

direct said coal, oil, gas, gravel, minerals, ores, timber, or other resources sold apart from the land, such sale to be conducted in the manner hereinabove prescribed for the sale of the land: PROVIDED FURTHER, That any such reserved minerals or resources not exceeding two hundred dollars in value may be sold, when (~~the said board~~) the county legislative authority deems it advisable, either with or without such publication of the notice of sale, and in such manner as the (~~board~~) county legislative authority may determine will be most beneficial to the county.

NEW SECTION. Sec. 8. There is added to chapter 19.52 RCW a new section to read as follows:

This chapter does not apply in respect to interest, penalties, or costs imposed on delinquent property taxes under chapter 84.64 RCW.

Passed the Senate April 26, 1981.

Passed the House April 25, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

## CHAPTER 323

[Substitute Senate Bill No. 4209]

### LOCAL IMPROVEMENT DISTRICTS—INITIATION—FINANCING

AN ACT Relating to local improvement districts; amending section 35.43.120, chapter 7, Laws of 1965 as amended by section 5, chapter 258, Laws of 1969 ex. sess. and RCW 35.43.120; amending section 35.45.040, chapter 7, Laws of 1965 and RCW 35.45.040; amending section 35.45.130, chapter 7, Laws of 1965 as amended by section 36, chapter 56, Laws of 1970 ex. sess. and RCW 35.45.130; reenacting and amending section 35.45.150, chapter 7, Laws of 1965 as amended by section 37, chapter 56, Laws of 1970 ex. sess. and by section 2, chapter 93, Laws of 1970 ex. sess. and RCW 35.45.150; amending section 35.49.020, chapter 7, Laws of 1965 as amended by section 14, chapter 258, Laws of 1969 ex. sess. and RCW 35.49.020; amending section 35.50.030, chapter 7, Laws of 1965 and RCW 35.50.030; amending section 35.54.060, chapter 7, Laws of 1965 and RCW 35.54.060; and amending section 35.54.090, chapter 7, Laws of 1965 and RCW 35.54.090.

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

Section 1. Section 35.43.120, chapter 7, Laws of 1965 as amended by section 5, chapter 258, Laws of 1969 ex. sess. and RCW 35.43.120 are each amended to read as follows:

Any local improvement may be initiated upon a petition signed by the owners of property aggregating a majority (~~((1) of the lineal frontage upon the improvement and (2))~~) of the area within the proposed district. The petition must (~~set forth~~) briefly describe: (1) The nature (~~and~~) of the proposed improvement, (2) the territorial extent of the proposed improvement, (~~the mode of payment;~~) and (3) what proportion of the (~~lineal frontage upon the improvement and of the~~) area within the proposed district is owned by the petitioners as shown by the records in the office of the county auditor.

If any of the property within the area of the proposed district stands in the name of a deceased person, or of any person for whom a guardian has been appointed and not discharged, the signature of the executor, administrator, or guardian, as the case may be, shall be equivalent to the signature of the owner of the property on the petition. The petition must be filed with the clerk or with such other officer as the city or town by charter or ordinance may require.

Sec. 2. Section 35.45.040, chapter 7, Laws of 1965 and RCW 35.45.040 are each amended to read as follows:

Local improvement bonds may be issued to the contractor or sold by the officers authorized by the ordinance directing their issue to do so, in the manner prescribed therein (~~and at not less than par and accrued interest~~) at the price established by the legislative authority of the city or town. Any portion of the bonds of any issue remaining unsold may be issued to the contractor constructing the improvement in payment thereof.

The proceeds of all sales of bonds shall be applied in payment of the cost and expense of the improvement.

Sec. 3. Section 35.45.130, chapter 7, Laws of 1965 as amended by section 36, chapter 56, Laws of 1970 ex. sess. and RCW 35.45.130 are each amended to read as follows:

Every city 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 or rates (~~as authorized by ordinance~~) established by the issuing officer under the direction of the legislative authority of the city or town 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. 4. Section 35.45.150, chapter 7, Laws of 1965 as amended by section 37, chapter 56, Laws of 1970 ex. sess. and by section 2, chapter 93, Laws of 1970 ex. sess. and RCW 35.45.150 are each reenacted and 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 and sell installment notes payable out of the local improvement district fund. 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. Appropriate notification of such application of funds shall be made by the city treasurer to the registered payees of said notes, except those notes owned by funds of the issuing municipality. 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 twelve 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, or of any other registered payee presenting said note for such installment payments.

Whenever there are insufficient funds in a local improvement district to meet any payment of installment interest due on any note herein authorized, a noninterest-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 the 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 and shall be considered legal investments for all national and state banks, savings and loan institutions, and any and all other commercial banking or financial institutions to the same extent that the local improvement district bonds and coupons issued pursuant to the provisions of this chapter have been and are legal investments for such institutions. Any such local improvement installment notes may be transferred or sold by said city or town upon such terms or conditions and in such manner as the local governing body of said city or town may determine, ~~((pursuant to a call for public bid))~~ or may be issued to another fund of the city or town: PROVIDED, HOWEVER, That the same shall not be sold at less than par plus accrued interest.

