

RCW 36.94.380 Local improvement bonds—Local improvement guaranty fund—Payments—Assessments—Certificates of delinquency.

Every county adopting a water and/or sewerage general plan is hereby authorized to create a fund for the purpose of guaranteeing, to the extent of such fund, and in the manner hereinafter provided, the payment of all of its local improvement bonds issued, subsequent to May 19, 1981, to pay for any water or sewerage local improvement within its confines. Such fund shall be designated ". County Local Improvement Guaranty Fund" and shall be established by resolution of the county legislative authority. For the purpose of maintaining such fund, every county, after the establishment thereof, shall at all times set aside and pay into such a fund such proportion of the monthly gross revenues of the water and/or sewerage system of such county as the legislative authority thereof may direct by resolution. This proportion may be varied from time to time as the county legislative authority deems expedient or necessary, except that under the existence of the conditions set forth in subsections (1) and (2) of this section, the proportion must be as therein specified.

(1) Whenever any bonds of any local improvement district have been guaranteed under RCW 36.94.380 through 36.94.400 and the guaranty fund does not have a cash balance equal to five percent of all bonds originally guaranteed under this chapter (excluding issues which have been retired in full), then five percent of the gross monthly revenues derived from all water and sewer users in the territory included in that local improvement district (but not necessarily from users in other parts of the county as a whole) may be set aside and paid into the guaranty fund. Whenever, under the requirements of this subsection, the cash balance accumulates so that it is equal to five percent of all bonds guaranteed, or to the full amount of all bonds guaranteed, outstanding and unpaid (which amount might be less than five percent of the original total guaranteed), then no further moneys need be set aside and paid into the guaranty fund so long as that condition continues.

(2) Whenever any warrants issued against the guaranty fund, as provided in this section, remain outstanding and uncalled for lack of funds for six months from the date of issuance thereof; or whenever any coupons or bonds guaranteed under this chapter have been matured for six months and have not been redeemed either in cash or by issuance and delivery of warrants upon the guaranty fund, then five percent of the gross monthly revenues (or such portion thereof as the county legislative authority determines will be sufficient to retire those warrants or redeem those coupons or bonds in the ensuing six months) derived from all water and/or sewer users in the county shall be set aside and paid into the guaranty fund. Whenever under the requirements of this subsection all such warrants, coupons, or bonds have been redeemed, no further income need be set aside and paid into the guaranty fund under the requirements of this subsection until and unless other warrants remain outstanding and unpaid for six months or other coupons or bonds default.

(3) For the purpose of complying with the requirements of setting aside and paying into the local improvement guaranty fund a proportion of the monthly gross revenues of the water supply and/or sewerage system of any county, that county shall bind and obligate itself to maintain and operate such system and further bind and obligate itself to establish, maintain, and collect such rates for water as will provide gross revenues sufficient to maintain and operate such systems

and to make necessary provision for the local improvement guaranty fund as specified by this section, and the county shall alter its rates for water or sewer service from time to time and shall vary the same in different portions of its territory to comply with those requirements.

(4) Whenever any coupon or bond guaranteed by RCW 36.94.380 through 36.94.400 matures and there is not sufficient funds in the appropriate local improvement district bond redemption fund to pay the coupon or bond, then the county treasurer shall pay the coupon or bond from the local improvement guaranty fund of the county; if there is not sufficient funds in the guaranty fund to pay the coupon or bond, then it may be paid by issuance and delivery of a warrant upon the local improvement guaranty fund.

(5) Whenever the cash balance in the local improvement guaranty fund is insufficient for the required purposes, warrants drawing interest of a rate fixed by the county legislative authority may be issued by the county auditor against the fund to meet any liability accrued against it and must be issued upon demand of the holders of any maturing coupons and/or bonds guaranteed by RCW 36.94.380 through 36.94.400, or to pay for any certificates of delinquency for delinquent installments of assessments as provided in subsection (6) of this section. Guaranty fund warrants shall be a first lien in their order of issuance upon the gross revenues set aside and paid into the guaranty fund.

(6) Within twenty days after the date of delinquency of any annual installment of assessments levied for the purpose of paying the local improvement bonds of any county guaranteed under the provisions of this chapter, the county treasurer shall compile a statement of all installments delinquent, together with the amount of accrued interest and penalty appurtenant to each of those installments. Thereupon the county treasurer shall forthwith purchase certificates of delinquency for all such delinquent installments. Payment for all such certificates of delinquency shall be made from the local improvement guaranty fund, and if there is not sufficient moneys in the fund to pay for such certificates of delinquency, the county treasurer shall accept the local improvement guaranty fund warrants in payment therefor. All such certificates of delinquency shall be issued in the name of the local improvement guaranty fund, and all guaranty fund warrants issued in payment therefor shall be issued in the name of the appropriate local improvement district fund. Whenever any market is available and the county legislative authority so directs, the county treasurer shall sell any certificates of delinquency belonging to the local improvement guaranty fund, but any such sale may not be for less than face value thereof plus accrued interest from the date of issuance to date of sale.

Such certificates of delinquency, as above provided, shall be issued by the county treasurer, shall bear interest at the rate of eight percent per annum, shall be in each instance for the face value of the delinquent installment, plus accrued interest to date of issuance of certificate of delinquency, plus a penalty of five percent of such face value, and shall set forth the:

- (a) Description of the property assessed;
- (b) Date the installment of the assessment became delinquent; and
- (c) Name of the owner or reputed owner, if known.

Such certificates of delinquency may be redeemed by the owners of the property assessed at any time up to two years from the date of foreclosure of such certificate of delinquency.

If any certificate of delinquency is not redeemed by the second occurring first day of January subsequent to its issuance, the county treasurer shall then proceed to foreclose such certificate of delinquency in the manner specified for the foreclosure of the lien of local improvement assessments, pursuant to the laws applicable to cities or towns; and if no redemption is made within the succeeding two years the treasurer shall execute and deliver a deed conveying fee simple title to the property described in the foreclosed certificate of delinquency. [1981 c 313 § 7.]

Severability—1981 c 313: See note following RCW 36.94.020.