

The excise taxes other than the business and occupation tax authorized by this section shall be levied and collected from all persons, businesses, and industries who are served and billed for said ambulance service owned and operated or contracted for by the city or town in such amounts as shall be fixed and determined by the legislative authority of the city or town.

All taxes authorized pursuant to this section shall be construed to be taxes other than a retail sales tax defined in chapter 82.08 RCW and a use tax defined in chapter 82.12 RCW, and the city or town shall appropriate and use the proceeds derived from all taxes authorized by this section only for the operation, maintenance and capital needs of its municipally owned, operated, leased or contracted for ambulance service.

Passed the House April 30, 1975.

Passed the Senate April 23, 1975.

Approved by the Governor May 8, 1975.

Filed in Office of Secretary of State May 8, 1975.

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## CHAPTER 25

[Senate Bill No. 2074]

### SEWER DISTRICT AND WATER DISTRICT REVENUE BONDS AND WARRANTS—REQUISITES— SPECIAL FUNDS

AN ACT Relating to local government; amending section 19, chapter 210, Laws of 1941 as last amended by section 4, chapter 272, Laws of 1971 ex. sess and RCW 56.16.060; amending section 21, chapter 210, Laws of 1941 as amended by section 82, chapter 56, Laws of 1970 ex. sess. and RCW 56.16.080; amending section 3, chapter 128, Laws of 1939 as last amended by section 84, chapter 56, Laws of 1970 ex. sess. and RCW 57.20.020; adding a new section to chapter 56.16 RCW; and adding a new section to chapter 57.20 RCW.

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

Section 1. Section 19, chapter 210, Laws of 1941 as last amended by section 4, chapter 272, Laws of 1971 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)) in bearer form or registered as to principal or interest or both, and may provide for conversion between registered and coupon 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, or of the county in which fifty-one percent or more of the area of the district is located such place or places to be determined by the board of commissioners of the district; shall bear interest at such rate or rates payable at such time or times as authorized by the board of sewer commissioners ((payable semiannually and evidenced to maturity by coupons attached to said bonds)); shall be executed by the president of the board of commissioners and attested by the secretary thereof, one of which signatures may, with the written permission of the signator whose facsimile signature is being used, be a facsimile 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. 2. Section 21, chapter 210, Laws of 1941 as amended by section 82, chapter 56, Laws of 1970 ex. sess. 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 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 or authorizing such bonds. 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~~) payable from such special fund may bring suit or action against the sewer district and compel such setting aside and payment.

Sec. 3. Section 3, chapter 128, Laws of 1939 as last amended by section 84, chapter 56, Laws of 1970 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))~~ in bearer form or registered as to principal or interest or both, and may provide for conversion between registered and coupon 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 payable at such time or times as authorized by the board ~~((payable semiannually and evidenced to maturity by coupons attached to said~~

bonds)); 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, one of which signatures may, with the written permission of the signator whose facsimile signature is being used, be a facsimile; and may have facsimile signatures of said president (~~and~~) or 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 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 or authorizing such bonds, 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~~) payable from 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 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.

NEW SECTION. Sec. 4. There is added to chapter 56.16 RCW a new section to read as follows:

Sewer districts may also issue revenue warrants and revenue bond anticipation warrants for the same purposes for which such districts may issue revenue bonds. The provisions of this chapter relating to the authorization, terms, conditions, covenants, issuance and sale of revenue bonds (exclusive of provisions relating to refunding) shall be applicable to such warrants. Sewer districts issuing revenue bond anticipation warrants may make covenants relative to the issuance of revenue bonds to provide funds for the redemption of part or all of such warrants and may contract for the sale of such bonds and warrants.

NEW SECTION. Sec. 5. There is added to chapter 57.20 RCW a new section to read as follows:

Water districts may also issue revenue warrants and revenue bond anticipation warrants for the same purposes for which such districts may issue revenue bonds. The provisions of this chapter relating to the authorization, terms, conditions, covenants, issuance and sale of revenue bonds (exclusive of provisions relating to refunding) shall be applicable to such warrants. Water districts issuing revenue bond anticipation warrants may make covenants relative to the issuance of revenue bonds to provide funds for the redemption of part or all of such warrants and may contract for the sale of such bonds and warrants.

Passed the Senate April 24, 1975.

Passed the House April 29, 1975.

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