

ORDINANCE NO. 42

An Ordinance relating to the Establishment of a "Local Improvement Guaranty Fund" in the Town of Redmond.

BE IT ORDAINED by the Council of the Town of Redmond:-

SECTION I.

There is hereby established in accordance with the law a fund to be known as the "Local Improvement Guaranty Fund" for the purpose of guaranteeing, to the extent of such fund, the payment of local improvement bonds and warrants issued subsequent to the passage of this ordinance.

SECTION II.

Upon the delivery of the assessment roll of any local improvement district to the Town Treasurer for collection the Town of Redmond shall be deemed to have pledged its tax credit in an amount equal to five (5) per cent of the bonds or warrants issued or to be issued to pay for such improvement. This fund shall constitute a reserve wherewith to purchase defaulted interest coupons, bonds and warrants, and they shall be purchased out of said fund in the order of their presentation without preference to any issue.

At the time of making the annual budget and tax levy the Town Treasurer shall provide for the levying of a sum sufficient, with all the other resources of the fund, to pay such local improvement bonds, interest coupons, or warrants as may become delinquent during such next ensuing fiscal year: Provided, that no taxes shall be levied for the fund in excess of the tax credits pledged as provided by law and in this ordinance. The remedy of the holder or owner of a bond, in case of non-payment, shall be confined to the enforcement of the assessment and to the guaranty fund.

If at any time there shall be no unpaid local improvement bonds, interest coupons or warrants outstanding, and if there shall be ~~no other indebtedness~~ of any local improvement district of the Town of Redmond, then the Town Treasurer shall so certify to the Town Council and upon the acceptance of such report by a majority vote of the Town Council at a regular meeting the money in the guaranty fund shall be turned into the general funds of the Town of Redmond to be used as provided by ordinance and by law.

SECTION III.

This ordinance shall be in full force and effect from and after the date of its passage and publication as provided by law.

Passed by the Town Council the 21 day of April 1926, and signed by me in open session this 21 day of April 1926, in authentication of its passage.


MAYOR

Attest:

A. B. Reed

TOWN CLERK