
SENATE BILL 5071

State of Washington

53rd Legislature

1993 Regular Session

By Senator Haugen; by request of Law Revision Commission

Read first time 01/12/93. Referred to Committee on Government Operations.

1 AN ACT Relating to correcting unconstitutional provisions regarding
2 the construction, sale, and conditions of revenue bonds for pollution
3 control facilities; and amending RCW 70.95A.030 and 70.95A.060.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 70.95A.030 and 1973 c 132 s 4 are each amended to read
6 as follows:

7 In addition to any other powers which it may now have, each
8 municipality shall have the following powers:

9 (1) To acquire, whether by construction, purchase, devise, gift or
10 lease, or any one or more of such methods, one or more facilities which
11 shall be located within, or partially within the municipality. Each
12 facility must have a separate value to the municipality beyond its
13 potential use to an entity that has leased the facility from the
14 municipality;

15 (2) To lease, lease with option to purchase, sell or sell by
16 installment sale, any or all of the facilities upon such terms and
17 conditions as the governing body may deem advisable but which shall
18 ((at least)) more than fully reimburse the municipality for all debt
19 service on any bonds issued to finance the facilities and for all costs

1 incurred by the municipality in financing and operating the facilities
2 and as shall not conflict with the provisions of this chapter. The
3 term of each lease must be less than the term of the municipality's
4 ownership in the leased facility by at least one month;

5 (3) To issue revenue bonds for the purpose of defraying the cost of
6 acquiring or improving any facility or facilities or refunding any
7 bonds issued for such purpose and to secure the payment of such bonds
8 as provided in this chapter. Revenue bonds may be issued in one or
9 more series or issues where deemed advisable, and each such series or
10 issue may have the same or different maturity dates, interest rates,
11 priorities on revenues available for payment of such bonds and
12 priorities on security available for assuring payment thereof, and such
13 other differing terms and conditions as are deemed necessary and are
14 not in conflict with the provisions of this chapter.

15 **Sec. 2.** RCW 70.95A.060 and 1973 c 132 s 7 are each amended to read
16 as follows:

17 Prior to the issuance of the bonds authorized by this chapter, the
18 municipality may lease the facilities to a lessee or lessees under an
19 agreement providing for payment to the municipality of such rentals as
20 will be more than sufficient (a) to pay the principal of and interest
21 on the bonds issued to finance the facilities, (b) to pay the taxes on
22 the facilities, (c) to build up and maintain any reserves deemed by the
23 governing body to be advisable in connection therewith, and (d) unless
24 the agreement of lease obligates the lessees to pay for the maintenance
25 and insurance of the facilities, to pay the costs of maintaining the
26 facilities in good repair and keeping the same properly insured.
27 Subject to the limitations of this chapter, the lease or extensions or
28 modifications thereof may contain such other terms and conditions as
29 may be mutually acceptable to the parties(~~(, and)~~). The term of the
30 lease must be less than the term of the municipality's ownership in the
31 leased facility by at least one month. Notwithstanding any other
32 provisions of law relating to the sale of property owned by
33 municipalities, such lease may contain an option for the lessees to
34 purchase the facilities on such terms and conditions with or without
35 consideration as may be mutually acceptable to the parties.

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