunded. The funding or refunding general obligation bonds shall, except as specifically provided in this section, be issued in accordance with the provisions

of this chapter with respect to general obligation bonds.

The metropolitan council may, by resolution, without submitting the matter to the voters of the metropolitan municipal corporation, provide for the issuance of funding or refunding revenue bonds to refund any outstanding revenue bonds or any part thereof at maturity, or before maturity if they are by their terms or by agreement subject to prior redemption, with the right in the metropolitan council to combine various series and issues of the outstanding bonds by a single issue of refunding bonds, and to issue refunding bonds to pay any redemption premium payable on the outstanding bonds being refunded. The funding or refunding revenue bonds shall be payable only out of a special fund created out of the gross revenue of the particular utility, and shall be a valid claim only as against such special fund and the amount of the revenue of the utility pledged to the fund. The funding or refunding revenue bonds shall, except as specifically provided in this section, be issued in accordance with the provisions of this chapter with respect to revenue bonds.

~~((The net interest cost to maturity on funding or refunding bonds issued under this chapter shall not exceed eight percent per annum.~~

~~The amount of premium, if any, to be paid on the redemption of such funding or refunding bonds prior to the maturity thereof shall not be considered in determining such net interest cost.))~~ The metropolitan council may exchange the funding or refunding bonds at par for the bonds which are being funded or refunded, or it may sell them in such manner, at such price and at such rate or rates of interest as it deems for the best interest of the metropolitan municipal corporation.

Sec. 41. Section 35.61.170, chapter 7, Laws of 1965 as amended by section 19, chapter 232, Laws of 1969 ex. sess. and RCW 35.61.170 are each amended to read as follows:

Metropolitan park district bonds shall be in denominations of not less than one hundred dollars nor more than one thousand dollars.

They shall bear the date of issue, shall be made payable to the bearer, in not more than twenty years from date of issue, and bear interest at a rate (~~(not-exceeding-eight-percent-per-annum)~~) or rates as authorized by the metropolitan park district, payable annually, with coupons attached, for each interest payment. They shall be numbered from one consecutively and shall be payable in the order of their number beginning with bond numbered one. The bonds shall be payable as therein designated in any city of the United States having a national bank.

The bonds and each coupon shall be signed by the president of the board of park commissioners and shall be attested by the clerk of the board. The bonds shall be printed, engraved, or lithographed on good bond paper, and the bond shall state on its face that it is issued in accordance, and in strict compliance, with an act of the legislature of the state of Washington, entitled: "An act authorizing the formation of metropolitan park districts, providing for park officials, fixing their powers and duties, and declaring an emergency," approved March 11, 1907, and reenacted on March 22, 1943.

Sec. 42. Section 35.67.080, chapter 7, Laws of 1965 as amended by section 20, chapter 232, Laws of 1969 ex. sess. and RCW 35.67-.080 are each amended to read as follows:

The bonds shall: (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 in form finally maturing not more than thirty years from date, (6) bear interest (~~(not-exceeding-eight-percent-per-annum)~~) at the rate or rates as authorized by the legislative body of the city or town, payable annually or semiannually, with interest coupons attached, and the principal and interest shall be made payable at such place as may be designated.

Sec. 43. Section 35.67.140, chapter 7, Laws of 1965 as amended by section 71, chapter 232, Laws of 1969 ex. sess. and RCW 35.67-

.140 are each amended to read as follows:

A city may issue revenue bonds against the special fund or funds created solely from revenues. The revenue bonds so issued shall: (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 in form finally maturing not more than thirty years from their date, (6) bear interest (~~(not exceeding the rate of eight percent per annum)~~) at the rate or rates as authorized by the legislative body of the city, payable annually or semiannually, with interest coupons attached, (7) be payable as to principal and interest at such place as may be designated therein, and (8) shall state upon their face that they are payable from a special fund, naming it and the ordinance creating it.

Sec. 44. Section 35.81.100, chapter 7, Laws of 1965 as amended by section 21, chapter 232, Laws of 1969 ex. sess. and RCW 35.81-.100 are each amended to read as follows:

(1) A municipality shall have the power to issue bonds from time to time in its discretion to finance the undertaking of any urban renewal project under this chapter, including, without limiting the generality thereof, the payment of principal and interest upon any advances for surveys and plans for urban renewal projects, and shall also have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall not pledge the general credit of the municipality and shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the municipality derived from, or held in connection with, its undertaking and carrying out of urban renewal projects under this chapter: PROVIDED, That payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the federal government or other source, in aid of any urban renewal projects of the municipality under this chapter.

(2) Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempted from all taxes.

(3) Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, (~~not-exceeding-eight-percent-per-annum,~~) be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.

(4) Such bonds may be sold at not less than ninety-eight percent of par at public or private sale, or may be exchanged for other bonds on the basis of par: PROVIDED, That such bonds may be sold to the federal government at private sale at not less than par and, in the event less than all of the authorized principal amount of such bonds is sold to the federal government, the balance may be sold at public or private sale at not less than ninety-eight percent of par at an interest cost to the municipality of not to exceed the interest cost to the municipality of the portion of the bonds sold to the federal government.

(5) The municipality may annually pay into a fund to be established for the benefit of such bonds any and all excess of the

taxes received by it from the same property over and above the average of the annual taxes authorized without vote for a five-year period immediately preceding the acquisition of the property by the municipality for renewal purposes, such payment to continue until such time as all bonds payable from the fund are paid in full. Any other taxing unit in a municipality is authorized to allocate a like amount of such excess taxes to the municipality or municipalities in which it is situated.

(6) In case any of the public officials of the municipality whose signatures appear on any bonds or coupons issued under this chapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds, issued pursuant to this chapter shall be fully negotiable.

(7) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality in connection with an urban renewal project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of this chapter.

Sec. 45. Section 35.82.140, chapter 7, Laws of 1965 as amended by section 22, chapter 232, Laws of 1969 ex. sess. and RCW 35.82-.140 are each amended to read as follows:

Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates (~~(7-not-exceeding-eight-percent-per-annum)~~), be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such

rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

The bonds may be sold at public or private sale at not less than par.

In case any of the commissioners or officers of the authority whose signatures appear on any bond or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if they had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.

In any suit, action or proceedings involving the validity or enforceability of any bond of an authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a housing project to provide dwelling accommodations for persons of low income shall be conclusively deemed to have been issued for a housing project of such character and said project shall be conclusively deemed to have been planned, located and constructed in accordance with the purposes and provisions of this chapter.

Sec. 46. Section 35.89.020, chapter 7, Laws of 1965 as amended by section 23, chapter 232, Laws of 1969 ex. sess. and RCW 35.89-.020 are each amended to read as follows:

Water redemption bonds shall be in denominations of not more than one thousand nor less than one hundred dollars each, and shall bear interest at a rate (~~of not to exceed eight percent per annum~~) or rates as authorized by the city or town council, payable semiannually, and shall bear a serial number and shall be signed by the mayor of the city or town and shall be otherwise executed in such manner and payable at such time and place not exceeding twenty years after the date of issue as the city or town council shall determine

and such bonds shall be payable only out of the special fund created by authority of this chapter and shall be a valid claim of the holder thereof only against that fund and the fixed portion or amount of the revenues of the water system pledged to the fund, and shall not constitute an indebtedness of the city or town.

Sec. 47. Section 35.92.080, chapter 7, Laws of 1965 as last amended by section 24, chapter 232, Laws of 1969 ex. sess. and RCW 35.92.080 are each amended to read as follows:

When the voters have adopted a proposition for any public utility and have authorized a general indebtedness, general city or town bonds may be issued. The bonds shall be registered or coupon bonds; numbered from one up consecutively; bear the date of their issue; and bear interest (~~not-exceeding-eight-percent-per-year~~) at a rate or rates as authorized by the city or town council, payable semiannually, with interest coupons attached, and the principal and interest shall be made payable at such place as may be designated. Except as otherwise provided in RCW 39.44.100, the bonds and each coupon shall be signed by the mayor and attested by the clerk under the seal of the city or town.

There shall be levied each year a tax upon the taxable property of the city or town sufficient to pay the interest and principal of the bonds then due, which taxes shall become due and collectible as other taxes: PROVIDED, That it may pledge to the payment of such principal and interest the revenue of the public utility being acquired, constructed, or improved out of the proceeds of sale of such bonds. Such pledge of revenue shall constitute a binding obligation, according to its terms, to continue the collection of such revenue so long as such bonds or any of them are outstanding, and to the extent that revenues are insufficient to meet the debt service requirements on such bonds, the governing body of the municipality shall provide for the levy of taxes sufficient to meet such deficiency.

The bonds shall be printed and engraved, or lithographed, on
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good bond paper. The bonds shall be sold in such manner as the corporate authorities shall deem for the best interest of the city or town. A register shall be kept of all the bonds, which shall show the number, date, amount, interest, to whom delivered--if coupon bonds--and the name of the payee--if registered bonds; and when and where payable, and each bond issued or sold.

Sec. 48. Section 35.92.100, chapter 7, Laws of 1965 as amended by section 25, chapter 232, Laws of 1969 ex. sess. and RCW 35.92-.100 are each amended to read as follows:

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-eight-percent-per-year~~) at a rate or rates as authorized by the corporate authorities; 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

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62A.3-105.

When corporate authorities deem it necessary to construct any sewage disposal plant, it may be considered as a part of the water-works 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.

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 re-

gard 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 any *[and] payment: PROVIDED, That whenever the corporate authorities of any city or town shall so provide by ordinance then all such bonds hereafter *[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.

Sec. 49. Section 36.62.070, chapter 4, Laws of 1963 as amended by section 26, chapter 232, Laws of 1969 ex. sess. and RCW 36.62-.070 are each amended to read as follows:

Should a majority of all the votes cast upon the proposition be in favor of establishing the hospital, the board of county commissioners shall proceed to issue bonds of the county not to exceed the amount specified in the proposition, in denominations of not less than one hundred dollars nor more than one thousand dollars, bearing interest at a rate (~~(not to exceed eight percent per year)~~) or rates as authorized by the board of county commissioners, and payable annually or semiannually. The bonds shall be serial bonds finally maturing in twenty years from date of issuance.

Sec. 50. Section 3, chapter 142, Laws of 1965 as amended by section 27, chapter 232, Laws of 1969 ex. sess. and RCW 36.67.530 are each amended to read as follows:

When revenue bonds are issued for authorized purposes, said bonds shall be either registered as to principal only or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, shall be payable at such time or times up to a maximum period of not to exceed thirty years and payable at the office of the county treasurer, and such other places as determined by the county commissioners of the county; shall bear interest payable

semiannually and evidenced to maturity by coupons attached to said bonds bearing a coupon interest rate (~~((not-to-exceed-eight-percent-per-annum))~~) or rates as authorized by the board of county commissioners; shall be executed by the chairman of the board of county commissioners, and attested by the clerk of the board, and the seal of such board shall be affixed to each bond, but not to the coupon; and may have facsimile signatures of the chairman and the clerk imprinted on the interest coupons in lieu of original signatures.

Sec. 51. Section 6, chapter 142, Laws of 1965 as amended by section 28, chapter 232, Laws of 1969 ex. sess. and RCW 36.67.560 are each amended to read as follows:

The board of county commissioners of any county may by resolution, from time to time, provide for the issuance of funding or refunding revenue bonds to fund or refund any outstanding revenue bonds and any premiums due thereon, and matured coupons evidencing interest upon any such bonds at or before the maturity of such bonds, and parts or all of various series and issues of outstanding revenue bonds and matured coupons in the amount thereof to be funded or refunded.

The board shall create a special fund for the sole purpose of paying the principal of and interest on such funding or refunding revenue bonds, into which fund the commission shall obligate and bind the county to set aside and pay any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the revenue of the facility of the county sufficient to pay such principal and interest as the same shall become due, and if deemed necessary to maintain adequate reserves therefor.

