

RCW 67.28.160 Revenue bonds—Issuance, sale, form, term, payment, reserves, actions. (1) To carry out the purposes of this chapter including, but not limited to, financing loans or grants to nonprofit organizations or public housing authorities for affordable workforce housing within one-half mile of a transit station, the legislative body of any municipality has the power to issue revenue bonds without submitting the matter to the voters of the municipality and may pledge the special taxes provided for in this chapter to the repayment of such revenue bonds. However, the legislative body must create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the legislative body may obligate the municipality to pay all or part of amounts collected from the special taxes provided for in this chapter, and/or to pay such amounts of the gross revenue of all or any part of the facilities constructed, acquired, improved, added to, repaired, or replaced pursuant to this chapter, as the legislative body determines. The principal of and interest on such bonds is payable only out of such special fund or funds, and the owners of such bonds must have a lien and charge against the gross revenue pledged to such fund.

(a) The revenue bonds and the interest thereon issued against the fund or funds constitutes a claim of the owners thereof only as against such fund or funds and the revenue pledged therefor, and does not constitute a general indebtedness of the municipality.

(b) Each revenue bond must state upon its face that it is payable from such special fund or funds, and all revenue bonds issued under this chapter are negotiable securities within the provisions of the law of this state. The revenue bonds may be registered either as to principal only or as to principal and interest as provided in RCW 39.46.030, or may be bearer bonds. The revenue bonds must be:

(i) In such denominations as the legislative body deems proper;

(ii) Payable at such time or times and at such places, as determined by the legislative body;

(iii) Executed in such manner and bear interest at such rate or rates, as determined by the legislative body; and

(iv) Sold in such manner as the legislative body deems to be for the best interests of the municipality, either at public or private sale.

(c) The legislative body may at the time of the issuance of the revenue bonds make covenants with the owners of such bonds as it may deem necessary to secure and guaranty the payment of the principal thereof and the interest thereon, including but not being limited to covenants to set aside adequate reserves to secure or guaranty the payment of such principal and interest, to pledge and apply thereto part or all of any lawfully authorized special taxes provided for in this chapter, to maintain rates, charges, or rentals sufficient with other available moneys to pay such principal and interest and to maintain adequate coverage over debt service, to appoint a trustee or trustees for the bond owners, to safeguard the expenditure of the proceeds of sale of such bonds and to fix the powers and duties of such trustee or trustees and to make such other covenants as the legislative body may deem necessary to accomplish the most advantageous sale of such bonds. For revenue bonds issued for the purpose of funding affordable workforce housing projects within one-half mile of a transit station, where such revenue bonds are reasonably expected to be awarded to projects that can expend the

funds within three years after bond issuance, the legislative body must require that the aggregate debt service on all such outstanding revenue bonds be limited to no more than fifty percent of the revenue collected under RCW 67.28.180(3)(d)(ii), and that at least ten percent of the aggregate proceeds of all such outstanding revenue bonds be committed to finance one or more projects by an authority under chapter 43.167 RCW to promote sustainable workplace opportunities near a community impacted by the construction or operation of tourism-related facilities. The legislative body may also provide that revenue bonds payable out of the same source may later be issued on a parity with revenue bonds being issued and sold.

(d) The legislative body may include in the principal amount of any such revenue bond issue an amount for engineering, architectural, planning, financial, legal, and other services and charges incident to the acquisition or construction of public stadium facilities, convention center facilities, performing arts center facilities, and/or visual arts center facilities, an amount to establish necessary reserves, an amount for working capital, and an amount necessary for interest during the period of construction of any facilities to be financed from the proceeds of such issue plus six months. The legislative body may, if it deems it in the best interest of the municipality, provide in any contract for the construction or acquisition of any facilities or additions or improvements thereto or replacements or extensions thereof that payment therefor may be made only in such revenue bonds.

(e) If the municipality fails to carry out or perform any of its obligations or covenants made in the authorization, issuance, and sale of such bonds, the owner of any such bond may bring action against the municipality and compel the performance of any or all of such covenants.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [2015 c 102 § 2; 1997 c 452 § 10; 1983 c 167 § 168; 1979 ex.s. c 222 § 3; 1973 2nd ex.s. c 34 § 3; 1967 c 236 § 9.]

Intent—Severability—1997 c 452: See notes following RCW 67.28.080.

Savings—1997 c 452: See note following RCW 67.28.181.

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