

Chapter 35.41 RCW
FISCAL—MUNICIPAL REVENUE BOND ACT

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Industrial development revenue bonds: Chapter 39.84 RCW.

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RCW 35.41.010 Special funds—Authorized—Composition. For the purpose of providing funds for defraying all or a portion of the costs of planning, purchase, leasing, condemnation, or other acquisition, construction, reconstruction, development, improvement, extension, repair, maintenance, or operation of any municipally owned public land, building, facility, or utility, for which the municipality now has or hereafter is granted authority to acquire, condemn, develop, repair, maintain, or operate, the legislative body of any city or town may authorize, by ordinance, the creation of a special fund or funds into which the city or town shall be obligated to set aside and pay: Any or all municipal license fees specified in such ordinance creating such special fund, and/or any and all revenues derived from any utility or facility specified in said ordinance creating such special fund. The ordinance may provide that the city or town shall be obligated to set aside and pay into a special fund or funds so created:

- (1) A fixed proportion of any revenues or fees, or
- (2) A fixed amount of, and not to exceed, a fixed proportion of any revenues or fees, or
- (3) A fixed amount without regard to any fixed proportion of any revenues or fees, or
- (4) An amount of such revenues sufficient, together with any other moneys lawfully pledged to be paid into such fund or funds, to meet principal and interest requirements and to accumulate any reserves and additional funds that may be required.

The legislative body may also authorize the creation of a special fund or funds to defray all or part of the costs of planning, purchase, condemnation, or other acquisition, construction, improvement, maintenance or operation of any public park in, upon or above property used or to be used as municipally owned off-street parking space and facilities, whether or not revenues are received or fees charged in the course of public use of such park. Part or all of

the otherwise unpledged revenues, fees or charges arising from municipal ownership, operation, lease or license of any off-street parking space and facilities, or arising from municipal license of any off-street parking space, shall be set aside and paid into such special fund or funds in accordance with this section. [1971 ex.s. c 223 s 1; 1967 ex.s. c 144 s 12; 1965 c 7 s 35.41.010. Prior: 1957 c 117 s 1.]

Severability—1967 ex.s. c 144: See note following RCW 36.900.030.

Bids for operation of parking space or facilities in or beneath public parks: RCW 35.86.010.

"Facilities" defined: RCW 35.86.010.

General obligation bonds, use in financing off-street parking space and facilities: RCW 35.86.020.

RCW 35.41.030 Revenue bonds authorized—Form, term, etc. If the legislative body of a city or town deems it advisable to purchase, lease, condemn, or otherwise acquire, construct, develop, improve, extend, or operate any land, building, facility, or utility, and adopts an ordinance authorizing such purchase, lease, condemnation, acquisition, construction, development, improvement and to provide funds for defraying all or a portion of the cost thereof from the proceeds of the sale of revenue bonds, and such ordinance has been ratified by the voters of the city or town in those instances where the original acquisition, construction, or development of such facility or utility is required to be ratified by the voters under the provisions of RCW 35.67.030 and 35.92.070, such city or town may issue revenue bonds against the special fund or funds created solely from revenues. The revenue bonds so issued shall:

- (1) Be registered bonds, as provided in RCW 39.46.030, or bearer bonds;
- (2) Be issued in such denominations as determined by the legislative body of the city or town;
- (3) Be numbered from one upwards consecutively;
- (4) Bear the date of their issue;
- (5) Be serial or term bonds and the final maturity thereof shall not extend beyond the reasonable life expectancy of the facility or utility;
- (6) Bear interest at such rate or rates as authorized by the legislative body of the city or town, with interest coupons attached unless such bonds are registered as to interest, in which no case no interest coupons need be attached;
- (7) Be payable as to principal and interest at such place or time as may be designated therein;
- (8) State upon their face that they are payable from a special fund, naming it, and the ordinance creating it, and that they do not constitute a general indebtedness of the city or town;
- (9) Be signed by the mayor and bear the seal of the city or town and be attested by the clerk: PROVIDED, That the facsimile signatures of the mayor and clerk may be used when the ordinance authorizing the

issuance of such bonds provides for the signatures thereof by an authenticating officer; and

(10) Be printed upon good bond paper: PROVIDED, That notwithstanding the provisions of this section, such revenue bonds may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 s 39; 1971 ex.s. c 223 s 2; 1970 ex.s. c 56 s 34; 1969 ex.s. c 232 s 15; 1965 c 7 s 35.41.030. Prior: 1957 c 117 s 3.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

Purpose—1970 ex.s. c 56: See note following RCW 39.52.020.

Validation—Saving—Severability—1969 ex.s. c 232: See notes following RCW 39.52.020.

