

Chapter 35.48 RCW
LOCAL IMPROVEMENTS—NONGUARANTEED BONDS

Sections

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RCW 35.48.010 Special revolving fund for delinquent nonguaranteed bonds and warrants—Composition. If any city or town has issued bonds or warrants payable from a local improvement or condemnation award fund, to which the local improvement guaranty fund law is not applicable, and if the assessment, or last installment thereof, against which the bonds or warrants were issued has been delinquent not more than thirty-two years, the city or town may create a special revolving fund and may provide moneys therefor by general tax levy, if the levy, together with other levies made or authorized by such city or town, will not exceed the levy which is legally allowed; or such city or town may place in said fund or advance or loan to said fund any money which it is not prohibited by law from advancing, loaning to or placing in said fund. [1965 c 7 s 35.48.010. Prior: 1961 c 46 s 1; 1943 c 244 s 2; Rem. Supp. 1943 s 9351-11.]

Purpose—1943 c 244: "WHEREAS, there are many millions of dollars of delinquent and unpaid local improvement district and condemnation award bonds and warrants issued by various cities of the state and not protected by the Local Improvement Guaranty Fund, only a small part of which for the present at least can be paid and many of which will never be paid because of inability of property owners to pay the special assessments levied to provide funds for payment thereof and the depreciated value of the real estate which is the only security provided by present law from which payment of the assessments may be enforced; and, WHEREAS, the cities are not legally liable under existing law for payment of such bonds and warrants except as there are moneys available in the special fund from which the same are payable; and, WHEREAS, such cities and its citizens as a whole have derived benefit from the improvements installed with the proceeds or as a result of the issuance of such bonds and warrants; and, WHEREAS, the nonpayment of such unpaid and delinquent bonds and warrants not only causes great hardship and suffering on those who have invested money in such bonds and warrants, but also reflects discredit on the financial structure of the various cities involved, to the detriment of the cities as a whole and also the entire state; NOW, THEREFORE, this law is enacted to enable cities to provide some relief from the hardship imposed by such conditions." [1943 c 244 s 1.]

RCW 35.48.020 Use of revolving fund—Maximum bond price. Any moneys in such revolving fund may be used for the purchase of unpaid

delinquent local improvement warrants, or bonds and interest payments, or bonds and interest coupons thereon, issued by the city or town, payable from a local improvement district fund or condemnation award fund, to which the local improvement guaranty fund law is not applicable, if the assessment, or last installment thereof, against which the bonds or warrants have been issued, has been delinquent not more than thirty-two years. The maximum purchase price to be paid for said bonds or warrants shall be fixed by the municipality, and may from time to time be changed but shall never exceed fifty percent of the face value of the bonds, interest payments, interest coupons, or warrants: PROVIDED, That no warrants shall be issued payable from the revolving fund unless there is sufficient cash in said fund available for payment of such warrants. [1983 c 167 s 45; 1965 c 7 s 35.48.020. Prior: 1961 c 46 s 2; 1943 c 244 s 3; Rem. Supp. 1943 s 9351-12.]

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

RCW 35.48.030 Subrogation—Refund of surplus. The purchase of any such bonds or warrants shall not relieve the local improvement or condemnation award fund from which the same are payable from liability for payment of the same, but the city or town upon purchase thereof shall become subrogated to all the rights of the former owners thereof and may proceed to enforcement of said bonds or warrants as any owner thereof might do. The city or town may sell any property acquired by it in such proceedings upon such terms and for such prices as it sees fit, or it may resell any of the bonds or warrants for such prices as it shall fix.

Any excess in any local improvement district fund or condemnation award fund which will average a payment of one dollar to each payer into said fund shall, after payment, retirement, or cancellation of all bonds or warrants payable from said fund, be refunded and paid to the payers into the fund in the proportion that their respective assessments bear to the entire original assessment levied for such improvement, and any unpaid assessments, or portion thereof, shall be reduced in the same proportion. Any proceeds derived from the sale of any bonds or warrants, or from the sale of real estate, shall be placed in the revolving fund. [1965 c 7 s 35.48.030. Prior: 1943 c 244 s 4; Rem. Supp. 1943 s 9351-13.]

RCW 35.48.040 Refund to revolving fund. If there are funds in any local improvement district fund or condemnation award fund sufficient to pay or retire any bond or warrant issued and payable from said fund, and the city or town is the owner and holder of the bond or warrant next payable from the fund, the city or town treasurer shall from the moneys in the local improvement or condemnation award fund place in the revolving fund a sum of money equivalent to the amount paid by the city or town for such bond or warrant and shall thereupon cancel, mark paid and remove from said revolving fund such bond or warrant. [1965 c 7 s 35.48.040. Prior: 1943 c 244 s 5; Rem. Supp. 1943 s 9351-14.]

RCW 35.48.050 Purchase of warrants on previous funds—Transfer of assets to revolving fund—Disposition. Whenever a city or town has heretofore by ordinance created a fund for use in purchasing delinquent local improvement or condemnation award bonds or warrants not protected by the local improvement guaranty fund law, and has purchased any such bonds or warrants and issued warrants payable from said fund, which warrants are unpaid because of lack of funds and have remained unpaid for a period of less than thirty-two years from date of issue thereof, the city or town may use any funds available in the revolving fund to purchase said warrants at such price as it may determine, but in no event at more than fifty percent of the face value, without interest.

Whenever all such warrants have been purchased or paid, the city or town may transfer to the revolving fund any bonds, warrants or other assets belonging to said fund first above mentioned, and thereafter such bonds, warrants or other assets shall be held and disposed of for the benefit of said revolving fund in the same manner as other funds and assets therein: PROVIDED, That nothing contained in this chapter shall legalize any warrants heretofore issued or render any city or town liable thereunder. [1965 c 7 s 35.48.050. Prior: 1961 c 46 s 3; 1943 c 244 s 6; Rem. Supp. 1943 s 9351-15.]

RCW 35.48.060 Procedure governed by ordinance. All actions of a city or town respecting the purchase of bonds and warrants or sales of bonds, warrants or assets of the revolving fund shall be as directed by general or special ordinance. [1965 c 7 s 35.48.060. Prior: 1943 c 244 s 7; Rem. Supp. 1943 s 9351-16.]