

RCW 35.81.100 Bonds—Issuance—Form, terms, payment, etc.—Fund for excess property tax, excise tax. (1) A municipality shall have the power to issue bonds from time to time in its discretion to finance the undertaking of any community renewal project under this chapter, including, without limiting the generality of this power, the payment of principal and interest upon any advances for surveys and plans for community renewal projects, and shall also have power to issue refunding bonds for the payment or retirement of such bonds previously issued by it. Such bonds shall not pledge the general credit of the municipality and shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the municipality derived from, or held in connection with, its undertaking and carrying out of community renewal projects under this chapter. However, the payment of such bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the municipality, the federal government, or from other sources, in aid of any community renewal projects of the municipality under this chapter.

(2) Bonds issued under this section shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, and shall not be subject to the provisions of any other law or charter relating to the authorization, issuance, or sale of bonds. Bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempted from all taxes.

(3) Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered as provided in RCW 39.46.030, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.

(4) Such bonds may be sold at not less than ninety-eight percent of par at public or private sale, or may be exchanged for other bonds on the basis of par: PROVIDED, That such bonds may be sold to the federal government at private sale at not less than par and, in the event less than all of the authorized principal amount of such bonds is sold to the federal government, the balance may be sold at public or private sale at not less than ninety-eight percent of par at an interest cost to the municipality of not to exceed the interest cost to the municipality of the portion of the bonds sold to the federal government.

(5) (a) The municipality may annually pay into a fund to be established for the benefit of such bonds any and all excess of the taxes received by it from the same property over and above the average of the annual taxes authorized without vote for a five-year period immediately preceding the acquisition of the property by the municipality for renewal purposes, such payment to continue until such time as all bonds payable from the fund are paid in full. Any other taxing unit that receives property tax revenues from property in the

community renewal area is authorized to allocate excess taxes, computed in the same manner, to the municipality or municipalities in which it is situated.

(b) In addition to the excess property tax revenues from property in the community renewal area, authorized in this subsection, the municipality may annually pay into the fund, established in this subsection, any and all excess of the excise tax received by it from business activity in the community renewal area over and above the average of the annual excise tax collected for a five-year period immediately preceding the establishment of a community renewal area. The payment may continue until all the bonds payable from the fund are paid in full. Any other taxing unit that receives excise tax from business activity in the community renewal area is authorized to allocate excess excise tax, computed in the same manner, to the municipality or municipalities in which it is situated. As used in this subsection, "excise tax" means a local retail sales and use tax authorized in chapter 82.14 RCW. The legislature declares that it is a proper purpose of a municipality to allocate an excise tax for purposes of a community renewal project under this chapter.

(6) In case any of the public officials of the municipality whose signatures appear on any bonds or any coupons issued under this chapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds, issued pursuant to this chapter shall be fully negotiable.

(7) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality in connection with a community renewal project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of this chapter.

(8) Notwithstanding subsections (1) through (7) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [2002 c 218 § 11; 1983 c 167 § 64; 1970 ex.s. c 56 § 44; 1969 ex.s. c 232 § 21; 1965 c 7 § 35.81.100. Prior: 1957 c 42 § 10.]

Severability—Savings—Construction—2002 c 218: See notes following RCW 35.81.005.

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.