RCW 35.41.050 Revenue warrants. (1) Revenue warrants may be issued and such warrants and interest thereon may be payable out of the special fund or refunded through the proceeds of the sale of revenue bonds. Every revenue warrant and the interest thereon issued against the special fund shall be a valid claim of the owner thereof only as against that fund and the amount of revenue pledged to the fund, and shall not constitute an indebtedness of the city or town. Every revenue warrant shall state on its face that it is payable from a special fund, naming it and the ordinance creating it. Such warrants may be in any form, including bearer warrants or registered warrants as provided in RCW 39.46.030.

(2) Notwithstanding subsection (1) of this section, such warrants may be issued and sold in accordance with chapter 39.46 RCW. [1983 c 167 s 40; 1965 c 7 s 35.41.050. Prior: 1957 c 117 s 5.]

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.

RCW 35.41.060 Sale of revenue bonds and warrants—Contract provisions. Revenue bonds and warrants may be sold by negotiation or by public or private sale in any manner and for any price the legislative body of any city or town deems to be for the best interest of the city or town. Such legislative body may provide in any contract, for the construction or acquisition of the proposed facility or utility or the maintenance and operation thereof, and that payment therefor shall be made only in revenue bonds and/or warrants at their par value. [1965 c 7 s 35.41.060. Prior: 1957 c 117 s 6.]

RCW 35.41.070 Suit to compel city to pay amount into special fund. If a city or town fails to set aside and pay into the special fund created for the payment of revenue bonds and warrants the amount which it has obligated itself in the ordinance creating the fund to set aside and pay therein, the holder of any bond or warrant issued against the bond may bring suit against the city or town to compel it to do so. [1965 c 7 s 35.41.070. Prior: 1957 c 117 s 7.]

RCW 35.41.080 Rates and charges for services, use, or benefits—Waiver of connection charges for low-income persons. (1) The legislative body of any city or town may provide by ordinance for revenues by fixing rates and charges for the furnishing of service, use, or benefits to those to whom service, use, or benefits from such facility or utility is available, which rates and charges shall be uniform for the same class of service. The legislative body may waive connection charges for properties purchased by low-income persons from organizations exempt from tax under section 501(c)(3) of the federal internal revenue code as amended prior to July 23, 1995. Waivers of connection charges for the same class of electric or gas utility service must be uniformly applied to all qualified property. Nothing in this subsection (1) authorizes the impairment of a contract.

(2) If revenue bonds or warrants are issued against the revenues collected under subsection (1) of this section, the legislative body of the city or town shall fix charges at rates which will be sufficient, together with any other moneys lawfully pledged therefor, to provide for the payment of bonds and warrants, principal and interest, sinking fund requirements and expenses incidental to the issuance of such revenue bonds or warrants; in fixing such charges the legislative body of the city or town may establish rates sufficient to pay, in addition, the costs of operating and maintaining such facility or utility. [1995 c 140 s 2; 1971 ex.s. c 223 s 3; 1965 c 7 s 35.41.080. Prior: 1959 c 203 s 1; 1957 c 117 s 8.]

RCW 35.41.090 Rates and charges for services, use or benefits—Costs, expenses, interest may be included. In setting the rates to be charged for the service, use, or benefits derived from such facility or utility, or in determining the cost of the planning, acquisition, construction, reconstruction, development, improvement, extension, repair, maintenance, or operation thereof the legislative body of the city or town may include all costs and estimated costs of the issuance of said bonds, all engineering, inspection, fiscal and legal expense and interest which it is estimated will accrue during the construction period and for such period of time thereafter deemed by the legislative body to be necessary or desirable on money borrowed, or which it is estimated will be borrowed in connection therewith. [1971 ex.s. c 223 s 4; 1965 c 7 s 35.41.090. Prior: 1957 c 117 s 9.]

RCW 35.41.095 Revenue bonds for water or sewerage system—Pledge of utility local improvement district assessments. The legislative body of any city or town may provide as an additional method for securing the payment of any such bonds issued to pay the whole or a portion of the cost of providing the city or town with a system of water or sewerage as set forth in RCW 35.43.042, that utility local improvement district assessments authorized to be made for the purposes and subject to the limitations contained in RCW 35.43.042 may be pledged to secure the payment of such bonds. [1967 c 52 s 26.]

Construction—Severability—1967 c 52: See notes following RCW 35.43.042.

RCW 35.41.100 Chapter is alternative and additional method. The authority granted by this chapter shall be considered an alternative and additional method of issuing revenue bonds or warrants by cities and towns and no restriction, limitation, or regulation relative to the issuance of such bonds contained in any other law shall apply to the bonds issued hereunder. [1965 c 7 s 35.41.100. Prior: 1957 c 117 s 10.]

RCW 35.41.900 Short title. This chapter shall be known as "the municipal revenue bond act." [1965 c 7 s 35.41.900. Prior: 1957 c 117 s 11.]