

Any contract written pursuant to this section shall be limited to two years in duration.

Passed the Senate March 24, 1983.

Passed the House April 16, 1983.

Approved by the Governor April 23, 1983.

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CHAPTER 130

[Reengrossed Substitute Senate Bill No. 3161]

SERVICE DISTRICTS—BRIDGE OR ROAD IMPROVEMENTS CAPITAL AND MAINTENANCE COST FUNDING—IMPROVEMENT DISTRICTS—POWERS AND DUTIES

AN ACT Relating to service districts; amending section 19, chapter 2, Laws of 1983 and RCW 84.52.052; and adding a new chapter to Title 36 RCW.

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

NEW SECTION. Sec. 1. The legislative authority of a county may establish one or more service districts within the county for the purpose of providing and funding capital and maintenance costs for any bridge or road improvement a road district has the authority to provide. A service district may not include any area within the corporate limits of a city or town unless the city or town governing body adopts a resolution approving inclusion of the area within its limits. A service district is a quasi municipal corporation, an independent taxing "authority" within the meaning of Article VII, section 1 of the state Constitution, and a "taxing district" within the meaning of Article VII, section 2 of the state Constitution.

A service district shall constitute a body corporate and shall possess all the usual powers of a corporation for public purposes as well as all other powers that may now or hereafter be specifically conferred by statute, including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, and to sue and be sued. All projects constructed by a service district pursuant to the provisions of this chapter shall be competitively bid and contracted.

The county legislative authority shall be the governing body of a service district. The county treasurer shall act as the ex officio treasurer of the service district. The electors of a service district are all registered voters residing within the district.

NEW SECTION. Sec. 2. (1) A county legislative authority proposing to establish a service district, or to modify the boundaries of an existing service district, or to dissolve an existing service district, shall conduct a hearing at the time and place specified in a notice published at least once, not less than ten days prior to the hearing, in a newspaper of general circulation within the proposed service district. This notice shall be in addition to any other notice required by law to be published. The notice shall, where

applicable, specify the functions or activities proposed to be provided or funded, or the additional functions or activities proposed to be provided or funded, by the service district. Additional notice of the hearing may be given by mail, posting within the proposed service district, or in any manner the county legislative authority deems necessary to notify affected persons. All hearings shall be public and the county legislative authority shall hear objections from any person affected by the formation, modification of the boundaries, or dissolution of the service district.

(2) Following the hearing held pursuant to subsection (1) of this section, the county legislative authority may establish a service district, modify the boundaries or functions of an existing service district, or dissolve an existing service district, if the county legislative authority finds the action to be in the public interest and adopts an ordinance providing for the action. The ordinance establishing a service district shall specify the functions or activities to be exercised or funded and establish the boundaries of the service district. Functions or activities proposed to be provided or funded by the service district may not be expanded beyond those specified in the notice of hearing, unless additional notices are made, further hearings on the expansion are held, and further determinations are made that it is in the public interest to so expand the functions or activities proposed to be provided or funded.

(3) At any time prior to the county legislative authority establishing a service district pursuant to this section, all further proceedings shall be terminated upon the filing of a verified declaration of termination signed by the owners of real property consisting of at least sixty percent of the assessed valuation in the proposed service district.

NEW SECTION. Sec. 3. (1) A service district may levy an ad valorem property tax, in excess of the one percent limitation, upon the property within the district for a one-year period whenever authorized by the voters of the district pursuant to RCW 84.52.052 and Article VII, section 2(a) of the state Constitution.

(2) A service district may provide for the retirement of voter approved general obligation bonds, issued for capital purposes only, by levying bond retirement ad valorem property tax levies, in excess of the one percent limitation, whenever authorized by the voters of the district pursuant to Article VII, section 2(b) of the state Constitution and RCW 84.52.056.

NEW SECTION. Sec. 4. (1) To carry out the purpose of this chapter, a service district may issue general obligation bonds, not to exceed an amount, together with any other outstanding nonvoter approved general obligation indebtedness, equal to three-eighths of one percent of the value of taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015. A service district may additionally issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to one and

one-fourth percent of the value of the taxable property within the district, as the term "value of taxable property" is defined in RCW 39.36.015, when authorized by the voters of the service district pursuant to Article VIII, section 6 of the state Constitution, and to provide for the retirement thereof by excess property tax levies as provided in section 3(2) of this act. The service district may submit a single proposition to the voters which, if approved, authorizes both the issuance of the bonds and the bond retirement property tax levies.

(2) General obligation bonds with a maturity in excess of forty years shall not be issued. The governing body of the service district shall by resolution determine for each general obligation bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, manner of execution, manner of sale, callable provisions, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. Refunding general obligation bonds may be issued in the same manner as general obligation bonds are issued.

(3) Whenever general obligation bonds are issued to fund specific projects or enterprises that generate revenues, charges, user fees, or special assessments, the service district which issues the bonds may specifically pledge all or a portion of the revenues, charges, user fees, or special assessments to refund the general obligation bonds.

NEW SECTION. Sec. 5. (1) A service district may form a local improvement district or utility local improvement district to provide any local improvement it has the authority to provide, impose special assessments on all property specially benefited by the local improvements, and issue special assessment bonds or revenue bonds to fund the costs of the local improvement. Improvement districts shall be created and assessments shall be made and collected pursuant to chapters 35.43, 35.44, 35.49, 35.50, 35.53, and 35.54 RCW.

