

RCW 57.20.020 Revenue bonds—Special fund. (1) The

commissioners shall have power and are required to create a special fund or funds for the sole purpose of paying the interest and principal of revenue bonds into which special fund or funds the commissioners shall obligate and bind the district to set aside and pay a fixed proportion of the gross revenues of the water supply, sewer, or drainage system or any fixed amount out of and not exceeding a fixed proportion of such revenues, or a fixed amount or amounts without regard to any fixed proportion, and such bonds and the interest thereof shall be payable only out of such special fund or funds, and shall be a lien and charge against all revenues and payments received from any utility local improvement district or districts pledged to secure such bonds, subject only to operating and maintenance expenses.

In creating any such special fund or funds the commissioners shall have due regard to the cost of operation and maintenance of the plant or system as constructed or added to and to any proportion or part of the revenue previously pledged as a fund for the payment of bonds, warrants, or other indebtedness, and shall not set aside into such special fund a greater amount or proportion of the revenue and proceeds than in their judgment will be available over and above such cost of maintenance and operation and the amount or proportion, if any, of the revenue so previously pledged. Any such bonds and interest thereon issued against any such fund as provided in this section shall be a valid claim of the owner thereof only as against the special fund and its fixed proportion or amount of the revenue pledged to such fund, and shall not constitute an indebtedness of the district within the meaning of the constitutional provisions and limitations. Each such bond shall state upon its face that it is payable from a special fund, naming the fund and the resolution creating it. Such bonds shall be sold in such manner, at such price, and at such rate or rates of interest as the commissioners shall deem for the best interests of the district, either at public or private sale, and the commissioners may provide in any contract for the construction and acquirement of the proposed improvement (and for the refunding of outstanding local improvement district obligations, if any) that payment therefor shall be made in such bonds at par value thereof.

When any such special fund shall have been heretofore or shall be hereafter created and any such bonds shall have been heretofore or shall hereafter be issued against the same a fixed proportion or a fixed amount out of and not to exceed such fixed proportion, or a fixed amount or amounts without regard to any fixed proportion, of revenue shall be set aside and paid into the special fund as provided in the resolution creating such fund or authorizing such bonds. In case any district shall fail thus to set aside and pay the fixed proportion or amount, the owner of any bond payable from such special fund may bring suit or action against the district and compel such setting aside and payment.

(2) Revenue bonds payable from a special fund may be issued and sold in accordance with chapter 39.46 RCW. [1996 c 230 s 706; 1991 c 347 s 20; 1983 c 167 s 164; 1975 1st ex.s. c 25 s 3; 1970 ex.s. c 56 s 84; 1969 ex.s. c 232 s 88; 1959 c 108 s 11; 1939 c 128 s 3; RRS s 11588-1.]

Part headings not law—Effective date—1996 c 230: See notes following RCW 57.02.001.

Purposes—1991 c 347: See note following RCW 90.42.005.

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.

*Alternative authority to issue revenue bonds: RCW 39.46.150,
39.46.160.*

*Authority to adjust or delay rates or charges for low-income persons:
RCW 57.08.014.*

*Funds for reserve purposes may be included in issue amount: RCW
39.44.140.*