Such funding or refunding bonds shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state, and the tax revenue of the county may not be used to pay, secure, or guarantee the payment of the principal of and interest on such bonds. (~~((The-net-interest-cost-to-maturity-on-such-funding-or-refunding-bonds-shall-net-exceed-eight-percent-per-annum~~

~~and the amount of any premium to be paid to effect the redemption of outstanding revenue bonds shall not be considered in determining such net interest cost.)~~

The county may exchange such funding or refunding bonds for the bonds, and coupons being funded or refunded, or it may sell such funding or refunding bonds in the manner ~~((and))~~, at such price and at such rate or rates of interest as the board shall deem to be for the best interest of the county and its inhabitants, either at public or private sale.

The provisions of this chapter relating to the terms, conditions, covenants, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section.

Sec. 52. Section 36.76.010, chapter 4, Laws of 1963 as amended by section 72, chapter 232, Laws of 1969 ex. sess. and RCW 36.76-.010 are each amended to read as follows:

The board of any county may, whenever a majority thereof so decides, submit to the voters of their county the question whether the board shall be authorized to issue coupon bonds in an amount not exceeding five percent of the assessed valuation of the taxable property in the county, bearing a rate ~~((of interest not exceeding eight percent per year))~~ or rates of interest as authorized by the board, and payable and redeemable at a time fixed by the board, for the purpose of making a new road or roads, or bridge or bridges, or improving established roads or bridges within the county.

Sec. 53. Section 36.76.090, chapter 4, Laws of 1963 as amended by section 29, chapter 232, Laws of 1969 ex. sess. and RCW 36.76-.090 are each amended to read as follows:

The election may be held at such times and in the manner provided for holding general elections in this state, or it may be held as a special election at such time as the board may designate. The ballots used must contain the words, "Bonds, Yes," and "Bonds, No." If three-fifths of the legal ballots cast on the question of issu-

ing bonds for the improvement contemplated in RCW 36.76.080 are in favor of bonds, the board must issue negotiable bonds in due and legal form, and negotiate them in such manner as they may deem to the best advantage of the county, at not less than par value. The bonds authorized by this section shall be issued in the name of the county, in denominations of not less than one hundred nor more than one thousand dollars; they shall be payable either (1) to some person or corporation (named therein) or the bearer, or (2) simply to the bearer, at such time as shall be stated therein, not more than twenty years after the date of issue and bear interest at a rate (~~not exceeding eight percent per year~~) or rates as authorized by the board of county commissioners, payable semiannually. They may be made payable in any city of the United States containing a national bank. They shall bear the signature of the chairman of the board, and be countersigned by the county auditor of the county with the seal of the county thereunto attached, and the interest coupons shall be signed by said chairman and said county auditor, and each bond so issued must be registered in the office of the county treasurer in a book provided for that purpose, which must show the date, number and amount of the bond, date of maturity, rate of interest, and the name and address of the person to whom issued. The county seal need not be affixed to the coupons. Each coupon must show the number of the bond to which it belongs. The bonds and coupons shall be printed, engraved or lithographed on good bond paper.

Sec. 54. Section 36.76.140, chapter 4, Laws of 1963 as amended by section 30, chapter 232, Laws of 1969 ex. sess. and RCW 36.76-.140 are each amended to read as follows:

The board of a county may, by majority vote, and by submission to the voters under the same procedure required in RCW 36.76.090 and 36.76.100, issue general obligation bonds for the purpose of contributing money, or the bonds themselves, to the Washington toll bridge authority to help finance the construction of toll bridges across topographical formations constituting boundaries between the county

and an adjoining county, or a toll bridge across topographical formation located wholly within an adjoining county, which in the discretion of the board, directly or indirectly benefits the county. Such bonds may be transferred to the Washington toll bridge authority to be sold by the authority for the purposes outlined herein. Such bonds may bear interest at a rate (~~(not-to-exceed-eight-percent-per-annum)~~) or rates as authorized by the board of county commissioners: PROVIDED, That in no event shall bonds be issued in excess of the limitations in chapter 36.67.

Sec. 55. Section 36.88.200, chapter 4, Laws of 1963 as amended by section 73, chapter 232, Laws of 1969 ex. sess. and RCW 36.88-.200 are each amended to read as follows:

Such bonds shall be numbered from one upwards consecutively, shall be in such denominations as may be provided by the board of county commissioners in the resolution authorizing their issuance, shall mature on or before a date not to exceed twenty-two years from and after their date, shall bear interest (~~(not-to-exceed-eight-percent-per-annum)~~) at such rate or rates as authorized by the board payable annually or semiannually as may be provided by the board, shall be signed by the chairman of the board and attested by the county auditor, shall have the seal of the county affixed thereto, shall be payable at the office of the county treasurer or elsewhere as may be designated by the board, shall have attached thereto interest coupons for each interest payment which said coupons shall be signed by the chairman of the board and attested by the auditor or in lieu thereof may bear the printed or engraved facsimile signatures of said officials.

Such bonds shall refer to the improvement for which they are issued and to the resolution creating the road improvement district therefor.

Sec. 56.. Section 3, chapter 4, Laws of 1917 as amended by section 74, chapter 232, Laws of 1969 ex. sess. and RCW 37.16.020 are each amended to read as follows:

Whenever the board of county commissioners of any county shall submit to the voters of such county at an election to be held under the provisions of RCW 37.16.010, the question of issuing bonds to procure money for such purposes and three-fifths of the voters of such county voting on the question have assented thereto, and the amount of such bonds, together with the already existing indebtedness will not exceed five percent of the taxable property of such county, to be ascertained as provided in RCW 37.16.010, then the board of county commissioners of such county is authorized and empowered to issue its negotiable bonds in the name of the county for the purposes for which such election was held. It being hereby declared that such purposes are purposes for which, under legislative authority, the county availing itself of the provisions of this chapter may lawfully incur indebtedness. Such bonds to be negotiable bonds of such county, payable in not more than twenty years, with interest (~~((not-exceeding-eight-percent-per-annum))~~) at such rate or rates as authorized by the board of county commissioners, payable annually.

Sec. 57. Section 4, chapter 4, Laws of 1917 as amended by section 75, chapter 232, Laws of 1969 ex. sess. and RCW 37.16.030 are each amended to read as follows:

Said bonds shall be in denominations of not less than one hundred nor more than one thousand dollars. They shall bear the date of issue, shall be made payable to the bearer in not more than twenty years from date of issue, and bear interest at a rate (~~((not-to-exceed-eight-percent-per-annum))~~) or rates as authorized by the board of county commissioners, payable annually, with coupons attached, for each interest payment. The bonds shall be signed by the chairman of the board of county commissioners and be attested by the clerk of such board and the seal of such board shall be affixed to each bond. The coupons shall bear the lithographed signature of the chairman and clerk of the board but need not be impressed with the seal. Such bonds shall be printed, engraved or lithographed on good bond paper

and the bond shall state on its face that it is issued in compliance with the laws of the state of Washington. Such bonds shall be payable in any city containing a bank organized under the laws of the United States and may be sold by the county commissioners at not less than their par value, and their proceeds shall be applied only to the purposes for which such bonds were issued.

Sec. 58. Section 3, chapter 151, Laws of 1923 as last amended by section 93, chapter 232, Laws of 1969 ex. sess. and RCW 39.44.030 are each amended to read as follows:

Before any general obligation bonds issued by any county, city, town, school district, port district, or metropolitan park district shall be offered for sale the governing body issuing such bonds shall designate the maximum effective rate of interest said bonds shall bear, which shall not be in excess of that allowed by law. Except as provided in section ((95)) 94, chapter 232, Laws of 1969 ex. sess. and section 107 of this amendatory act when a vote of the electors shall have been taken on the question of the issuance of such bonds and the proposition submitted to the electors shall have specified the maximum effective rate of interest to be borne by said bonds, no increase of such maximum effective rate of interest shall be made by the governing body. All such bonds, including refunding bonds, shall be sold at public sale, and a notice calling for bids for the purchase of said bonds shall be published once a week for four consecutive weeks in the official newspaper of the issuer, and such other notice shall be given as the governing body may direct; or, if there be no official newspaper of the issuer, the publication shall be made in a newspaper of general circulation in the county in which the issuer is located. Such notice shall specify a place, and designate a day and hour, subsequent to the date of the last publication and at least twenty-three days subsequent to the date of the first publication thereof when sealed bids will be received and publicly opened for the purchase of said bonds. A copy of such notice shall, at least three weeks prior to the date fixed for the sale, be

mailed to the state finance committee, Olympia, Washington. The notice shall specify the maturity schedule and the maximum effective rate of interest such bonds shall bear, and shall require bidders to submit a bid specifying (1) the lowest rate or rates of interest and premium, if any, above par, at which such bidder will purchase said bonds; or (2) the lowest rate or rates of interest at which the bidder will purchase said bonds at par. The bonds shall be sold to the bidder offering to purchase the same at the lowest net interest cost to the issuer over the life thereof, subject to the right of the governing body to reject any and all bids. None of such bonds shall be sold at less than par and accrued interest, nor shall any discount or commission be allowed or paid to the purchaser or purchasers of such bonds. All bids shall be sealed and, except the bid of the state of Washington, if one is received, shall be accompanied by a good faith deposit of five percent, either in cash or by cashier's or certified check made payable to the treasurer of the issuer, of the amount of the principal par value of such bonds which shall be promptly returned if the bid is not accepted; and if the successful bidder shall fail or neglect to complete the purchase of said bonds by the time specified in the notice of sale for the delivery of said bonds, the amount of his deposit shall be forfeited to the issuer, and in that event the governing body may accept the bid of the one making the next best bid if such bidder agrees to purchase said bonds under the terms provided in his bid, or if all bids be rejected such governing body, if it decides to reoffer such bonds for sale, shall re-advertise said bonds for sale in the same manner as herein provided for the original advertisement. If there be two or more equal bids and such bids are the best bids received, the governing body shall determine by lot which bid will be accepted.

Sec. 59. Section 1, chapter 30, Laws of 1933 ex. sess. as amended by section 76, chapter 232, Laws of 1969 ex.sess. and RCW 39.48.010 are each amended to read as follows:

Bonds and securities of all kinds heretofore or hereafter au-
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thorized, issued by any issuing corporation or district (hereinafter called the "issuer" and as hereinafter specified), whether such bonds and securities be issued for such issuer itself or for any other taxing or assessment district within its limits, and whether payable in whole or in part out of and from general taxes or payable in whole or in part out of and from the earnings to be derived from any utility, system, construction, work, or works, belonging to or operated by any such issuer, or payable in whole or in part out of and from "local" or "benefit" assessments upon lands within any assessment district or assessment subdivision within any such issuer, may be sold to the United States government or to any department, corporation or agency thereof by private sale without giving any prior notice thereof by publication or otherwise and in such manner as the governing authority of such issuer may provide: PROVIDED, Only that ((no)) bonds or other securities sold at private sale under the authority of this chapter shall bear interest at a rate ~~((in-excess-of eight-percent-per-annum))~~ or rates as authorized by the issuer and that all bonds and securities sold and issued under the authority of this chapter shall be sold, if now required by existing law, at not less than par and accrued interest.