(2) The governing body of a service district shall by resolution establish for each special assessment bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or

not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. The maximum term of any special assessment bonds shall not exceed thirty years beyond the date of issue. Special assessment bonds issued pursuant to this section shall not be an indebtedness of the service district issuing the bonds, and the interest and principal on the bonds shall only be payable from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund that the service district has created. The owner or bearer of a special assessment bond or any interest coupon issued pursuant to this section shall not have any claim against the service district arising from the bond or coupon except for the payment from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund the service district has created. The service district issuing the special assessment bonds is not liable to the owner or bearer of any special assessment bond or any interest coupon issued pursuant to this section for any loss occurring in the lawful operation of its local improvement guaranty fund. The substance of the limitations included in this subsection shall be plainly printed, written, or engraved on each special assessment bond issued pursuant to this section.

(3) The governing body may establish and pay moneys into a local improvement guaranty fund to guarantee special assessment bonds issued by the service district.

(4) The governing body of a service district shall provide for the payment of both the special assessments which are imposed and a portion of the utility income from the utility improvement into a special fund established for the payment of the revenue bonds to defray the cost of the utility local improvement district whenever it desires to create a utility local improvement district and issue revenue bonds to fund the local improvement.

NEW SECTION. Sec. 6. Where physical bonds are issued pursuant to sections 4 or 5 of this act, the bonds shall be printed, engraved, or lithographed on good bond paper and the manual or facsimile signatures of both the treasurer and chairperson of the governing body shall be included on each bond.

NEW SECTION. Sec. 7. (1) The proceeds of any bond issued pursuant to sections 4 or 5 of this act may be used to pay costs incurred on such bond issue related to the sale and issuance of the bonds. Such costs include payments for fiscal and legal expenses, obtaining bond ratings, printing, engraving, advertising, and other similar activities.

(2) In addition, proceeds of bonds used to fund capital projects may be used to pay the necessary and related engineering, architectural, planning, and inspection costs.

NEW SECTION. Sec. 8. A service district may accept and expend or use gifts, grants, and donations.

NEW SECTION. Sec. 9. A service district may exercise the power of eminent domain to obtain property for its authorized purposes in the manner counties exercise the powers of eminent domain.

NEW SECTION. Sec. 10. The rule of strict construction does not apply to this chapter, and this chapter shall be liberally construed to permit the accomplishment of its purposes.

Sec. 11. Section 19, chapter 2, Laws of 1983 and RCW 84.52.052 are each amended to read as follows:

The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW 84.52.043 shall not prevent the levy of additional taxes by any taxing district except school districts in which a larger levy is necessary in order to prevent the impairment of the obligation of contracts. Any county, metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, solid waste disposal district, service district, public hospital district, road district, rural county library district, island library district, intercounty rural library district, fire protection district, cemetery district, city, or town may levy taxes at a rate in excess of the rate specified in RCW 84.52.050 through 84.52.056 and RCW 84.52.043, or RCW 84.55.010 through 84.55.050, when authorized so to do by the electors of such county, metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, solid waste disposal district, service district, public hospital district, road district, rural county library district, island library district, intercounty rural library district, fire protection district, cemetery district, city, town, or cultural arts, stadium and convention district in the manner set forth in Article VII, section 2(a) of the Constitution of this state, as amended by Amendment 64 and as thereafter amended, at a special or general election to be held in the year in which the levy is made.

A special election may be called and the time therefor fixed by the county legislative authority, or council, board of commissioners, or other governing body of any metropolitan park district, park and recreation service area, park and recreation district, sewer district, water district, solid waste disposal district, service district, public hospital district, road district, rural county library district, island library district, intercounty rural library district, fire protection district, cemetery district, city, town, or cultural arts, stadium and convention district, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no".

NEW SECTION. Sec. 12. Sections 1 through 10 of this act constitute a new chapter in Title 36 RCW.

Passed the Senate March 21, 1983.

Passed the House April 17, 1983.

Approved by the Governor April 23, 1983.

Filed in Office of Secretary of State April 23, 1983.

CHAPTER 131

[Senate Bill No. 3167]

STATE ROUTE 530—EXTENDED TO ROCKPORT

AN ACT Relating to state route number 530; and amending section 152, chapter 51, Laws of 1970 ex. sess. as amended by section 20, chapter 73, Laws of 1971 ex. sess. and RCW 47.17.755.

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

Sec. 1. Section 152, chapter 51, Laws of 1970 ex. sess. as amended by section 20, chapter 73, Laws of 1971 ex. sess. and RCW 47.17.755 are each amended to read as follows:

A state highway to be known as state route number 530 is established as follows:

Beginning at a junction with state route number 5 at Conway, thence southerly by way of Stanwood, thence southeasterly to a junction with state route number 5, thence easterly to a junction with state route number 9 at Arlington, thence easterly to Darrington, thence northerly to a junction with state route number 20 at Rockport.

Passed the Senate February 15, 1983.

Passed the House April 17, 1983.

Approved by the Governor April 23, 1983.

Filed in Office of Secretary of State April 23, 1983.

CHAPTER 132

[Substitute Senate Bill No. 3239]

COLD STORAGE WAREHOUSE DEFINED—BUSINESS TAX

AN ACT Relating to excise taxes; and amending section 2, chapter 8, Laws of 1970 ex. sess. as last amended by section 3, chapter 90, Laws of 1975 1st ex. sess. and RCW 82.04.280.

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

Sec. 1. Section 2, chapter 8, Laws of 1970 ex. sess. as last amended by section 3, chapter 90, Laws of 1975 1st ex. sess. and RCW 82.04.280 are each amended to read as follows:

Upon every person engaging within this state in the business of: (1) Printing, and of publishing newspapers, periodicals or magazines; (2) building, repairing or improving any street, place, road, highway, easement, right