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SENATE BILL 6713

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State of Washington                      55th Legislature                      1998 Regular Session

By Senators McCaslin, Haugen, Hale and Winsley

Read first time 01/28/98. Referred to Committee on Law & Justice.

1            AN ACT Relating to proposed bond issues; amending RCW 7.25.010,  
2 7.25.020, 7.25.030, and 7.25.040; and adding a new section to chapter  
3 7.25 RCW.

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

5            **Sec. 1.** RCW 7.25.010 and 1983 c 263 s 1 are each amended to read  
6 as follows:

7            Whenever the legislative or governing body of the state or any  
8 county, city, school district, other municipal corporation, taxing  
9 district, or any agency, instrumentality, or public corporation thereof  
10 shall desire to issue bonds of any kind and shall have passed an  
11 ordinance or resolution authorizing the same, the validity of such  
12 proposed bond issue may be tested and determined in the manner provided  
13 in this chapter.

14            NEW SECTION. **Sec. 2.** A new section is added to chapter 7.25 RCW  
15 to read as follows:

16            As used in this chapter, the following terms have the meanings  
17 indicated unless the context clearly requires otherwise:

1 (1) "Government entity" means the state of Washington, the state  
2 finance committee, any county, city, school district, other municipal  
3 corporation, taxing district, or any agency, instrumentality, or public  
4 corporation thereof.

5 (2) "Bonds" means one or more bonds, notes, or other evidences of  
6 indebtedness.

7 (3) "Interested parties" means all taxpayers, ratepayers, or any  
8 other persons who have any obligations, rights, or other interests in  
9 the bonds or issuance thereof, or the project or purpose for which the  
10 bonds were issued or are to be issued.

11 **Sec. 3.** RCW 7.25.020 and 1983 c 263 s 2 are each amended to read  
12 as follows:

13 A complaint shall be prepared and filed in the superior court by  
14 such (~~county, city, school district, other municipal corporation,~~  
15 ~~taxing district, or agency, instrumentality, or public corporation~~  
16 ~~thereof~~) government entity setting forth such ordinance or resolution  
17 and that it is the purpose of the plaintiff to issue and sell bonds as  
18 stated therein and that it is desired that the right of the plaintiff  
19 to so issue such bonds and sell the same shall be tested and determined  
20 in said action. In said action all (~~taxpayers~~) interested parties of  
21 such (~~taxing district~~) government entity shall be deemed to be  
22 defendants (~~and shall be named in the title of said action as~~  
23 ~~defendants with the words "The Taxpayers of . . . . . (naming the~~  
24 ~~taxing district), Defendants."~~). The title of the action shall be "In  
25 re (name of bond issue)." Upon the filing of the complaint the court  
26 shall, upon the application of the plaintiff, enter an order naming one  
27 or (~~more taxpayers~~) interested parties of such (~~taxing district~~)  
28 government entity upon whom service in said action shall be made as the  
29 representative of all (~~taxpayers~~) interested parties of said  
30 (~~district~~) government entity, except such as may intervene as herein  
31 provided, and in such case the court shall fix and allow a reasonable  
32 attorney's fee in said action to the attorney who shall represent the  
33 representative (~~taxpayer or taxpayers~~) interested parties as  
34 aforesaid, and such fee and all taxable costs incurred by such  
35 representative (~~taxpayer or taxpayers~~) interested parties shall be  
36 taxed as costs against the plaintiff: PROVIDED, That if the (~~taxpayer~~  
37 ~~or taxpayers~~) interested parties appointed by the court shall default,  
38 the court shall appoint an attorney who shall defend said action on

1 behalf of all (~~taxpayers~~) interested parties, and such attorney shall  
2 be allowed a reasonable fee and taxable costs to be taxed against the  
3 plaintiff: PROVIDED FURTHER, That (~~any taxpayer~~) after filing the  
4 complaint, the plaintiff shall twice place a notice in a newspaper of  
5 general circulation within the boundaries of the government entity,  
6 stating the title of the action, informing the interested parties that  
7 the action has been commenced testing the validity of the bonds, and  
8 stating that any interested parties, as that term is defined herein,  
9 may intervene in such action and be represented therein by his own  
10 attorney. Thereupon, any interested parties who desire to intervene  
11 must apply to the court to intervene within ten days after the second  
12 publication of the notice.

13 **Sec. 4.** RCW 7.25.030 and 1939 c 153 s 3 are each amended to read  
14 as follows:

15 Trial court proceedings in all declaratory judgment actions  
16 authorized by this statute shall be in superior court, shall be heard  
17 and determined without a jury, and, both before the trial court and any  
18 appellate courts, shall have preference over all other civil causes  
19 except proceedings relating to eminent domain, proceedings related to  
20 confirmation of assessment rolls in local improvement districts and  
21 local utility districts, and actions of forcible entry and detainer.

22 The court in such action shall enter its judgment determining  
23 whether or not the bonds as proposed will be valid, and if the court  
24 finds that a portion, but not all, of the said bond issue is authorized  
25 by law, the court shall so declare, and find by its judgment what  
26 portion of such bond issue will be valid, and the judgment in said  
27 action shall be conclusive and binding upon all (~~taxpayers~~)  
28 interested persons and upon all other persons.

29 **Sec. 5.** RCW 7.25.040 and 1939 c 153 s 4 are each amended to read  
30 as follows:

31 Except as otherwise herein provided, all the provisions of the laws  
32 of Washington relating to declaratory judgments shall apply to the  
33 action herein provided for. The remedy and procedure herein provided  
34 shall be in addition to other remedies and procedures now provided by  
35 law.

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