Sec. 60. Section 2, chapter 170, Laws of 1895 as amended by section 31, chapter 232, Laws of 1969 ex. sess. and RCW 39.52.020 are each amended to read as follows:

Funding bonds authorized to be issued by this chapter shall be in denominations of not less than one hundred dollars, nor more than one thousand dollars, and shall be signed by the following corporate authorities: When issued by a county, the chairman of the board of county commissioners, countersigned by the county treasurer and attested by the county auditor, who shall affix his official seal; when issued by a city or town, by its mayor, countersigned by its treasurer and attested by its clerk, who shall affix his official seal. They shall bear interest at a rate ~~((not-to-exceed-eight percent-per-annum))~~ or rates as authorized by the corporate author-

ities, payable semiannually, which interest shall be evidenced by proper coupons attached to each bond. Such corporate authorities shall, by ordinance or resolution, provide for the manner of issuing and the form of said bonds, and the time or times when the same shall be made payable; but no bonds issued under this chapter shall be issued for a longer period than twenty years, and when they shall be made payable at different periods within said twenty years, they shall be divided into series not to exceed twenty in number, but there shall be as many series as there are different times of payment, and all bonds included in each series shall be made payable at the same time. The principal and interest may be made payable at any place in the United States designated by the corporate authorities of such county, city or town. Such bonds shall not be issued to an aggregate amount in excess of the warrants or other outstanding indebtedness proposed to be funded thereby. They may be exchanged at not less than their par value for such warrants or other outstanding indebtedness, or may be sold at not less than their par value, and the proceeds used exclusively for the purpose of retiring and canceling such warrants and interest thereon or other indebtedness: PROVIDED, That nothing in this chapter contained shall be deemed to authorize the issuing of any funding bonds which, other than that proposed to be funded under the provisions of this chapter, shall exceed any constitutional limitation of indebtedness, or any indebtedness which might be incurred with the assent of three-fifths of the voters of such county, city or town voting at an election to be held for that purpose.

Sec. 61. Section 43.21.340, chapter 8, Laws of 1965 as amended by section 32, chapter 232, Laws of 1969 ex. sess. and RCW 43.21-.340 are each amended to read as follows:

All bonds issued under or by authority of RCW 43.21.250 through 43.21.410 shall be sold to the highest and best bidder after such advertising for bids as the state finance committee may deem proper. The state finance committee may reject any and all bids so

submitted and thereafter sell such bonds so advertised under such terms and conditions as the state finance committee may deem most advantageous to its own interests. (~~The--aggregate-interest-cost to-maturity-of-the-money-received-for-such-an-issue-shall-not-exceed eight-percent-per-annum-~~)

Sec. 62. Section 47.56.140, chapter 13, Laws of 1961 as last amended by section 33, chapter 232, Laws of 1969 ex. sess. and RCW 47.56.140 are each amended to read as follows:

The revenue bonds may be issued and sold by the authority from time to time and in such amounts as it deems necessary to provide sufficient funds for the construction of the bridge, and to pay interest on outstanding bonds issued for its construction during the period of actual construction and for six months after completion thereof.

The authority shall determine the form, conditions, and denominations of the bonds, and the maturity dates which the bonds to be sold shall bear and the interest rate thereon (~~(7-which-shall-not exceed-eight-percent-per-year)~~). All bonds of the same issue need not bear the same interest rate. Principal and interest of the bonds shall be payable at such place as determined by the authority, and may contain provisions for registration as to principal and*[or] interest, or both. They shall be in coupon form with interest payable at such times as determined by the authority, and shall mature at such times and in such amounts as the authority prescribes. The authority may provide for the retirement of the bonds at any time prior to maturity, and in such manner and upon payment of such premiums as it may determine in the resolution providing for the issuance of the bonds. All such bonds shall be signed by the state auditor and countersigned by the governor and any interest coupons appertaining thereto shall bear the signature of the state auditor. The countersignature of the governor on such bonds and the signature of the state auditor on such coupons may be their printed or lithographed facsimile signatures. Successive issues of such bonds within the limits of the

original authorization shall have equal preference with respect to the redemption thereof and the payment of interest thereon. The authority may fix different maturity dates [,] serially or otherwise, for successive issues under any one original authorization. The bonds shall be negotiable instruments under the law merchant. All bonds issued and sold hereunder shall be sold on sealed bids to the highest and best bidder after such advertising for bids as the authority deems proper. The authority may reject any and all bids and may thereafter sell the bonds at private sale under such terms and conditions as it deems most advantageous to its own interests; but not at a price below that of the best bid which was rejected. The authority may contract loans and borrow money through the sale of bonds of the same character as those herein authorized, from the United States or any agency thereof, upon such conditions and terms as may be agreed to and the bonds shall be subject to all the provisions of this chapter, except the requirement that they be first offered at public sale.

Temporary or interim bonds, certificates, or receipts, of any denomination, and with or without coupons attached, signed by the state auditor, may be issued and delivered until bonds are executed and available for delivery.

Sec. 63. Section 33, chapter 181, Laws of 1961 as amended by section 77, chapter 232, Laws of 1969 ex. sess. and RCW 47.57.550 are each amended to read as follows:

Bonds authorized by RCW 47.57.530 shall be serial in form and maturity and numbered from one upward consecutively. Only bond No. 1 of any issue shall be of a denomination other than a multiple of one hundred dollars. The proposition authorizing the issuance of the bonds shall fix the maximum rate of interest the bonds shall bear (~~(at-not-to-exceed-eight-percent-per-annum)~~), and the place and time (from date of sale) of payment of principal and interest, the bonds shall be signed by the chairman of the board of directors of the district and attested by the executive secretary. Coupons in lieu of

being signed may bear the facsimile signature of such officers.

All district bonds shall be payable within a period not to exceed twenty-three years from the date of their sale.

Sec. 64. Section 47.58.040, chapter 13, Laws of 1961 as last amended by section 78, chapter 232, Laws of 1969 ex. sess. and RCW 47.58.040 are each amended to read as follows:

For the purpose of paying the cost of all or any part of such improvement and reconstruction work and the construction of any such additional bridge, approaches thereto and connecting highways, the authority is hereby authorized by resolution to issue its revenue bonds which shall constitute obligations only of the authority and shall be payable from any funds available, except that portion of the motor vehicle fund allocated by law to the Washington state highway commission, and except revenue from the general fund, including but not limited to the revenues and income from the operation of the bridge or bridges constituting the project as may be provided in and by such resolution. Each such revenue bond shall contain a recital that payment or redemption of the bond and payment of the interest thereon is secured by a direct charge and lien upon the tolls and revenues pledged for that purpose and that such bond does not constitute an indebtedness of the state of Washington. Such revenue bonds may bear such date or dates, may mature at such time or times as the authority shall determine, may bear interest at such rate or rates (~~not-exceeding-eight-percent-per-annum~~), may be in such denomination or denominations, may be in such form, either coupon or registered, may carry such registration and conversion privileges, may be made subject to such terms of redemption with or without premium, and may contain such other terms and covenants not inconsistent with this chapter as may be provided in such resolution. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable each such revenue bond shall at all times be and shall be treated as a negotiable instrument for all purposes. All such bonds shall

be signed by the member of the authority who is state auditor and countersigned by the governor and any interest coupons appertaining thereto shall bear the signature of the state auditor: PROVIDED, That the countersignature of the governor on such bonds and the signature of the state auditor on such coupons may be their printed or lithographed facsimile signatures. Pending the issuance of definitive bonds, temporary or interim bonds, certificates or receipts of any denomination and with or without coupons attached may be issued as may be provided by said resolution. All bonds issued under or by authority of this chapter shall be sold to the highest and best bidder at such price or prices (~~(that the net interest cost to the authority shall not be greater than eight percent per annum, computed to maturity according to standard tables of bond values)~~), at such rate or rates of interest and after such advertising for bids as the authority may deem proper: PROVIDED, That the authority may reject any and all bids so submitted and thereafter sell such bonds, so advertised under such terms and conditions as the authority may deem advantageous. The purchase price of all bonds issued hereunder shall be paid to the state treasurer consistent with the provisions of the resolution pursuant to which such bonds have been issued or to the trustee designated in the bond resolution and held as a separate trust fund to be disbursed on the orders of the authority.

Sec. 65. Section 47.60.060, chapter 13, Laws of 1961 as amended by section 34, chapter 232, Laws of 1969 ex. sess. and RCW 47.60.060 are each amended to read as follows:

For the purpose of paying the cost of acquiring by lease, charter, contract, purchase, condemnation or construction all or any part of such Puget Sound ferry system, including toll bridges, approaches and roadways incidental thereto, and for rehabilitating, rebuilding, enlarging or improving all or any part of said system, the authority is hereby authorized by resolution to issue its revenue bonds which shall constitute obligations only of the authority and shall be payable solely and only from all or such part of the

revenues from the operation of the system as may be provided in and by such resolution.

Each such revenue bond shall contain a recital that payment or redemption of the bond and payment of the interest thereon is secured by a direct charge and lien upon the tolls and revenues pledged for that purpose and that such bond does not constitute an indebtedness of the state of Washington.

The authority is hereby empowered to include in any resolution authorizing the issuance of the bonds such covenants, stipulations and conditions as may be deemed necessary with respect to the continued use and application of the income and revenues from the undertaking.

Such revenue bonds may bear such date or dates, may mature at such time or times as the authority shall determine, may bear interest at such rate or rates (~~not-exceeding-eight-percent-per-annum~~), may be in such denomination or denominations, may be in such form [,] either coupon or registered, may carry such registration and conversion privileges, may be made subject to such terms of redemption with or without premium, and may contain such other terms and covenants not inconsistent with this chapter as may be provided in such resolution. Notwithstanding the form or tenor thereof, and in the absence of an express recital on the face thereof that the bond is nonnegotiable each such revenue bond shall at all times be and shall be treated as a negotiable instrument for all purposes. All such bonds shall be signed by the member of the authority who is state auditor and countersigned by the governor and any interest coupons appertaining thereto shall bear the signature of the state auditor: PROVIDED, That the countersignature of the governor on such bonds and the signature of the state auditor on such coupons may be their printed or lithographed facsimile signatures.

Pending the issuance of definitive bonds, temporary or interim bonds, certificates or receipts of any denomination and with or without coupons attached may be issued as may be provided by said

resolution.

Sec. 66. Section 3, chapter 176, Laws of 1953 as last amended by section 89, chapter 232, Laws of 1969 ex. sess. and RCW 52.16.061 are each amended to read as follows:

The board of fire commissioners of the district shall have authority to contract indebtedness and to refund same for any general district purpose, including expenses of maintenance, operation and administration, and the acquisition of firefighting facilities, and evidence the same by the issuance and sale at par plus accrued interest (~~not-exceeding-eight-percent-per-annum~~) of coupon warrants of the district in such denominations, in such form and payable at such time or times not longer than six years from the issuing date of said coupon warrants; said date to be specified thereon, as the board shall determine and provide. Such coupon warrants shall be payable to bearer, shall have interest coupons attached providing for the payment of interest at such rate or rates as authorized by the board, payable semiannually on the first day of January and of July following in each year: PROVIDED, That at the option of district board the aggregate amount of coupon warrants may include a sum sufficient to pay the annual interest thereon for a period not exceeding ~~one~~ year from the issuing date of the coupon warrants and in that event such interest shall be taken from the proceeds of the sale of the coupon warrants and immediately placed in the coupon warrant fund of the district, for the payment of the interest coupons maturing during the first year of the coupon warrants. The issuance of the coupon warrants, prior to delivery thereof to the purchaser, shall be recorded in the office of the county treasurer in a book kept for that purpose. Said coupon warrants when issued shall constitute general obligations of the district. All outstanding district warrants of every kind shall outlaw and become void after six years, from the maturity date thereof where money shall be available in the proper fund of the district within that time for their payment.

Sec. 67. Section 5, chapter 24, Laws of 1951 2nd ex. sess.

as amended by section 40, chapter 232, Laws of 1969 ex. sess. and RCW 52.16.100 are each amended to read as follows:

Bonds shall be serial in form and maturity and numbered from one up consecutively. They shall bear interest at a rate (~~(of not-to-exceed-eight-percent-per-annum)~~) or rates as authorized by the board of fire commissioners, payable semiannually from date of said bonds until the principal thereof is paid with interest coupons evidencing such interest to be attached thereto. The first annual maturity shall be two years from the date of issue of said bonds and the various annual maturities shall be as nearly as practicable in such amounts as will, together with the interest on all outstanding bonds, be met by equal annual tax levies for the payment of the principal and interest of said bonds. Bonds issued under this act may not run for more than twenty years from the date of issue and except for bond No. 1, may only be in multiples of one hundred dollars.

