

when collected be paid into the revenue bond redemption fund established for payment of the refunding revenue bonds, and the cash balance, if any, in the local improvement guaranty fund of the district and the proceeds received from any other assets owned by such fund shall be used in whole or in part as a reserve fund for the refunding revenue bonds or be transferred in whole or in part to any other funds of the district as the board of water commissioners may determine. In the event that any warrants are outstanding against the local improvement guaranty fund of the district at the time of the issuance of such refunding revenue bonds, said bonds shall be issued in an amount sufficient also to fund and pay such outstanding warrants.

The provisions of RCW 57.20.020 shall apply to the refunding revenue bonds issued under this title.

Passed the House June 11, 1977.

Passed the Senate June 10, 1977.

Approved by the Governor June 21, 1977.

Filed in Office of Secretary of State June 21, 1977.

CHAPTER 300

[Substitute House Bill No. 293]

SEWER DISTRICTS

AN ACT Relating to sewer districts; amending section 11, chapter 210, Laws of 1941 as last amended by section 2, chapter 272, Laws of 1971 ex. sess. and RCW 56.08.020; amending section 15, chapter 210, Laws of 1941 as amended by section 7, chapter 250, Laws of 1953 and RCW 56.08.050; amending section 16, chapter 210, Laws of 1941 as last amended by section 5, chapter 103, Laws of 1959 and RCW 56.16.020; amending section 17, chapter 210, Laws of 1941 as last amended by section 64, chapter 195, Laws of 1973 1st ex. sess. and RCW 56.16.030; amending section 7, chapter 103, Laws of 1959 and RCW 56.16.035; amending section 23, chapter 210, Laws of 1941 as last amended by section 5, chapter 272, Laws of 1971 ex. sess. and RCW 56.16.100; amending section 24, chapter 210, Laws of 1941 as last amended by section 6, chapter 272, Laws of 1971 ex. sess. and RCW 56.16.110; amending section 16, chapter 250, Laws of 1953 as last amended by section 66, chapter 195, Laws of 1973 1st ex. sess. and RCW 56.16.115; amending section 17, chapter 210, Laws of 1941 as last amended by section 64, chapter 195, Laws of 1973 1st ex. sess. and RCW 56.16.030; amending section 4, chapter 58, Laws of 1974 ex. sess. and RCW 56.20.015; amending section 27, chapter 210, Laws of 1941 as last amended by section 5, chapter 58, Laws of 1974 ex. sess. and RCW 56.20.020; and prescribing penalties.

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

Section 1. Section 11, chapter 210, Laws of 1941 as last amended by section 2, chapter 272, Laws of 1971 ex. sess. and RCW 56.08.020 are each amended to read as follows:

The sewer commissioners before ordering any improvements hereunder or submitting to vote any proposition for incurring indebtedness shall adopt a general comprehensive plan for a system of sewers for the district. They shall investigate all portions and sections of the district and select a general comprehensive plan for a system of sewers for the district suitable and adequate for present and reasonably foreseeable future needs thereof. The general comprehensive plan shall provide for treatment plants and other methods for the disposal of sewage and industrial and other liquid wastes now produced or which may reasonably be expected to be produced within the district and shall, for such portions of the district as may then reasonably be served, provide for the acquisition or construction and installation of

laterals, trunk sewers, intercepting sewers, syphons, pumping stations, or other sewage collection facilities. The general comprehensive plan shall provide the method of distributing the cost and expense of the sewer system provided therein against the district and against utility local improvement districts within the district, including any utility local improvement district lying wholly or partially within any other political subdivision included in the district; and provide whether the whole or some part of the cost and expenses shall be paid from sewer revenue bonds. The commissioners may employ such engineering and legal services as they deem necessary in carrying out the purposes hereof. The general comprehensive plan shall be adopted by resolution and submitted to an engineer designated by the ~~((county commissioners))~~ legislative authority of the county in which fifty-one percent or more of the area of the district is located, and to the director of health of the county in which the district or any portion thereof is located, and must be approved in writing by the engineer and director of health.

