

**Chapter 35A.40 RCW**  
**FISCAL PROVISIONS APPLICABLE TO CODE CITIES**

**Sections**

35A.40.010	Accounting—Funds—Indebtedness—Bonds.
35A.40.020	Payment of claims and obligations by warrant or check.
35A.40.030	Fiscal—Depositaries.
35A.40.050	Fiscal—Investment of funds.
35A.40.060	Fiscal—Validation and funding of debts.
35A.40.070	Fiscal—Municipal Revenue Bond Act.
35A.40.080	Bonds—Form, terms, and maturity.
35A.40.090	Indebtedness.
35A.40.100	Bankruptcy, readjustment and relief from debts.
35A.40.110	Employee checks, drafts, warrants—City may cash.
35A.40.200	General law relating to public works and contracts.
35A.40.210	Public work or improvement—Procedures—Purchases.

**RCW 35A.40.010 Accounting—Funds—Indebtedness—Bonds.** Municipal accounts and funds, the contracting of indebtedness for municipal purposes and the issuance and payment of bonds therefor, the validation of preexisting obligations by the voters of a consolidated city, debt limitations, elections for authorization of the incurring of indebtedness, and provisions pertaining to the issuance, sale, funding and redemption of general obligation bonds and remedies for nonpayment thereof are governed and controlled by the general law as contained in, but not limited to chapters 35.37, 39.40, 39.46, 39.52, 39.56, and 43.80 RCW, and are hereby recognized as applicable to code cities. [1984 c 186 § 24; 1967 ex.s. c 119 § 35A.40.010.]

**Purpose—1984 c 186:** See note following RCW 39.46.110.

**RCW 35A.40.020 Payment of claims and obligations by warrant or check.** A code city, by ordinance, may adopt a policy for the payment of claims or other obligations of the city, which are payable out of solvent funds, electing either to pay such obligations by warrant, or to pay such obligations by check: PROVIDED, That no check shall be issued when the applicable fund is not solvent at the time payment is ordered, but a warrant shall be issued therefor. When checks are to be used, the legislative body shall designate the qualified public depositary whereon such checks are to be drawn, and the officers authorized or required to sign such checks. Wherever in this title, reference is made to warrants, such term shall include checks where authorized by this section. [1984 c 177 § 5; 1967 ex.s. c 119 § 35A.40.020.]

**RCW 35A.40.030 Fiscal—Depositaries.** The legislative body of a code city, at the end of each fiscal year, or at such other times as the legislative body may direct, shall designate one or more financial institutions which are qualified public depositaries as set forth by the public deposit protection commission as depositary or depositaries of the moneys required to be kept by the code city treasurer or other officer performing the duties commonly performed by the treasurer of a

code city: PROVIDED, That where any bank has been designated as a depository hereunder such designation shall continue in force until revoked by a majority vote of the legislative body of such code city. The provisions relating to depositories, contained in chapter 39.58 RCW, as now or hereafter amended, are hereby recognized as applicable to code cities and to the depositories designated by them. [1984 c 177 § 6; 1973 c 126 § 4; 1967 ex.s. c 119 § 35A.40.030.]

**RCW 35A.40.050 Fiscal—Investment of funds.** Excess and inactive funds on hand in the treasury of any code city may be invested in the same manner and subject to the same limitations as provided for city and town funds in all applicable statutes, including, but not limited to the following: RCW 35.39.030, 35.58.510, 35.81.070, 35.82.070, 36.29.020, 39.58.020, 39.58.080, 39.58.130, 39.60.010, 39.60.020, 41.16.040, 68.52.060, and 68.52.065.

The responsibility for determining the amount of money available in each fund for investment purposes shall be placed upon the department, division, or board responsible for the administration of such fund.

Moneys thus determined available for this purpose may be invested on an individual fund basis or may, unless otherwise restricted by law be commingled within one common investment portfolio for the mutual benefit of all participating funds: PROVIDED, That if such moneys are commingled in a common investment portfolio, all income derived therefrom shall be apportioned among the various participating funds or the general or current expense fund as the governing body of the code city determines by ordinance or resolution.

Any excess or inactive funds on hand in the city treasury not otherwise invested for the specific benefit of any particular fund, may be invested by the city treasurer in United States government bonds, notes, bills or certificates of indebtedness for the benefit of the general or current expense fund. [2015 1st sp.s. c 4 § 28; 2007 c 64 § 1; 1987 c 331 § 77; 1983 c 66 § 2; 1983 c 3 § 64; 1967 ex.s. c 119 § 35A.40.050.]

**Effective date—1987 c 331:** See RCW 68.05.900.

**Severability—1983 c 66:** See note following RCW 39.58.010.

**RCW 35A.40.060 Fiscal—Validation and funding of debts.** The provisions of general law contained in chapters 35.40 and 39.90 RCW, relating to the validation and funding of debts and elections pertaining thereto is hereby recognized as applicable to code cities. [1967 ex.s. c 119 § 35A.40.060.]