Sec. 68. Section 45, chapter 34, Laws of 1939 as amended by section 90, chapter 232, Laws of 1969 ex. sess. and RCW 52.20.060 are each amended to read as follows:

Said district board shall also have authority, if in accordance with the adopted means of financing said local improvement district, to issue and sell at par and accrued interest (~~(not-exceeding eight-percent-annually)~~) coupon warrants payable within three years from the date thereof exclusively from the local improvement fund of the district. Such coupon warrants shall be payable with semiannual interest to bearer and shall be in such form as the board shall determine and shall state on their face that they are payable exclusively from the local improvement fund of the district and shall be registered in the county treasurer's office, as provided herein for the registry of general coupon warrants of the district. Interest coupons thereon shall be payable on the first day of January and of July.

Sec. 69. Section 3, chapter 236, Laws of 1959 as amended by

section 79, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.030 are each amended to read as follows:

Whenever any port district shall determine to acquire or construct any one or more projects authorized under the provisions of this chapter, 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 installments 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 RCW 53.34.010, 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 there- to 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 installment of such bonds or notes, exclusive of redemption premiums, shall not exceed eight 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 pay- ment 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. 70. Section 4, chapter 236, Laws of 1959 as amended by section 80, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.040 are each amended to read as follows:

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 at such time or times, bear interest at such rate or rates (~~not exceeding eight 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 chapter, 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 chapter.

Sec. 71. Section 6, chapter 236, Laws of 1959 as amended by section 81, chapter 232, Laws of 1969 ex. sess. and RCW 53.34.060 are each amended to read as follows:

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-eight-percent-per-annum-and-shall-not-be-sold-at-a-price-that-will-cause-the-interest-cost-on-the-money-received-therefrom-to exceed-eight-percent-per-annum~~) as authorized by the port commission.

Sec. 72. Section 3, chapter 218, Laws of 1941 as amended by section 82, chapter 232, Laws of 1969 ex. sess. and RCW 53.39.030 are each amended to read as follows:

All revenue bonds authorized under the terms of this chapter may be issued and sold by the port districts from time to time and in such amounts as may be deemed necessary in the judgment of the port commission, to provide sufficient funds for the construction or acquisition of any improvements, and to include in the cost of

construction, engineering, inspection, accounting, fiscal and legal expenses, the cost of issuance of bonds, including engraving, printing and advertising, and other similar expenses, and to pay interest on outstanding bonds issued for the construction of the same during the period of actual construction and for six months after the completion thereof, and the proceeds of such bond issue are hereby made available for such purposes. The port commission of the port districts shall determine the form, conditions and denominations of all such bonds, and shall determine the maturity dates which the bonds so to be sold shall bear and the interest rate thereon (~~(7-which shall-not-exceed-eight-percent-per-annum)~~). It shall not be necessary that all bonds of the same authorized issue bear the same interest rate. Principal and interest of such bonds shall be payable at such place or places as may be fixed and determined by the port commission and said bonds may contain provisions for registration thereof as to principal only, and as to both principal and interest. Said bonds shall be issued in coupon form with interest payable at such times as may be determined by the port commission and in such amounts as the said port commission may prescribe. The port commission may provide for the retirement of said bonds at any time or times prior to their maturity, and in such manner and upon payment of such premiums as may be fixed and determined by the resolution of such commission providing for the issuance of such bonds and referred to therein.

Sec. 73. Section 4, chapter 59, Laws of 1957 as last amended by section 37, chapter 232, Laws of 1969 ex. sess. and RCW 53.40.030 are each amended to read as follows:

The port commission shall determine the form, conditions, and denominations of all such bonds, the maturity date or dates which the bonds so sold shall bear, and the interest rate thereon (~~(7-which shall-not-exceed-eight-percent-per-year)~~). It shall not be necessary that all bonds of the same authorized issue bear the same interest rate. Principal and interest of the bonds shall be payable at such

place or places as may be fixed and determined by the port commission. The bonds may contain provisions for registration thereof as to principal only or as to both principal and interest. The bonds shall be issued in coupon form with interest payable at such time or times as may be determined by the port commission and in such amounts as it may prescribe. The port commission may provide for retirement of bonds issued under this chapter at any time or times prior to their maturity, and in such manner and upon the payment of such premiums as may be fixed and determined by resolution of the port commission.

Sec. 74. Section 9, chapter 122, Laws of 1949 as last amended by section 38, chapter 232, Laws of 1969 ex. sess. and RCW 53.40-.110 are each amended to read as follows:

The bonds issued pursuant to the provisions of this chapter shall bear interest at (~~(a net interest cost to the port district over the life of the issue at not to exceed eight percent per annum and no semiannual interest shall be nor shall any coupon evidence interest at a rate greater than eight percent)~~) such rate or rates as authorized by the port commission; shall be signed on behalf of the port district by the president of the port commission and shall be attested by the secretary of the port commission, one of which signatures may be a facsimile signature, and shall have the seal of the port district impressed thereon; each of the interest coupons attached thereto shall be signed by the .facsimile signatures of said officials. Such bonds shall be sold in the manner and at such price as the port commission shall deem best, either at public or private sale.

The port commission may provide such covenants as it may deem necessary to secure the payment of the principal of and interest on such bonds and may but shall not be required to include covenants to create a reserve fund or account and to authorize the payment or deposit of certain moneys therein for the purpose of securing the payment of such principal and interest; to establish, maintain, and

collect tariffs, rates, charges, fees, rentals, and sales prices on facilities and services the income of which is pledged for the payment of such bonds, sufficient to pay or secure the payment of such principal and interest and to maintain an adequate coverage over annual debt service; and to make any and all other covenants not inconsistent with the provisions of this chapter which will increase the marketability of such bonds. The port commission may also provide that revenue bonds payable out of the same source or sources may later be issued on a parity with any revenue bonds being issued and sold. The provisions of this chapter and any resolution or resolutions providing for the authorization, issuance, and sale of such bonds shall constitute a contract with the holders of such bonds, and the provisions thereof shall be enforceable by any owner or holder of such bonds by mandamus or any appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction.

Sec. 75. Section 8, chapter 122, Laws of 1949 as last amended by section 39, chapter 232, Laws of 1969 ex. sess. and RCW 53.40-.130 are each amended to read as follows:

The port commission of any port district may by resolution, from time to time, provide for the issuance of funding or refunding revenue bonds to fund or refund any outstanding revenue warrants, bonds, and any premiums due thereon, and matured coupons evidencing interest upon any such bonds at or before the maturity of such warrants or bonds, and may combine various outstanding revenue warrants and parts or all of various series and issues of outstanding revenue bonds and matured coupons in the amount thereof to be funded or refunded.

The port commission shall create a special fund for the sole purpose of paying the principal of and interest on such funding or refunding revenue bonds, into which fund the commission shall obligate and bid *[bind] the port district to set aside and pay any part or parts of, or all of, or a fixed proportion of, or a fixed amount of the

gross revenue of the port district sufficient to pay such principal and interest as the same shall become due, and if deemed necessary to maintain adequate reserves therefor.

Such funding or refunding bonds shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state, and the tax revenue of the port district may not be used to pay, secure, or guarantee the payment of the principal of and interest on such bonds. (~~The net interest cost to maturity on such funding or refunding bonds shall not exceed eight percent per annum and the amount of any premium to be paid to effect the redemption of outstanding revenue warrants or bonds shall not be considered in determining such net interest cost.~~)

The port district may exchange such funding or refunding bonds for the warrants, bonds, and coupons being funded or refunded, or it may sell such funding or refunding bonds in the manner, at such rate or rates of interest and at such price as the port commission shall deem to be for the best interest of the district and its inhabitants, either at public or private sale.

The provisions of this chapter relating to the terms, conditions, covenants, issuance, and sale of revenue bonds shall be applicable to such funding or refunding bonds except as may be otherwise specifically provided in this section.

Sec. 76. Section 2, chapter 239, Laws of 1947 as amended by section 91, chapter 232, Laws of 1969 ex. sess. and RCW 53.44.020 are each amended to read as follows:

Such funding or refunding bonds shall bear interest (~~at a rate not in excess of eight percent per year~~) as fixed by the board after the sale of the bonds, or, in the event of the issuance thereof by exchange, prior to such exchange; and the form of the bonds and interest coupons which shall be attached thereto, their execution, and the bonds in all other respects, shall be as permitted by law and as provided by resolution of the board.

Sec. 77. Section 7, chapter 1, Laws of 1931 as amended by

section 14, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.018 are each amended to read as follows:

Whenever the commission shall deem it advisable that the public utility district purchase, purchase and condemn, acquire, or construct any such public utility, or make any additions or betterments thereto, or extensions thereof, the commission shall provide therefor by resolution, which shall specify and adopt the system or plan proposed, and declare the estimated cost thereof, as near as may be, and specify whether general or utility indebtedness is to be incurred, the amount of such indebtedness, the amount of interest and the time in which all general bonds (if any) shall be paid, not to exceed thirty years. In the event the proposed general indebtedness to be incurred will bring the indebtedness of the public utility district to an amount exceeding one and one-half percent of the taxable property of the public utility district, the proposition of incurring such indebtedness and the proposed plan or system shall be submitted to the qualified electors of said public utility district for their assent at the next general election held in such public utility district.

Whenever the commission (or a majority of the qualified voters of such public utility district, voting at said election, when it is necessary to submit the same to said voters) shall have adopted a system or plan for any such public utility, as aforesaid, and shall have authorized indebtedness therefor by a three-fifths vote of the qualified voters of such district, voting at said election, general or public utility bonds may be used as hereinafter provided. Said general bonds shall be serial in form and maturity and numbered from one upwards consecutively. The various annual maturities shall commence not later than the tenth year after the date of issue of such bonds. The resolution authorizing the issuance of the bonds shall fix the rate or rates of interest the bonds shall bear (~~(7-said-interest-not-to-exceed-eight-percent7)~~) and the place and date of the payment of both principal and interest. The bonds shall be signed

by the president of the commission, attested by the secretary of the commission, and the seal of the public utility district shall be affixed to each bond but not to the coupon: PROVIDED, HOWEVER, That said coupon, in lieu of being so signed, may have printed thereon a facsimile of the signature of such officers. The principal and interest of such general bonds shall be paid from the revenue of such public utility district after deducting costs of maintenance, operation, and expenses of the public utility district, and any deficit in the payment of principal and interest of said general bonds shall be paid by levying each year a tax upon the taxable property within said district sufficient to pay said interest and principal of said bonds, which tax shall be due and collectible as any other tax. Said bonds shall be sold in such manner as the commission shall deem for the best interest of the district. All bonds and warrants issued under the authority of this act shall be legal securities, which may be used by any bank or trust company for deposit with the state treasurer, or any county or city treasurer, as security for deposits, in lieu of a surety bond, under any law relating to deposits of public moneys. When the commission shall not desire to incur a general indebtedness in the purchase, condemnation and purchase, acquisition, or construction of any such public utility, or addition or betterment thereto, or extension thereof, it shall have the power to create a special fund or funds for the sole purpose of defraying the cost of such public utility, or addition or betterment thereto, or extension thereof, into which special fund or funds it may obligate and bind the district to set aside and pay a fixed proportion of the gross revenues of such public 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 to issue and sell bonds or warrants bearing interest (~~not-exceeding-eight percent-per-annum~~) at such rate or rates, payable semiannually, executed in such manner, and payable at such times and places as the commission shall determine, but such bonds or warrants and the in-

terest thereon, shall be payable only out of such special fund or funds. In creating any such special fund or funds, the commission 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 revenues previously pledged as a fund for the payment of bonds or warrants, and shall not set aside into such special fund or funds a greater amount or proportion of the revenues and proceeds than, in its judgment, will be available over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenues so previously pledged. Any such bonds or warrants, and interest thereon, issued against any such fund, as herein provided, shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such district within the meaning of the constitutional provisions and limitations. Each such bond or warrant shall state on its face that it is payable from a special fund, naming such fund and the resolution creating it. Said bonds and warrants shall be sold in such manner as the commission shall deem for the best interests of the district, and the commission may provide in any contract for the construction and acquisition of a proposed improvement or utility that payment therefor shall be made only in such bonds or warrants at the par value thereof. In all other respects, the issuance of such utility bonds or warrants and payment therefor shall be governed by the public utility laws for cities and towns.