Sec. 5. Section 35.49.020, chapter 7, Laws of 1965 as amended by section 14, chapter 258, Laws of 1969 ex. sess. and RCW 35.49.020 are each amended to read as follows:

In all cases where bonds are issued to pay the cost and expense of a local improvement, the ordinance levying the assessments shall provide that the sum charged against any lot, tract, and parcel of land or other property, or any portion thereof, may be paid during the thirty day period allowed for the payment of assessments without penalty or interest and that thereafter the sum remaining unpaid may be paid in equal annual installments. The number of installments shall be less by two than the number of years which the bonds issued to pay for the improvement are to run. The estimated interest rate may be stated in the ordinance confirming the assessment roll. Interest on the whole amount unpaid at the rate fixed by the ordinance authorizing the issuance and sale of the bonds shall be due on the due date of

the first installment of principal and each year thereafter on the due date of each installment of principal: PROVIDED, That the legislative authority of any city or town having made a bond issue payable on or before twenty-two years after the date of issue may provide by ordinance that all assessments and portions of assessments unpaid after the thirty day period allowed for payment of assessments without penalty or interest may be paid in ten equal installments beginning with the eleventh year and ending with the twentieth year from the expiration of said thirty day period, together with interest on the unpaid installments at the rate fixed by such ordinance, and that in each year after the said thirty day period, to and including the tenth year thereafter, one installment of interest on the principal sum of the assessment at the rate so fixed shall be paid and collected, and that beginning with the eleventh year after the thirty day period one installment of the principal, together with the interest due thereon, and on all installments thereafter to become due shall be paid and collected.

Sec. 6. Section 35.50.030, chapter 7, Laws of 1965 and RCW 35.50.030 are each amended to read as follows:

If on the first day of January in any year, two installments of any local improvement assessment are delinquent, or if the final installment thereof has been delinquent for more than one year, the city or town shall proceed with the foreclosure of the delinquent assessment or delinquent installments thereof by proceedings brought in its own name in the superior court of the county in which the city or town is situate.

The proceedings shall be commenced on or before March 1st of that year or on or before such other date in such year as may be fixed by general ordinance, but not before the city or town treasurer has ~~((mailed to))~~ notified by registered mail the persons whose names appear on the assessment roll as owners of the property charged with the assessments or installments which are delinquent, at the address last known to the treasurer, a notice thirty days before the commencement of the proceedings.

The notice shall state the amount due upon each separate lot, tract, or parcel of land and the date after which the proceedings will be commenced. The city or town treasurer shall file with the clerk of the superior court at the time of commencement of the foreclosure proceeding the affidavit of the person who mailed the notices. This affidavit shall be conclusive proof of compliance with the requirements of this section.

Sec. 7. Section 35.54.060, chapter 7, Laws of 1965 and RCW 35.54.060 are each amended to read as follows:

For the purpose of maintaining the local improvement guaranty fund, every city and town shall, at the time of making its annual budget and tax levy, provide for the levy of a sum sufficient, with the other sources of the fund, to pay the warrants issued against the fund during the preceding fiscal year and to establish a balance therein: PROVIDED, That the levy in any one year shall not exceed ~~((five))~~ the greater of: (1) Twelve percent of the

outstanding obligations guaranteed by the fund, or (2) the total amount of delinquent assessments and interest accumulated on the delinquent assessments before the levy as of September 1.

The taxes levied for the maintenance of the local improvement guaranty fund shall be additional to and, if need be, in excess of all statutory and charter limitations applicable to tax levies in any city or town.

Sec. 8. Section 35.54.090, chapter 7, Laws of 1965 and RCW 35.54.090 are each amended to read as follows:

Warrants drawing interest at a rate (~~((not to exceed six percent))~~) established by the issuing officer under the direction of the legislative authority of the city or town shall be issued against the local improvement guaranty fund to meet any liability accruing against it. The warrants so issued shall at no time exceed five percent of the outstanding obligations guaranteed by the fund.

Passed the Senate March 30, 1981.

Passed the House April 20, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

## CHAPTER 324

[Engrossed Substitute Senate Bill No. 3386]  
LEGISLATIVE RULES REVIEW

AN ACT Relating to state government; amending section 1, chapter 234, Laws of 1959 as amended by section 1, chapter 237, Laws of 1967 and RCW 34.04.010; amending section 3, chapter 237, Laws of 1967 as last amended by section 7, chapter 240, Laws of 1977 ex. sess. and RCW 34.04.025; amending section 3, chapter 234, Laws of 1959 as amended by section 8, chapter 240, Laws of 1977 ex. sess. and RCW 34.04.030; amending section 2, chapter 57, Laws of 1971 ex. sess. as amended by section 42, chapter 169, Laws of 1977 ex. sess. and RCW 28B.19.020; amending section 3, chapter 57, Laws of 1971 ex. sess. as amended by section 10, chapter 240, Laws of 1977 ex. sess. and RCW 28B.19.030; amending section 4, chapter 57, Laws of 1971 ex. sess. as last amended by section 11, chapter 240, Laws of 1977 ex. sess. and RCW 28B.19.040; adding new sections to chapter 28B.19 RCW; adding new sections to chapter 34.04 RCW; and creating new sections.

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

NEW SECTION. Section 1. The legislature affirms that all rule-making authority of state agencies and institutions of higher education is a function delegated by the legislature, and as such, shall be exercised pursuant to the conditions and restrictions contained in this act.

Sec. 2. Section 1, chapter 234, Laws of 1959 as amended by section 1, chapter 237, Laws of 1967 and RCW 34.04.010 are each amended to read as follows:

((For the purpose of this chapter:)) The definitions set forth in this section shall apply throughout this chapter, unless the context clearly requires otherwise.