**RCW 35A.40.070 Fiscal—Municipal Revenue Bond Act.** All provisions of chapter 35.41 RCW, the Municipal Revenue Bond Act, shall be applicable and/or available to code cities. [1967 ex.s. c 119 § 35A.40.070.]

**RCW 35A.40.080 Bonds—Form, terms, and maturity.** In addition to any other authority granted by law, a code city shall have authority

to ratify and fund indebtedness as provided by chapter 35.40 RCW; to issue revenue bonds, coupons and warrants as authorized by chapter 35.41 RCW; to authorize and issue local improvement bonds and warrants, installment notes and interest certificates as authorized by chapter 35.45 RCW; to fund indebtedness and to issue other bonds as authorized by chapters 39.44, 39.48, 39.52 RCW, RCW 39.56.020, and 39.56.030 in accordance with the procedures and subject to the limitations therein provided. [1967 ex.s. c 119 § 35A.40.080.]

**RCW 35A.40.090 Indebtedness.** The provisions of general law contained in chapter 39.36 RCW relating to municipal indebtedness shall be applicable to code cities. [2001 c 200 § 2; 1973 1st ex.s. c 195 § 29; 1970 ex.s. c 42 § 16; 1967 ex.s. c 119 § 35A.40.090. Cf. 1973 1st ex.s. c 195 § 141.]

**Severability—Effective dates and termination dates—Construction—1973 1st ex.s. c 195:** See notes following RCW 84.52.043.

**Severability—Effective date—1970 ex.s. c 42:** See notes following RCW 39.36.015.

**RCW 35A.40.100 Bankruptcy, readjustment and relief from debts.** A code city may exercise the powers and obtain the benefits relating to bankruptcy, readjustment and relief from debts as authorized by chapter 39.64 RCW in accordance with the procedures therein prescribed. [1967 ex.s. c 119 § 35A.40.100.]

**RCW 35A.40.110 Employee checks, drafts, warrants—City may cash.** Any code city is hereby authorized, at its option and after the adoption of the appropriate ordinance, to accept in exchange for cash a payroll check, draft, or warrant; expense check, draft, or warrant; or personal check from a city employee in accordance with the following conditions:

(1) The check, warrant, or draft must be drawn to the order of cash or bearer and be immediately payable by a drawee financial institution;

(2) The person presenting the check, draft, or warrant to the city must produce identification as outlined by the city in the authorizing ordinance;

(3) The payroll check, draft, or warrant or expense check, draft, or warrant must have been issued by the city; and

(4) Personal checks cashed pursuant to this authorization cannot exceed two hundred dollars.

In the event that any personal check cashed for a city employee by the city under this section is dishonored by the drawee financial institution when presented for payment, the city is authorized, after notice to the drawer or endorser of the dishonor, to withhold from the drawer's or endorser's next payroll check, draft, or warrant the full amount of the dishonored check. [1991 c 185 § 2.]

**RCW 35A.40.200 General law relating to public works and contracts.** Every code city shall have the authority to make public

improvements and to perform public works under authority provided by general law for any class of city and to make contracts in accordance with procedure and subject to the conditions provided therefor, including but not limited to the provisions of: (1) Chapter 39.04 RCW, relating to public works; (2) RCW 35.23.352 relating to competitive bidding for public works, materials and supplies; (3) RCW 9.18.120 and 9.18.150 relating to suppression of competitive bidding; (4) chapter 60.28 RCW relating to liens for materials and labor performed; (5) chapter 39.08 RCW relating to contractor's bonds; (6) chapters 39.12 and 43.03 RCW relating to prevailing wages; (7) chapter 49.12 RCW relating to hours of labor; (8) chapter 51.12 RCW relating to workers' compensation; (9) chapter 49.60 RCW relating to antidiscrimination in employment; (10) chapter 39.24 RCW relating to the use of Washington commodities; and (11) chapter 39.28 RCW relating to emergency public works. [1995 c 164 § 2; 1987 c 185 § 4; 1983 c 3 § 65; 1967 ex.s. c 119 § 35A.40.200.]

**Intent—Severability—1987 c 185:** See notes following RCW 51.12.130.

**RCW 35A.40.210 Public work or improvement—Procedures—Purchases.** Procedures for any public work or improvement for code cities shall be governed by RCW 35.23.352.

Purchases for code cities with twenty thousand population or more shall be governed by RCW 35.22.620. Purchases for code cities with under twenty thousand population shall be governed by RCW 35.23.352. [2009 c 229 § 5; 1989 c 11 § 8; 1979 ex.s. c 89 § 3.]

**Severability—1989 c 11:** See note following RCW 9A.56.220.