Sec. 78. Section 4, chapter 182, Laws of 1941 as last amended by section 83, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.060 are each amended to read as follows:

Such utility revenue obligations shall be sold and delivered in such manner, at such rate or rates of interest and for such price or prices and at such time or times as the commission shall deem for the best interests of the district (~~(-PROVIDED,-That-the-net-interest-rest-to-the-district-over-the-life-of-any-issue-of-revenue-obli-~~

~~gations shall not exceed eight percent per annum,--The words "life of any issue of revenue obligations" shall mean the period from the date thereof, or from the interest payment date next preceeding the delivery thereof, whichever is the later, to the respective maturity dates of the revenue obligations constituting such issue, and the words "net interest cost" shall mean the aggregate of the interest payable on all of the revenue obligations constituting such issue over the life thereof as above defined, less the amount of any premium payable by the purchaser thereof, or plus the amount of any discount if sold at less than par,--The amount of premium, if any, which might become payable upon the redemption of such revenue obligations prior to the maturity thereof shall not be considered in determining such net interest cost)).~~ The commission may, if it deem it to the best interest of the district, provide in any contract for the construction or acquisition of the public utility, or the additions or betterments thereto or extensions thereof, that payment therefor shall be made only in such revenue obligations at the par value thereof.

Sec. 79. Section 8, chapter 182, Laws of 1941 as last amended by section 84, chapter 232, Laws of 1969 ex. sess. and RCW 54.24.090 are each amended to read as follows:

Whenever any district shall have outstanding any utility revenue obligations, the commission shall have power by resolution to provide for the issuance of funding or refunding revenue obligations with which to take up and refund such outstanding revenue obligations or any part thereof at the maturity thereof or before maturity if the same be by their terms or by other agreement subject to call for prior redemption, with the right in the commission to include various series and issues of such outstanding revenue obligations in a single issue of funding or refunding revenue obligations, and to issue refunding revenue obligations to pay any redemption premium payable on the outstanding revenue obligations being funded or refunded. Such funding or refunding revenue obligations shall be payable only

out of a special fund created out of the gross revenues of such public utility, and shall only be a valid claim as against such special fund and the amount of the revenues of such utility pledged to such fund. (~~The net interest cost to the district over the life of any issue of such revenue obligations shall not exceed eight percent per annum computed as provided in RCW 54.24.060.~~) Such funding or refunding revenue obligations shall in the discretion of the commission be exchanged at par for the revenue obligations which are being funded or refunded or shall be sold in such manner, at such price and at such rate or rates of interest as the commission shall deem for the best interest of the district. Said funding or refunding [revenue] obligations shall except as specifically provided in this section, be issued in accordance with the provisions with respect to revenue obligations in this act set forth.

Sec. 80. Section 18, chapter 210, Laws of 1941 as last amended by section 85, chapter 232, Laws of 1969 ex. sess. and RCW 56.16-.040 are each amended to read as follows:

Whenever any such sewer district shall hereafter adopt a plan for a sewer system as herein provided, or any additions and betterments thereto, or whenever any reorganized sewer district shall hereafter adopt a plan for any additions or betterments thereto, and the qualified voters of any such sewer district or reorganized sewer district shall hereafter authorize a general indebtedness for all the said plan, or any part thereof, or any additions and betterments thereto or for refunding in whole or in part bonds theretofore issued, general obligation bonds for the payment thereof may be issued as hereinafter provided. The bonds shall be serial in form and maturity and numbered from one up consecutively. The bonds shall bear interest (~~not to exceed eight percent per annum~~) at such rate or rates as authorized by the board of sewer commissioners, payable semiannually from date of said bonds until principal thereof is paid, with interest coupons, evidencing such interest to maturity, attached. The various annual maturities shall commence with the second year after

the date of issue of the bonds, and shall as nearly as practicable be in such amounts as will, together with the interest on all outstanding bonds, be met by an equal annual tax levy for the payment of said bonds and interest: PROVIDED, That only the bond numbered one of any issue shall be of a denomination other than a multiple of one hundred dollars.

Such bonds shall never be issued to run for a longer period than thirty years from the date of the issue and shall as nearly as practicable be issued for a period which will be equivalent to the life of the improvement to be acquired by the issue of the bonds.

The bonds shall be signed by the presiding officer of the board of sewer commissioners and shall be attested by the secretary of such board under the seal of the sewer district, and the interest coupons shall be signed by the facsimile signature of the presiding officer of the board of sewer commissioners and shall be attested by the facsimile signature of the secretary of such board.

There shall be levied by the officers or governing body now or hereafter charged by law with the duty of levying taxes in the manner provided by law an annual levy in excess of the forty mill tax limitation sufficient to meet the annual or semiannual payments of principal and interest on the said bonds maturing as herein provided upon all taxable property within such sewer district.

Said bonds shall be sold in such manner as the sewer commissioners shall deem for the best interest of the sewer district, and at a price not less than par and accrued interest.

Sec. 81. Section 19, chapter 210, Laws of 1941 as last amended by section 86, chapter 232, Laws of 1969 ex. sess. and RCW 56.16-.060 are each amended to read as follows:

When sewer revenue bonds are issued for authorized purposes, said bonds shall be either registered as to principal only or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, shall be payable at such time or times up to a maximum period of not to exceed thirty years and at such place or

places one of which must be the office of the treasurer of the county in which the district is located, as determined by the board of commissioners of the district; shall bear interest at such rate or rates as authorized by the board of sewer commissioners payable semiannually and evidenced to maturity by coupons attached to said bonds (~~(bearing-a-coupon-interest-rate-not-to-exceed-eight-percent per-annum)~~); shall be executed by the president of the board of commissioners and attested by the secretary thereof and have the seal of the district impressed thereon; and may have facsimile signatures of the president and secretary imprinted on the interest coupons in lieu of original signatures.

Sec. 82. Section 21, chapter 210, Laws of 1941 and RCW 56.16-.080 are each amended to read as follows:

In creating any special fund or funds the sewer commissioners of such sewer district 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 over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenue so previously pledged. Any such bonds, and the interest thereon, issued against any such fund as herein provided, shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such sewer district within the meaning of the constitutional provisions and limitations. Each such bond or warrant shall state upon its face that it is payable from a special fund, naming the said fund and the resolution creating it. Said bonds shall be sold in such manner, at such prices and at such rate or rates of interest as the sewer commissioners shall deem for the best interests of the sewer district, either at public or private

~~sale ((and-at-any-price,-but-not-at-any-price-where-the-effective cost-of-money-to-the-sewer-district-shall-exceed-seven-percent-per annum)),~~ and the said commissioners may provide in any contract for the construction and acquirement of the proposed improvement that payment therefor shall be made in such bonds at par value thereof.

When any such special fund shall have been heretofore or shall be created and any such bonds shall have been heretofore or shall hereafter be issued against the same, a fixed proportion or a fixed amount out of and not to exceed such fixed proportion, or a fixed amount without regard to any fixed proportion, of revenue shall be set aside and paid into said special fund as provided in the resolution creating such fund. In case any sewer district shall fail thus to set aside and pay said fixed proportion or amount as aforesaid, the holder of any bond against such special fund may bring suit or action against the sewer district and compel such setting aside and payment.

Sec. 83. Section 11, chapter 114, Laws of 1929 as last amended by section 87, chapter 232, Laws of 1969 ex. sess. and RCW 57.20.010 are each amended to read as follows:

When general district indebtedness payable from annual tax levies to be made in excess of the forty mill limitation has been authorized, the district may issue its general obligation bonds in payment thereof. The bonds shall be serial in form and maturity and numbered from one up consecutively and shall bear interest (~~not to-exceed-eight-percent-per-year~~) at such rate or rates as authorized by the board of water commissioners payable semiannually, with interest coupons attached. The various annual maturities shall commence with the second year after the date of the issue, and shall as nearly as practicable be in such amounts as will, together with the interest on all outstanding bonds, be met by an equal annual tax levy for the payment of the bonds and interest. Only the bond numbered one of any issue shall be of a denomination other than a multiple of one

hundred dollars.

Bonds shall not be issued to run for a longer period than twenty years from the date of issue and shall as nearly as practicable be issued for a period which will be equivalent to the life of the improvement to be acquired by the issuance of the bonds.

The bonds shall be signed by the president of the board and attested by the secretary, under the seal of the district. The interest coupons shall be signed by the facsimile signature of the president and attested by the facsimile signature of the secretary.

There shall be levied by the officers or governing body charged with the duty of levying taxes, an annual levy in excess of the forty mill tax limitation sufficient to meet the annual or semi-annual payments of principal and interest on the bonds upon all taxable property within the district.

The bonds shall be sold in such manner as the commissioners deem for the best interest of the district, and at a price not less than par and accrued interest.

Sec. 84. Section 3, chapter 128, Laws of 1939 as last amended by section 88, chapter 232, Laws of 1969 ex. sess. and RCW 57.20.020 are each amended to read as follows:

Whenever any issue or issues of water revenue bonds have been authorized in compliance with the provisions of RCW 57.16.010 through 57.16.040, said bonds shall be either registered as to principal only or shall be bearer bonds; shall be in such denominations, shall be numbered, shall bear such date, and shall be payable at such time or times up to a maximum period of not to exceed thirty years as shall be determined by the board of water commissioners of the district; shall bear interest at such rate or rates as authorized by the board payable semiannually and evidenced to maturity by coupons attached to said bonds (~~bearing-a-coupon-interest-rate-not-to-exceed-eight-percent-per-annum~~); shall be payable at the office of the county treasurer of the county in which the water district is located and may also be payable at such other place or places

as the board of water commissioners may determine; shall be executed by the president of the board of water commissioners and attested and sealed by the secretary thereof; and may have facsimile signatures of said president and secretary imprinted on the interest coupons in lieu of original signatures.

The water district commissioners shall have power and are required to create a special fund or funds for the sole purpose of paying the interest and principal of such bonds into which special fund or funds the said water district commissioners shall obligate and bind the water district to set aside and pay a fixed proportion of the gross revenues of the water supply system or any fixed amount out of and not exceeding a fixed proportion of such revenues, or a fixed amount or amounts without regard to any fixed proportion and such bonds and the interest thereof shall be payable only out of such special fund or funds, but shall be a lien and charge against all revenues and payments received from any utility local improvement district or districts pledged to secure such bonds, subject only to operating and maintenance expenses.

In creating any such special fund or funds the water district commissioners of such water district 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 over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenue so previously pledged. Any such bonds and interest thereon issued against any such fund as herein provided shall be a valid claim of the holder thereof only as against the said special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of such water district within the meaning of the constitutional provisions and limitations.

Each such bond or warrant shall state upon its face that it is payable from a special fund, naming the said fund and the resolution creating it. Said bonds shall be sold in such manner, at such price and at such rate or rates of interest as the water district commissioners shall deem for the best interests of the water district, either at public or private sale (~~((and-at-any-price-but-not-at-any-price-where-the-effective-cost-of-money-to-the-water-district-shall exceed-eight-percent-per-annum))~~), and the said commissioners may provide in any contract for the construction and acquirement of the proposed improvement (and for the refunding of outstanding local improvement district obligations, if any) that payment therefor shall be made in such bonds at par value thereof.