Before becoming effective, the general comprehensive plan shall also be submitted to, and approved by resolution of, the legislative authority of every county within whose boundaries all or a portion of the sewer district lies. If the district includes portions or all of one or more cities or towns ((or counties)), the general comprehensive plan shall be submitted also to, and approved by resolution of, the legislative authority of cities and towns ((and counties)) before becoming effective. ((This section and RCW 56.08.030, 56.08.040, 56.08.050, 56.16.010, and 56.16.020 shall not apply to reorganized districts, except as specifically referred to in this section.))

Before becoming effective, any amendment to, alteration of, or addition to, a general comprehensive plan shall also be subject to such approval as if it were a new general comprehensive plan: PROVIDED, That only if the amendment, alteration, or addition, effects a particular city or town, shall the amendment, alteration, or addition be subject to approval by such particular city or town legislative authority.

Sec. 2. Section 15, chapter 210, Laws of 1941 as amended by section 7, chapter 250, Laws of 1953 and RCW 56.08.050 are each amended to read as follows:

When the electors of a district have authorized the issuance of general obligation bonds ((or sewer revenue bonds)) of the district to carry out the general comprehensive plan, the commissioners may proceed with the improvement to the extent specified or referred to in the proposition or propositions to incur the indebtedness and issue the bonds. In the event no general obligation bonds are authorized to be issued to carry out the general comprehensive plan, the commissioners may proceed with the improvement authorized in the general comprehensive plan after they have authorized, by resolution, the issuance of revenue bonds for the construction of such improvement. The amount of the revenue bonds to be issued shall be included in the resolution submitted.

Sec. 3. Section 16, chapter 210, Laws of 1941 as last amended by section 5, chapter 103, Laws of 1959 and RCW 56.16.020 are each amended to read as follows:

((At any general or special election, a proposition that)) The ((district)) sewer commissioners may, by resolution, issue revenue bonds for the construction costs,

interest during the period of construction and six months thereafter, working capital, or other costs of any part or all of the general comprehensive plan (~~((may be submitted. The amount of the revenue bonds to be issued shall be included in the proposition submitted. The proposition shall be adopted by a majority of the voters of the district voting thereon. When the proposition has been adopted, the commissioners may forthwith carry out the general plan to the extent specified therein))~~) without submitting a proposition therefor to the voters. The resolution shall include the amount of the bonds to be issued.

Sec. 4. Section 17, chapter 210, Laws of 1941 as last amended by section 64, chapter 195, Laws of 1973 1st ex. sess. and RCW 56.16.030 are each amended to read as follows:

In the same manner as herein provided for the adoption of the general comprehensive plan, and after the adoption of the general comprehensive plan, a plan providing for additions and betterments to the general comprehensive plan, or reorganized district may be adopted. Without limiting its generality "additions and betterments" shall include any necessary change in, amendment of, or addition to the general comprehensive plan. The sewer district may incur a general indebtedness payable from annual tax levies to be made in excess of the constitutional and/or statutory tax limitations for the construction of the additions and betterments in the same way the general indebtedness may be incurred for the construction of the general comprehensive plan. Upon ratification by the voters of the entire district, of the proposition to incur such indebtedness, the additions and betterments may be carried out by the sewer commissioners to the extent specified or referred to in the proposition to incur such general indebtedness. The sewer district may issue revenue bonds to pay for the construction of the additions and betterments by resolution of the board of sewer commissioners (~~((without submitting a proposition therefor to the voters))~~).

Sec. 5. Section 7, chapter 103, Laws of 1959 and RCW 56.16.035 are each amended to read as follows:

Whenever a sewer district shall have adopted a general comprehensive plan, and bonds to defray the cost thereof shall have been authorized by the (~~(electors of the district))~~ board of commissioners, and if before completion of the improvements the board of commissioners shall by resolution find that the authorized bonds are not sufficient to defray the cost of such improvements due to the increase of costs of construction subsequent to the adoption of said plan, the board of commissioners may, by resolution(~~(, without submitting the matter to the voters of the district))~~, authorize the issuance and sale of additional sewer revenue bonds for such purpose in excess of those previously (~~(authorized. PROVIDED, That in no event shall the principal amount of such additional sewer revenue bonds exceed twenty percent of such previously authorized indebtedness))~~ issued.

