

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5728

Chapter 284, Laws of 1999

56th Legislature
1999 Regular Session

BOND ISSUES--VALIDITY TESTING

EFFECTIVE DATE: 7/25/99

Passed by the Senate April 21, 1999
YEAS 47 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 8, 1999
YEAS 95 NAYS 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

FRANK CHOPP
**Speaker of the
House of Representatives**

Approved May 13, 1999

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5728** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK
Secretary

FILED

May 13, 1999 - 3:18 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5728

AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on State & Local Government (originally sponsored by Senators Winsley, Haugen, McCaslin and Hale)

Read first time 02/18/1999.

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 of such taxing~~
21 ~~district)) interested parties shall be deemed to be defendants ~~((and~~
22 ~~shall be named in the title of said action as defendants with the words~~
23 ~~"The Taxpayers of (naming the taxing district),~~
24 ~~Defendants."~~). The title of the action shall be "In re (name of bond
25 issue)." Upon the filing of the complaint the court shall, upon the
26 application of the plaintiff, enter an order naming one or more
27 ~~((taxpayers of such taxing district)) interested parties upon whom~~
28 service in said action shall be made as the representative of all
29 ~~((taxpayers of said district)) interested parties, except such as may~~
30 intervene as herein provided, and in such case the court shall fix and
31 allow a reasonable attorney's fee in said action to the attorney who
32 shall represent the representative ~~((taxpayer or taxpayers)) interested~~
33 ~~parties as aforesaid, and such fee and all taxable costs incurred by~~
34 ~~such representative ((taxpayer or taxpayers)) interested parties shall~~
35 be taxed as costs against the plaintiff: PROVIDED, That if the
36 ~~((taxpayer or taxpayers)) interested parties appointed by the court~~
37 shall default, the court shall appoint an attorney who shall defend
38 said action on behalf of all ~~((taxpayers)) interested parties, and such~~~~~~

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

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

14 The court in such action shall enter its judgment determining
15 whether or not the bonds as proposed will be valid, and if the court
16 finds that a portion, but not all, of the said bond issue is authorized
17 by law, the court shall so declare, and find by its judgment what
18 portion of such bond issue will be valid, and the judgment in said
19 action shall be conclusive and binding upon all (~~taxpayers~~)
20 interested parties and upon all other persons.

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

23 Except as otherwise herein provided, all the provisions of the laws
24 of Washington relating to declaratory judgments shall apply to the
25 action herein provided for. The remedy and procedure herein provided
26 shall be in addition to other remedies and procedures now provided by
27 law.

Passed the Senate April 21, 1999.

Passed the House April 8, 1999.

Approved by the Governor May 13, 1999.

Filed in Office of Secretary of State May 13, 1999.