When any such special fund shall have been heretofore or shall be hereafter created and any such bonds shall have been heretofore or shall hereafter be issued against the same a fixed proportion or a fixed amount out of and not to exceed such fixed proportion [,] or a fixed amount or amounts without regard to any fixed proportion [,] of revenue shall be set aside and paid into said special fund as provided in the resolution creating such fund [,] and in case any water district shall fail thus to set aside and pay said fixed proportion or amount as aforesaid[,], the holder of any bond against such special fund may bring suit or action against the water district and compel such setting aside and payment.

The water district commissioners of any water district, in the event that such water revenue bonds are issued, shall provide for revenues by fixing rates and charges for the furnishing of water supply to those receiving such service, such rates and charges to be fixed as deemed necessary by such water district commissioners[,], so that uniform charges will be made for the same class of customer or service in*[,In] classifying customers served or service furnished by such water supply system[,], the board of water commissioners may in its discretion consider any or all of the following factors: The difference in cost of service to the various customers; the location of the

various customers within and without the district; the difference in cost of maintenance [,] operation, repair and replacement of the various parts of the system; the different character of the service furnished various customers; the quantity and quality of the water furnished [;] the time of its use; capital contributions made to the system including but not limited to assessments; and any other matters which present a reasonable difference as a ground for distinction. Such rates shall be made on a monthly basis as may be deemed proper by such commissioners and as fixed by resolution and shall produce revenues sufficient to take care of the costs of maintenance and operation, revenue bond and warrant interest and principal amortization requirements and all other charges necessary for efficient and proper operation of the system.

Sec. 85. Section 6, chapter 264, Laws of 1945 as last amended by section 1, chapter 65, Laws of 1969 ex. sess. and RCW 70.44.060 are each amended to read as follows:

All public hospital districts organized under the provisions of this chapter shall have power:

(1) To make a survey of existing hospital facilities within and without such district.

(2) To construct, condemn and purchase, purchase, acquire, lease, add to, maintain, operate, develop and regulate, sell and convey all lands, property, property rights, equipment, hospital facilities and systems for the maintenance of hospitals, buildings, structures and any and all other facilities, and to exercise the right of eminent domain to effectuate the foregoing purposes or for the acquisition and damaging of the same or property of any kind appurtenant thereto, and such right of eminent domain shall be exercised and instituted pursuant to a resolution of the commission and conducted in the same manner and by the same procedure as in or may be provided by law for the exercise of the power of eminent domain by incorporated cities and towns of the state of Washington in the acquisition of property rights: PROVIDED, That no public hospital

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district shall have the right of eminent domain and the power of condemnation against any hospital clinic or sanatorium operated as a charitable, nonprofit establishment or against a hospital clinic or sanatorium operated by a religious group or organization: AND PROVIDED, FURTHER, That no hospital district organized and existing in districts having more than twenty-five thousand population have any of the rights herein enumerated without the prior written consent of all existing hospital facilities within the boundaries of such hospital district.

(3) To lease existing hospital and equipment and/or other property used in connection therewith, and to pay such rental therefor as the commissioners shall deem proper; to provide hospital service for residents of said district in hospitals located outside the boundaries of said district, by contract or in any other manner said commissioners may deem expedient or necessary under the existing conditions; and said hospital district shall have the power to contract with other communities, corporations or individuals for the services provided by said hospital district; and they may further receive in said hospital and furnish proper and adequate services to all persons not residents of said district at such reasonable and fair compensation as may be considered proper: PROVIDED, That it must at all times make adequate provision for the needs of the district and residents of said district shall have prior rights to the available facilities of said hospitals, at rates set by the district commissioners.

(4) For the purpose aforesaid, it shall be lawful for any district so organized to take, condemn and purchase, lease, or acquire, any and all property, and property rights, including state and county lands, for any of the purposes aforesaid, and any and all other facilities necessary or convenient, and in connection with the construction, maintenance, and operation of any such hospital.

(5) To contract indebtedness or borrow money for corporate purposes on the credit of the corporation or the revenues of the

hospitals thereof, and to issue bonds therefor, bearing interest at a rate or rates as authorized by the commission, (~~not-exceeding eight-percent-per-annum,~~) payable semiannually, said bonds not to be sold for less than par and accrued interest; and to assign or sell hospital accounts receivable for collection with or without recourse.

(6) To raise revenue by the levy of an annual tax on all taxable property within such public hospital district not to exceed three mills or such further amount as has been or shall be authorized by a vote of the people: PROVIDED FURTHER, That the public hospital districts are hereby authorized to levy such a general tax in excess of said three mills when authorized so to do at a special election conducted in accordance with and subject to all of the requirements of the Constitution and the laws of the state of Washington now in force or hereafter enacted governing the limitation of tax levies commonly known as the forty mill tax limitation. The said board of district commissioners is hereby authorized and empowered to call a special election for the purpose of submitting to the qualified voters of the hospital district a proposition to levy a tax in excess of the three mills herein specifically authorized. The commissioner shall prepare a proposed budget of the contemplated financial transactions for the ensuing year and file the same in the records of the commission on or before the first Monday in September. Notice of the filing of said proposed budget and the date and place of hearing on the same shall be published for at least two consecutive weeks in a newspaper printed and of general circulation in said county. On the first Monday in October the commission shall hold a public hearing on said proposed budget at which any taxpayer may appear and be heard against the whole or any part of the proposed budget. Upon the conclusion of said hearing, the commission shall, by resolution, adopt the budget as finally determined and fix the final amount of expenditures for the ensuing year. Taxes levied by the commission shall be certified to and collected

by the proper county officer of the county in which such public hospital district is located in the same manner as is or may be provided by law for the certification and collection of port district taxes. The commission is authorized, prior to the receipt of taxes raised by levy, to borrow money or issue warrants of the district in anticipation of the revenue to be derived by such district from the levy of taxes for the purpose of such district, and such warrants shall be redeemed from the first money available from such taxes when collected, and such warrants shall not exceed the anticipated revenues of one year, and shall bear interest at a rate (~~not to exceed six percent per annum~~) or rates as authorized by the commission.

(7) To enter into any contract with the United States government or any state, municipality or other hospital district, or any department of those governing bodies, for carrying out any of the powers authorized by this chapter.

(8) To sue and be sued in any court of competent jurisdiction: PROVIDED, That all suits against the public hospital district shall be brought in the county in which the public hospital district is located.

(9) To make contracts, employ superintendents, attorneys, and other technical or professional assistants and all other employees; to make contracts with private or public institutions for employee retirement programs; to print and publish information or literature and to do all other things necessary to carry out the provisions of this chapter.

Sec. 86. Section 13, chapter 264, Laws of 1945 as amended by section 3, chapter 65, Laws of 1969 ex. sess. and RCW 70.44.120 are each amended to read as follows:

All bonds shall be serial in form and maturity and numbered from one upwards consecutively. The various annual maturities shall commence not later than the tenth year after the date of issue of such bonds. The resolution authorizing the issuance of the bonds

shall fix the rate of interest the bonds shall bear (~~(7-said-interest not-to-exceed-ten-percent)~~) and the place and dates of the payment of both principal and interest. The bonds shall be signed by the president of the commission, attested by the secretary of the commission, and the seal of the public hospital district shall be affixed to each bond but not to the coupons: PROVIDED, HOWEVER, That said coupons, in lieu of being so signed, may have printed thereon a facsimile of the signatures of such officers.

Sec. 87. Section 30, chapter 117, Laws of 1895 as amended by section 43, chapter 232, Laws of 1969 ex. sess. and RCW 85.05.300 are each amended to read as follows:

Said bonds shall be numbered from one upwards, consecutively, and be in denominations of not less than one hundred dollars nor more than one thousand dollars. They shall bear the date of issue, shall be made payable to the bearer in not more than ten years nor less than five years from the date of their issue, and bear interest at a rate (~~(not-exceeding-eight-percent-per-annum)~~) or rates as authorized by the commissioners of the diking district payable annually, with coupons attached for each interest payment. The bonds and each coupon shall be signed by the chairman of the board of diking commissioners, and shall be attested by the secretary of said board, and the seal of such district shall be affixed to each bond, but not to the coupons.

Sec. 88. Section 1, chapter 156, Laws of 1913 as amended by section 50, chapter 232, Laws of 1969 ex. sess. and RCW 85.05.480 are each amended to read as follows:

Whenever by reason of any extraordinary occurrence or other casualty there occur such changes in conditions as to warrant, in the opinion of the commissioners of any diking district, an estimate for making repairs and improvements, including the yearly maintenance expense in an amount equal to twenty-five percent of the estimated cost of the original improvements, as provided for in RCW 85.05.090 the funds therefor may be provided by the issuance of bonds of said

diking district, payable in not to exceed ten years, and to pay the same, such commissioners shall make a levy extending over such period of time and in such amount as shall be necessary to take care of such bonds and interest, and such levy when made shall state the year for which it is made and the amount thereof, and thereafter, the county auditor shall each year extend such levy without any further orders from said commissioners: PROVIDED, HOWEVER, That if for any cause whatsoever, said levy shall not be sufficient to take care of said bonds and interest or pay said fixed estimate a further levy shall be made for that purpose. Said bonds shall be sold at not less than par and shall bear interest (~~not to exceed eight percent per annum~~) at such rate or rates as authorized by the commissioners of the diking district, and the proceeds thereof shall be used in such repairs, improvements or maintenance or warrants issued in payment therefor and for no other purpose: PROVIDED, HOWEVER, That such bonds shall only be issued when they are presented to and filed with such commissioners and shall become a part of their record, a petition of property owners owning at least sixty percent of all the acreage in such district requesting the issuance of such bonds.

Sec. 89. Section 27, chapter 115, Laws of 1895 as amended by section 51, chapter 232, Laws of 1969 ex. sess. and RCW 85.06.270 are each amended to read as follows:

Said bonds shall be numbered from one upwards, consecutively, and be in denominations of not less than one hundred dollars nor more than one thousand dollars. They shall bear the date of issue, shall be made payable to the bearer in not more than ten years nor less than five years from the date of their issue, and bear interest at a rate (~~not exceeding eight percent per annum~~) or rates as authorized by the commissioners of the drainage district [,] payable annually, with coupons attached for each interest payment. The bonds and each coupon shall be signed by the chairman of the board of drainage commissioners, and shall be attested by the secretary of said board, and the seal of such district shall be affixed to each

bond, but not to the coupons..

Sec. 90. Section 1, part, chapter 174, Laws of 1927 as amended by section 52, chapter 232, Laws of 1969 ex. sess. and RCW 85.06.321 are each amended to read as follows:

If any default shall have occurred in the payment of interest or principal of bonds of a drainage district and the board of drainage commissioners finds that any considerable number of owners of assessed lands are not and will not be able to pay assessments sufficient to meet without further default the principal of bonds still outstanding, the district, with the assent of the holders of all outstanding bonds not yet callable for payment, may issue refunding bonds pursuant to the plan prescribed in RCW 85.06.321 through 85.06.329, and use the proceeds, together with money derived from assessments, to pay the outstanding bonds. The maturity date of refunding bonds shall be either twelve or seventeen years from their date, as the board shall determine, but they may be paid before maturity as hereinafter provided. Bonds shall be numbered consecutively from one up, be in denominations of one hundred, five hundred or one thousand dollars, be dated the first day of the month in which they are issued, be payable to bearer, draw interest evidenced by coupons payable semiannually at ~~((not more than eight percent per annum))~~ such rate or rates as authorized by the board of drainage commissioners, and be executed in the name and under the seal of the district by the president and the secretary of the board. Interest shall be payable on the first days of January and July of each year except that the first interest payment date shall be July first of the year following that in which the bonds were issued.