Sec. 6. Section 23, chapter 210, Laws of 1941 as last amended by section 5, chapter 272, Laws of 1971 ex. sess. and RCW 56.16.100 are each amended to read as follows:

The commissioners shall enforce collection of the sewer connection charges and sewerage disposal service charges against property to which and its owners (~~(receiving))~~ to whom the service is available, such charges being deemed charges

against the property (~~(served)~~) to which the service is available, by addition of penalties of not more than ten percent thereof in case of failure to pay the charges at times fixed by resolution. The commissioners may provide by resolution that where either sewer connection charges or sewer service charges are delinquent for any specified period of time, the district shall certify the delinquencies to the treasurer of the county in which the real property is located, and the charges and any penalties added thereto and interest thereon at the rate (~~(of not more than eight percent per year)~~) fixed by resolution, shall be a lien against the property (~~(upon)~~) to which the service was (~~(received)~~) available, subject only to the lien for general taxes.

Sec. 7. Section 24, chapter 210, Laws of 1941 as last amended by section 6, chapter 272, Laws of 1971 ex. sess. and RCW 56.16.110 are each amended to read as follows:

The district may, at any time after the sewer connection charges or sewerage disposal service charges and penalties provided for in RCW 56.16.100, as now or hereafter amended, are delinquent for a period of sixty days, bring suit in foreclosure by civil action in the superior court of the county in which the real property is situated. The court may allow, in addition to the costs and disbursements provided by statute, such an attorney's fee as it may adjudge reasonable. The action shall be in rem against the property, and in addition may be brought in the name of the district against an individual, or against all of those who are delinquent in one action, and the laws and rules of the court shall control as in other civil actions.

Sec. 8. Section 16, chapter 250, Laws of 1953 as last amended by section 66, chapter 195, Laws of 1973 1st ex. sess. and RCW 56.16.115 are each amended to read as follows:

The board of sewer commissioners may by resolution, without submitting the matter to the voters of the district, authorize the issuance of refunding general obligation bonds to refund any outstanding general obligation bonds, or any part thereof, at maturity thereof, or before the maturity thereof, if they are subject to call for prior redemption, or if all of the holders thereof consent thereto. The total cost to the district over the life of the refunding bonds shall not exceed the total cost, which the district would have incurred but for such refunding, over the remainder of the life of the bonds being refunded. The provisions of RCW 56.16.040 specifying the form and maturities of general obligation bonds and providing for annual tax levies in excess of the constitutional and/or statutory tax limitations shall apply to the refunding general obligation bonds issued under this title.

The board of sewer commissioners may by resolution (~~(, without submitting the matter to the voters of the district,)~~) provide for the issuance of refunding revenue bonds to refund outstanding general obligation bonds and/or revenue bonds, or any part thereof, at maturity thereof, or before maturity thereof, if they are subject to call for prior redemption, or if all of the holders thereof consent thereto. The total cost to the district over the life of said refunding revenue bonds shall not exceed the total cost, which the district would have incurred but for such refunding, over the remainder of the life of the bonds being refunded. Uncollected assessments originally payable into the revenue bond fund of a refunded revenue bond issue shall be paid into the revenue bond fund of the refunding issue. The provisions of RCW

56.16.060 specifying the form and maturities of revenue bonds shall apply to the refunding revenue bonds issued under this title.

Refunding general obligation bonds or refunding revenue bonds may be exchanged for the bonds being refunded or may be sold in such manner as the sewer commissioners shall deem for the best interest of the sewer district.

Sec. 9. Section 4, chapter 58, Laws of 1974 ex. sess. and RCW 56.20.015 are each amended to read as follows:

In addition to all of the powers and authorities set forth in Title 56 RCW, any sewer district shall have all of the powers of cities as set forth in (~~chapter 35.43 RCW and~~) chapter 35.44 RCW. Sewer districts may also exercise all of the powers permitted to a water district under Title 57 RCW relating to the constructing, maintaining, and operating of water supply systems.

