

VIII of the state Constitution; and in accordance with the provisions of section 1, Article II of the state Constitution as amended, and the laws adopted to facilitate the operation thereof.

Passed the Senate February 24, 1967.

Passed the House March 7, 1967.

Approved by the Governor March 21, 1967.

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## CHAPTER 107.

[Senate Bill No. 270.]

### LOCAL GOVERNMENT INDEBTEDNESS.

AN ACT relating to local government and permitting certain indebtedness for taxing districts, political subdivisions or municipal or quasi municipal corporations; amending section 35.92.080, chapter 7, Laws of 1965 and RCW 35.92.080; amending sections 36.67.020 and 36.67.040, chapter 4, Laws of 1963 and RCW 36.67.020 and 36.67.040; amending section 1, chapter 143, Laws of 1917 as last amended by section 1, chapter 227, Laws of 1959 and RCW 39.36.020; amending section 5, chapter 151, Laws of 1923 and RCW 39.44.070; and repealing section 35.37.080, chapter 7, Laws of 1965 and RCW 35.37.080.

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

Section 1. Section 35.92.080, chapter 7, Laws of 1965 and RCW 35.92.080 are each amended to read as follows:

RCW 35.92.080 amended.

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 six percent per year, 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

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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 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.

RCW 36.67.020 amended.

Sec. 2. Section 36.67.020, chapter 4, Laws of 1963 and RCW 36.67.020 are each amended to read as follows:

Counties. Limitation of indebtedness.

A county may contract indebtedness for strictly county purposes in excess of the amount named in RCW 36.67.010, but not exceeding in amount, together with the existing indebtedness, five percent on the value of the taxable property therein (being twice the assessed valuation), to be ascertained as provided in RCW 36.67.010, whenever three-fifths of

the voters of the county assent thereto, at an election to be held for that purpose, consistent with the general election laws, which election may be either a special or general election.

Sec. 3. Section 36.67.040, chapter 4, Laws of 1963 and RCW 36.67.040 are each amended to read as follows:

RCW 36.67.040 amended.

The bonds shall bear the date of issue, shall be made payable to the bearer and bear interest at a rate of not exceeding seven percent per year, payable annually, with coupons attached for each interest payment. Except as otherwise provided in RCW 39.44.100, the bonds and each coupon shall be signed by the chairman of the board of county commissioners, and shall be attested by the clerk of the board, and the seal of such board shall be affixed to each bond, but not to the coupon. Each bond shall be printed, engraved, or lithographed on good bond paper.

Content of county bonds.

Sec. 4. Section 1, chapter 143, Laws of 1917 as last amended by section 1, chapter 227, Laws of 1959, and RCW 39.36.020 are each amended to read as follows:

RCW 39.36.020 amended.

(1) No taxing district except counties, cities and towns shall for any purpose become indebted in any manner to an amount exceeding one and one-half percent of the last assessed valuation of the taxable property in such taxing district, without the assent of three-fifths of the voters therein voting at an election to be held for that purpose, nor in cases requiring such assent shall the total indebtedness at any time exceed five percent of the last assessed valuation of the taxable property in such taxing district.

Public indebtedness—  
Limitation—  
Taxing districts.

(2) Counties, cities and towns are limited to an indebtedness amount not exceeding one and one-half percent of the last assessed valuation of the

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taxable property in such counties, cities or towns without the assent of three-fifths of the voters therein voting at an election to be held for that purpose. In cases requiring such assent counties, cities and towns are limited to five percent on the value of the taxable property therein (being twice the assessed valuation) as ascertained by the last completed and balanced tax rolls of such counties, cities or towns for county, city or town purposes.

(3) No part of the indebtedness allowed in this chapter shall be incurred for any purpose other than strictly county, city, town, school district, township, port district, metropolitan park district, or other municipal purposes: *Provided*, That a city or town, with such assent, may become indebted to a larger amount, but not exceeding five percent additional, determined as herein provided, for supplying such city or town with water, artificial light, and sewers, when the works for supplying such water, light, and sewers shall be owned and controlled by the city or town: *Provided further*, That any school district may become indebted to a larger amount but not exceeding five percent additional for capital outlays.

RCW 39.44.070 amended.

Sec. 5. Section 5, chapter 151, Laws of 1923 and RCW 39.44.070 are each amended to read as follows:

Public indebtedness—Bonds—  
—Life of bonds.

Notwithstanding the provisions of any charter to the contrary, bonds issued under RCW 39.44.010 through 39.44.080 may be issued to run for a period up to forty years from the date of the issue and shall, as near as practicable, be issued for a period which shall not exceed the life of the improvement to be acquired by the use of the bonds.

Repeal.

Sec. 6. Section 35.37.080, chapter 7, Laws of 1965 and RCW 35.37.080 are each repealed.

Passed the Senate February 18, 1967.

Passed the House March 7, 1967.

Approved by the Governor March 21, 1967.