Sec. 91. Section 2, chapter 103, Laws of 1935 as amended by section 53, chapter 232, Laws of 1969 ex. sess. and RCW 85.07.070 are each amended to read as follows:

Said bonds shall be numbered consecutively from one upwards and shall be in denominations of not less than one hundred dollars nor more than one thousand dollars 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-eight-percent-per-annum)~~) or rates as authorized by the board of commissioners, 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 district shall be affixed to each bond, but it need not be affixed to the coupon.

Sec. 92. Section 13, chapter 26, Laws of 1949 as amended by section 54, chapter 232, Laws of 1969 ex. sess. and RCW 85.16.180 are each amended to read as follows:

The board shall thereupon enter an order authorizing the contemplated extraordinary maintenance work to be done and authorizing the issuance of temporary construction warrants to pay the cost of said work as it progresses, which warrants may bear interest at such rate of interest as the board shall determine (~~(but-not-in-excess-of-eight-percent-per-annum)~~). Bonds or warrants to pay the costs of such extraordinary maintenance may be issued and sold at one time or from time to time and in such series and amounts as may be found practicable and as determined by the board.

Sec. 93. Section 194, chapter 72, Laws of 1937 as amended by section 44, chapter 232, Laws of 1969 ex. sess. and RCW 86.09.580 are each amended to read as follows:

Said bonds shall bear the date of their issue, shall be made payable to bearer with interest at a rate (~~(not-exceeding-eight-percent-per-annum)~~) or rates as authorized by the district board, payable semiannually on the first day of January and of July in each year until paid and with coupons attached, for each interest payment.

Sec. 94. Section 200, chapter 72, Laws of 1937 as amended by section 45, chapter 232, Laws of 1969 ex. sess. and RCW 86.09.598 are each amended to read as follows:

Said bonds shall be numbered consecutively, shall mature in series amortized in a definite schedule during a period not to exceed twenty years from the date of their issuance, shall be in such denominations and form and shall be payable, with annual or semi-annual interest (~~(not-exceeding-eight-percent)~~) at such rate or rates and at such place as the state director shall provide.

Sec. 95. Section 15, page 679, Laws of 1889-90 as last amended by section 46, chapter 232, Laws of 1969 ex. sess. and RCW 87.03.200 are each amended to read as follows:

At such election shall be submitted to the electors of said district possessing the qualifications prescribed by law the question of whether or not the bonds of said district in the amount and of the maturities determined by the board of directors shall be issued. Bonds issued under the provisions of this act shall be serial bonds payable in legal currency of the United States in such series and amounts as shall be determined and declared by the board of directors in the resolution calling the election: PROVIDED, That the first series shall mature not later than ten years and the last series not later than forty years from the date thereof: PROVIDED FURTHER, That bonds [,] authorized by a special election held in the district under the provisions of a former statute, which has subsequent to said authorization been amended, but not issued prior to the amendment of said former statute, may be issued in the form provided in said former statute, and any such bonds heretofore or hereafter so issued and sold are hereby confirmed and validated.

Notice of such bond election must be given by publication of such notice in some newspaper published in the county where the office of the board of directors of such district is required to be kept, once a week for at least two weeks (three times). Such notices must specify the time of holding the election, and the amount and maturities of bonds proposed to be issued; and said election must be held and the results thereof determined and declared in all respects as nearly as practicable in conformity with the

provisions of law governing the election of the district officers: PROVIDED, That no informality in conducting such election shall invalidate the same, if the election shall have been otherwise fairly conducted. At such election the ballots shall contain the words "Bonds Yes" and "Bonds No," or words equivalent thereto. If a majority of the votes cast are cast "Bonds Yes," the board of directors shall thereupon have authority to cause bonds in said amount and maturities to be issued. If the majority of the votes cast at any bond election are "Bonds No," the result of such election shall be so declared and entered of record; but if contract is made or is to be made with the United States as in RCW 87.03.140 provided, and bonds are not to be deposited with the United States in connection with such contract, the question submitted at such special election shall be whether contract shall be entered into with the United States. The notice of election shall state under the terms of what act or acts of congress contract is proposed to be made, and the maximum amount of money payable to the United States for construction purposes exclusive of penalties and interest. The ballots for such election shall contain the words "Contract with the United States Yes" and "Contract with the United States No," or words equivalent thereto. And whenever thereafter said board *[board], in its judgment, deems it for the best interest of the district that the question of issuance of bonds for said amount, or any amount, or the question of entering into a contract with the United States, shall be submitted to said electors, it shall so declare, by resolution recorded in its minutes, and may thereupon submit such question to said electors in the same manner and with like effect as at such previous election. All bonds issued under this act shall bear interest at such rate (~~not exceeding eight percent per annum~~) or rates as the board of directors may determine, payable semiannually on the first day of January and of July of each year. The principal and interest shall be payable at the office of the county treasurer of the county in which the office of the board of directors is situated, or if the board of

directors shall so determine at the fiscal agency of the state of Washington in New York City, said place of payment to be designated in the bond. Said bonds shall be each of the denomination of not less than one hundred nor more than one thousand dollars; shall be negotiable in form, signed by the president and secretary, and the seal of the district shall be affixed thereto. The county treasurer shall register said bonds before the issuance thereof in a book kept for that purpose, and shall certify on each thereof under his seal that it has been so registered, and that the signatures thereon are the genuine signatures of the president and secretary respectively and that the seal attached is the seal of the district. Whenever the electors shall vote to authorize the issuance of bonds of the district such authorization shall nullify and cancel all unsold bonds previously authorized, and if the question is submitted to and carried by the electors at the bond election, any bond issue may be exchanged in whole or in part, at par, for any or all of a valid outstanding bond issue of the district when mutually agreeable to the owner or owners thereof and the district, and the amount of said last bond issue in excess, if any, of that required for exchange purposes, may be sold as in the case of an original issue. The bonds of any issue authorized to be exchanged in whole or in part for outstanding bonds shall state on their face the amount of such issue so exchanged, and shall contain a certificate of the treasurer of the district as to the amount of the bonds exchanged, and that said outstanding bonds have been surrendered and canceled: PROVIDED.

FURTHER, That where bonds have been authorized and unsold, the board of directors may submit to the qualified voters of the district the question of canceling said previous authorization, which question shall be submitted upon the same notice and under the same regulations as govern the submission of the original question of authorizing a bond issue. At such election the ballots shall contain the words "Cancellation Yes," and "Cancellation No," or words equivalent thereto. If at such election a majority of the votes shall be

"Cancellation Yes," the said issue shall be thereby canceled and no bonds may be issued thereunder. If the majority of said ballots shall be "Cancellation No," said original authorization shall continue in force with like effect as though said cancellation election had not been held: PROVIDED, That bonds deposited with the United States in payment or in pledge may call for the payment of such interest (~~(not-exceeding-eight-percent-per-annum)~~) at such rate or rates, may be of such denominations, and call for the repayment of the principal at such times as may be agreed upon between the board and the secretary of the interior.

Each issue shall be numbered consecutively as issued, and the bonds of each issue shall be numbered consecutively and bear date at the time of their issue. Coupons for the interest shall be attached to each bond, signed by the president of the board and the secretary. The signatures of the president and secretary may, however, appear by lithographic facsimile. Said bonds shall express upon their face that they were issued by authority of this act, stating its title and date of approval, and shall also state the number of issue of which such bonds are a part. The secretary shall keep a record of bonds sold, their number, the date of sale, the price received and the name of the purchaser. In case the money received by the sale of all bonds issued be insufficient for the completion of plans of the canals and works adopted, and additional bonds be not voted, or a contract calling for additional payment to the United States be not authorized and made, as the case may be, it shall be the duty of the board of directors to provide for the completion of said plans by levy of assessments therefor. It shall be lawful for any irrigation districts which have heretofore issued and sold bonds under the law then in force, to issue in place thereof an amount of bonds not in excess of such previous issue, and to sell the same, or any part thereof, as hereinafter provided, or exchange the same, or any part thereof, with the holders of such previously issued bonds which may be outstanding, upon such terms as may be agreed

upon between the board of directors of the district and the holders of such outstanding bonds: PROVIDED, That the question of such re-issue of bonds shall have been previously voted upon favorably by the legally qualified electors of such district, in the same manner as required for the issue of original bonds, and the said board shall not exchange any such bonds for a less amount in par value of the bonds received; all of such old issue in place of which new bonds are issued shall be destroyed whenever lawfully in possession of said board. Bonds issued under the provisions of this section may, when so authorized by the electors, include a sum sufficient to pay the interest thereon for a period not exceeding the first four years. Whenever an issue of bonds shall have been authorized pursuant to law, and any of the earlier series shall have been sold, and the later series, or a portion thereof, remain unsold, the directors may sell such later series pursuant to law, or such portion thereof as shall be necessary to pay the earlier series, or said directors may exchange said later series for the earlier series at not less than the par value thereof, said sale or exchange to be made not more than six months before the maturity of said earlier series and upon said exchange being made the maturing bonds shall be disposed of as hereinbefore provided in the case of bonds authorized to be exchanged in whole or in part for outstanding bonds.

Sec. 96. Section 3, chapter 161, Laws of 1923 as amended by section 55, chapter 232, Laws of 1969 ex. sess. and RCW 87.19.030 are each amended to read as follow:

Said bonds shall be issued in series and in denominations of not less than one hundred dollars nor more than one thousand dollars. The first series shall mature not later than ten years and the last series not later than forty years. Each series shall be numbered from one, up consecutively, shall bear the date of their issue, and shall bear interest at any rate (~~not-exceeding-eight-percent-per-annum~~) or rates as authorized by the board of directors of said district, payable semiannually on the first day of January and July

of each year, with interest coupons attached and the principal and interest shall be made payable at the office of the county treasurer of the county in which the office of the board of directors is situated, or at any fiscal agency of the state of Washington. Said bonds shall be negotiable in form and the bonds and interest coupons shall be signed by the president and secretary of the board of directors of said district and the seal of said district, affixed. The signatures of the president and secretary may, however, appear by lithographic facsimile.

Sec. 97. Section 20, chapter 120, Laws of 1929 as last amended by section 56, chapter 232, Laws of 1969 ex. sess. and RCW 87.22.150 are each amended to read as follows:

Said refunding bonds shall be issued in such denominations as the board shall determine, but in the same denominations so far as practicable as the bonds to be refunded and shall mature at the date specified in the notice of election but not in any event later than thirty years from the date thereof, and shall be payable in minimum annual installments specified on a percentage basis and amortized to provide for full payment of the bonds with interest at maturity: PROVIDED, That in lieu of the annual payments of principal and semi-annual payments of interest as provided in this chapter, the court may prescribe the form, manner of payment, and interest rate (~~not exceeding-eight-percent-per-annum~~) or rates of the refunding bonds, in the decree determining maximum benefits and irrigable acreage; and said decree may grant the district the right to pay at the date of any annual or semiannual payment, one or more next accruing annual or semiannual installments less the interest on that part of the principal thus paid in advance: AND PROVIDED, In all cases in which the court determines the form, manner of payment, and interest rate of the refunding bonds in the decree determining maximum benefits, all notices provided in this chapter and any other provision thereof, shall be given and construed in conformity with the terms and conditions of said bond prescribed in said decree.

Sec. 98. Section 21, chapter 120, Laws of 1929 as amended by section 57, chapter 232, Laws of 1969 ex. sess. and RCW 97.22.160 *[87.22.160] are each amended to read as follows:

All unpaid installments on account of the principal of said refunding bonds shall bear interest from the date of the bonds at a rate (~~(not-exceeding-eight-percent-per-annum-until-paid)~~) or rates as authorized by the board of directors of the district. Different installments of the principal of said bonds may bear different rates of interest (~~(not-exceeding-eight-percent-per-annum-in-any-case)~~) if it is so provided in the bond plan. Interest shall be payable semiannually on the first day of January and July of each year.