Sec. 10. Section 27, chapter 210, Laws of 1941 as last amended by section 5, chapter 58, Laws of 1974 ex. sess. and RCW 56.20.020 are each amended to read as follows:

Utility local improvement districts to carry out all or any portion of the comprehensive plan, or additions and betterments thereof, adopted for the sewer district may be initiated either by resolution of the board of sewer commissioners or by petition signed by the owners according to the records of the office of the county auditor of at least fifty-one percent of the area of the land within the limits of the utility local improvement district to be created.

In case the board of sewer commissioners shall desire to initiate the formation of a utility local improvement district by resolution, it shall first pass a resolution declaring its intention to order such improvement, setting forth the nature and territorial extent of such proposed improvement, designating the number of the proposed utility local improvement district, describing the boundaries thereof, stating the estimated cost and expense of the improvement and the proportionate amount thereof which will be borne by the property within the proposed district, and fixing a date, time and place for a public hearing on the formation of the proposed local district, which date shall, unless there is an emergency, be no less than thirty days and no more than ninety days from the day the resolution of intention was adopted.

In case any such utility local improvement district shall be initiated by petition, such petition shall set forth the nature and territorial extent of such proposed improvement and the fact that the signers thereof are the owners according to the records of the county auditor of at least fifty-one percent of the area of land within the limits of the utility local improvement district to be created. Upon the filing of such petition with the secretary of the board of sewer commissioners, the board shall determine whether the same shall be sufficient, and the board's determination thereof shall be conclusive upon all persons. No person shall withdraw his name from said petition after the filing thereof with the secretary of the board of sewer commissioners. If the board shall find the petition to be sufficient, it shall proceed to adopt a resolution declaring its intention to order the improvement petitioned for, setting forth the nature and territorial extent of said improvement, designating the number of the proposed local district, describing the boundaries thereof, stating the estimated cost and expense of the improvement and the proportionate amount thereof which will be borne by the property within the proposed local district, and

fixing a date, time and place for a public hearing on the formation of the proposed local district.

Notice of the adoption of the resolution of intention, whether the resolution was adopted on the initiative of the board or pursuant to a petition of the property owners, shall be published in at least two consecutive issues of a newspaper of general circulation in the proposed local district, the date of the first publication to be at least fifteen days prior to the date fixed by such resolution for hearing before the board of sewer commissioners. Notice of the adoption of the resolution of intention shall also be given each owner or reputed owner of any lot, tract, parcel of land or other property within the proposed improvement district by mailing said notice at least fifteen days before the date fixed for the public hearing to the owner or reputed owner of the property as shown on the tax rolls of the county treasurer at the address shown thereon. Whenever such notices are mailed, the sewer commissioners shall maintain a list of such reputed property owners, which list shall be kept on file at a location within the sewer district and shall be made available for public perusal. The notices shall refer to the resolution of intention and designate the proposed improvement district by number. Said notices shall also set forth the nature of the proposed improvement, the total estimated cost, the proportion of total cost to be borne by assessments, the date, time and place of the hearing before the board of sewer commissioners(~~(; and)~~). In the case of improvements initiated by resolution, said notice shall also: (1) State that all persons desiring to object to the formation of the proposed district must file their written protests with the secretary of the board of sewer commissioners before the time fixed for said public hearing; (2) state that if owners of at least forty percent of the area of land within the proposed district file written protests with the secretary of the board, the power of the sewer commissioners to proceed with the creation of the proposed district shall be divested; (3) provide the name and address of the secretary of the board; and (4) state the hours and location within the sewer district where the names of the property owners within the proposed district are kept available for public perusal. In the case of the notice given each owner or reputed owner by mail, the notice shall set forth the estimated amount of the cost and expense of such improvement to be borne by the particular lot, tract, parcel of land or other property.

Passed the House June 11, 1977.

Passed the Senate June 10, 1977.

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CHAPTER 301

[Substitute House Bill No. 323]

FINANCIAL INSTITUTIONS DISCLOSURE ACT—FAIRNESS IN LENDING ACT

AN ACT Relating to financial institutions; amending section 1, chapter 68, Laws of 1959 as amended by section 9, chapter 141, Laws of 1973 and RCW 49.60.175; adding a new chapter to Title 19 RCW; adding new sections to chapter 30.04 RCW; prescribing penalties; and prescribing an expiration date.

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