Sec. 99. Section 2, chapter 57, Laws of 1949 as amended by section 58, chapter 232, Laws of 1969 ex. sess. and RCW 87.28.020 are each amended to read as follows:

Said bonds shall be in such form as the board of directors shall determine and shall be payable to bearer, shall be in denominations of not less than one hundred dollars nor more than one thousand dollars, shall be numbered from one and up consecutively; shall bear the date of their issue, shall be payable serially up to a maximum period of not to exceed twenty years; shall bear interest at a rate (~~(not-to-exceed-eight-percent-per-annum)~~) or rates as authorized by the board of directors payable semiannually on January 1st and July 1st of each year, evidenced by coupons attached to said bonds; shall be payable at the office of the county treasurer of the county in which the principal office of the district is located or at such other place as the board of directors shall provide and specify in the bonds; shall be executed by the president of the board of directors and attested and sealed by the secretary thereof and may have facsimile signatures of the president and secretary imprinted on the interest coupons in lieu of original signatures. Said bonds may provide that the same or any part thereof at the option of the board of directors may be redeemed in advance of maturity on any interest payment date.

Sec. 100. Section 6, chapter 57, Laws of 1949 as amended by section 59, chapter 232, Laws of 1969 ex. sess. and RCW 87.28.070 are each amended to read as follows:

Such revenue bonds shall be sold in such manner as the board of directors shall deem for the best interests of the irrigation district, either at public or at private sale and at any price (~~but not-at-a-price-where-the-cost-of-the-money-to-the-district-shall exceed-eight-percent-per-annum~~) and at any rate or rates of interest, but if the board of directors shall dispose of said bonds in exchange for construction of improvements or for materials, such bonds shall not be disposed of for less than par for value received by the district.

Sec. 101. Section 10, chapter 236, Laws of 1907 as amended by section 60, chapter 232, Laws of 1969 ex. sess. and RCW 88.32.140 are each amended to read as follows:

In all cases, the county, as the agent of the local improvement district, shall, by resolution of its board of county commissioners, cause to be issued in the name of the county, the bonds for such local improvement district for the whole estimated cost of such improvement, less such amounts as shall have been paid within the thirty days provided for redemption, as hereinabove specified. Such bonds shall be called "Local Improvement Bonds, District No.[,] County of, State of Washington", and shall be payable not more than ten years after date, and shall be subject to annual call by the county treasurer, in such manner and amounts as he may have cash on hand to pay the same in the respective local improvement fund from which such bonds are payable, interest to be paid at the office of the county treasurer. Such bonds shall be issued and delivered to the contractor for the work from month to month in such amounts as the engineer of the government, in charge of the improvement, shall certify to be due on account of work performed, or, if said board of county commissioners resolve so to do, such bonds may be offered for sale after thirty days public notice

thereof given, to be delivered to the highest bidder therefor, but in no case shall such bonds be sold for less than par, the proceeds to be applied in payment for such improvement: PROVIDED, That unless the contractor for the work shall agree to take such bonds in payment for his work at par, such work shall not be begun until the bonds shall have been sold and the proceeds shall have been paid into a fund to be called "Local Improvement Fund No., County of", and the holder or holders of such bonds shall look only to such fund for the payment of either the principal or interest of such bonds.

Such bonds shall be issued in denominations of one hundred dollars each, and shall be substantially in the following form:

"Local Improvement Bond, District Number of the County of....., State of Washington.

No. N.B. \$.....

This bond is not a general debt of the county of and has not been authorized by the voters of said county as a part of its general indebtedness. It is issued in pursuance of an act of the legislature of the state of Washington, passed theday of A.D. 1907, and is a charge against the fund herein specified and its issuance and sale is authorized by the resolution of the board of county commissioners, passed on the..... day of..... A.D. 1907. The county of....., a municipal corporation of the state of Washington, hereby promises to pay to....., or bearer, one hundred dollars, lawful money of the United States of America, out of the fund established by resolution of the board of county commissioners on the day of, A.D. 19....., and known as local improvement fund district numberof..... county, and not otherwise.

"This bond is payable ten years after date, and is subject to annual call by the county treasurer at the expiration of any year before maturity in such manner and amounts as he may have cash on

hand to pay the same in the said fund from which the same is payable, and shall bear interest at the rate of ((eight)) percent per annum, payable semiannually; both principal and interest payable at the office of the county treasurer. A coupon is hereto attached for each installment of interest to accrue thereon, and said interest shall be paid only on presentation and surrender of such coupon to the county treasurer, but in case this bond is called for payment before maturity each and every coupon representing interest not accrued at the expiration of the call shall be void. The board of county commissioners of said county, as the agent of said local improvement district No., established by resolution No., has caused this bond to be issued in the name of said county, as the bond of said local improvement district, the proceeds thereof to be applied in part payment of so much of the cost of the improvement of the rivers, lakes, canals or harbors of county, under resolution No., as is to be borne by the owners of property in said local improvement district, and the said local improvement fund, district No. of county, has been established by resolution for said purpose; and the holder or holders of this bond shall look only to said fund for the payment of either the principal or interest of this bond.

"The call for the payment of this bond or any bond, issued on account of said improvement, may be made by the county treasurer by publishing the same in an official newspaper of the county for ten consecutive issues, beginning not more than twenty days before the expiration of any year from date hereof, and if such call be made, interest on this bond shall cease at the date named in such call.

"This bond is one of a series ofbonds, aggregating in all the principal sum ofdollars, issued for said local improvement district, all of which bonds are subject to the same terms and conditions as herein expressed.

"In witness whereof the said county ofhas
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caused these presents to be signed by its chairman of its board of county commissioners, and countersigned by its county auditor and sealed with its corporate seal, attested by its county clerk, thisday of....., in the year of our Lord one thousand nine hundred and

The County of.....
By.....
Chairman Board of County Commissioners.

Countersigned, County Auditor.

Attest,Clerk."

There shall be attached to each bond such number of coupons, not exceeding twenty, as shall be required to represent the interest thereon, payable semiannually, for the term of said bonds, which coupon shall be substantially in the following form:

"Number..... \$......

On theday of.....A. D. 19...., the county of, Washington, promises to pay to the bearer at the office of its county treasurer dollars, being one-half year's interest due that day on Bond No. of the bonds of 'local improvement district No.,' the same being payable only from the fund of said district known as 'Local Improvement Fund, District No.of county,' and not otherwise: PROVIDED, That this coupon is subject to all the terms and conditions contained in the bond to which it is annexed, and if said bond be called for payment before maturity hereof, then this coupon shall be void.

.....

County Auditor."

Sec. 102. Section 140, chapter 254, Laws of 1927 as amended by section 61, chapter 232, Laws of 1969 ex. sess. and RCW 89.30.418 are each amended to read as follows:

Said bonds shall bear the date of their issue, shall be made payable to bearer with interest at a rate (~~not-exceeding-eight~~

~~percent-per-annum~~) or rates as authorized by the reclamation district board, payable semiannually on the first day of January and of July in each year, with coupons attached, for each interest payment.

Sec. 103. Section 174, chapter 254, Laws of 1927 as amended by section 62, chapter 232, Laws of 1969 ex. sess. and RCW 89.30.520 are each amended to read as follows:

Bonds issued under the provisions of this chapter shall be negotiable, serial bonds, in such series, maturities and denominations as the board shall determine, payable in legal currency of the United States, at such place as the board shall provide, from funds derived from the levy and collection of special assessments against the benefited lands within the operation of the general improvement or divisional district and shall draw interest at a rate (~~not-to-exceed eight-percent-per-annum~~) or rates as the board shall authorize.

Sec. 104. Section 35, chapter 8, Laws of 1909 as last amended by section 47, chapter 232, Laws of 1969 ex. sess. and RCW 91.04.490 are each amended to read as follows:

Said bonds shall be numbered from one upwards, consecutively, and be in denominations of not less than one hundred dollars, nor more than one thousand dollars. They shall bear the date of issue, shall be made payable to the bearer in not more than ten years nor less than five years from the date of their issue, and bear interest at a rate (~~not-exceeding-eight-percent-per-annum~~) or rates as authorized by the board of waterway commissioners, payable semiannually, with coupons attached for each interest payment. The bonds and each coupon shall be signed by the chairman of the board of waterway commissioners, and shall be attested by the secretary of the board, and the seal of such district shall be affixed to each bond, but not to the coupons: PROVIDED, HOWEVER, That said coupons in lieu of being so signed may have printed thereon a facsimile of the signatures of such officers.

Sec. 105. Section 46, chapter 23, Laws of 1911 as amended by section 48, chapter 232, Laws of 1969 ex. sess. and RCW 91.08.480

are each amended to read as follows:

Such bonds shall be issued pursuant to an order made by the board and by their terms shall be made payable on or before a date not to exceed ten years from and after the date of their issue, which latter date shall also be fixed by such order. They shall bear interest at the rate ~~((of-eight-percent-per-annum))~~ or rates as authorized by the board, which interest shall be payable semiannually at periods named; shall have attached thereto interest coupons for each interest payment; shall be of such denomination as shall be provided in the order directing the issue, but not less than one hundred dollars nor more than one thousand dollars; shall be numbered from one upward consecutively and each bond shall be signed by the president of the board and attested by its clerk: PROVIDED, HOWEVER, That said coupons may, in lieu of being so signed, have printed thereon facsimile signatures of said officers. Each bond shall in the body thereof refer to the improvement to pay for which the same is issued; shall provide that the principal sum therein named and the interest thereon shall be payable out of the fund created for the payment of the cost and expense of said improvement, and not otherwise; and shall not be issued in an amount which, together with the assessments already paid, will exceed the cost and expense of the said condemnation and improvement.

Sec. 106. Section 4, chapter 80, Laws of 1899 and RCW 39.56-.020 are each amended to read as follows:

All county, city, town and school warrants, and all warrants or other evidences of indebtedness, drawn upon or payable from any public funds, shall bear interest at a rate ~~((not-greater-than-eight-percent-per-annum;-unless-a-less-rate-be-specified-therein))~~ or rates as authorized by the issuing authority.

NEW SECTION. Sec. 107. Sections 1 and 2, chapter 151, Laws of 1965 ex. sess. and RCW 79.24.610 and 79.24.612 are each repealed.

NEW SECTION. Sec. 108. Notwithstanding any other provision of this 1970 amendatory act, sections 7 through 21 hereof shall be

effective only until chapter 223, Laws of 1969 ex. sess. shall take effect, upon which date sections 7 through 21 hereof shall become void and of no effect and sections 22 through 33 of this act shall become effective.

NEW SECTION. Sec. 109. This 1970 amendatory 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 Senate February 11, 1970
Passed the House February 11, 1970
Approved by the Governor February 23, 1970
Filed in Office of Secretary of State February 24, 1970

CHAPTER 57
[Substitute Senate Bill No. 161]
NURSING HOME ADMINISTRATORS--LICENSING

AN ACT Providing for the licensing of the administrators of nursing homes and similar facilities; creating a board of examiners for licensing of nursing home administrators; establishing standards; prescribing penalties; providing an effective date; making an appropriation; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. This 1970 act shall be known as the "Nursing Home Administrator Licensing Act" and is intended to establish and provide for the enforcement of standards for the licensing of nursing home administrators.

NEW SECTION. Sec. 2. When used in this 1970 act, unless the context otherwise clearly requires:

(1) "Board" means the state board of examiners for the licensing of nursing home administrators representative of the professions and institutions concerned with the care of the chronically ill and infirm aged patients.

(2) "Director" means the director of the department of motor vehicles.

(3) "Nursing home" means any institution, facility, building, place, or agency, or portion thereof, in which there is provided