

CHAPTER 172.

[Substitute Senate Bill No. 41.]

BUILDINGS—HIGHER EDUCATION—STATE AGENCIES—
FINANCING.

AN ACT relating to state government and the support thereof; authorizing the issuance and sale of state general obligation bonds to provide for needful buildings for institutions of higher education, the department of institutions, *the department of fisheries*, the department of natural resources and other state agencies; providing ways and means to pay said bonds; making appropriations; and providing for submission of this act to a vote of the people.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. For the purpose of providing needed capital improvements for the institutions of higher education, the department of institutions, *the department of fisheries*, the department of natural resources and other state agencies, the state finance committee is hereby authorized to issue, at any time prior to January 1, 1970, general obligation bonds of the state of Washington in the sum of forty million five hundred seventy-five thousand dollars, or so much thereof as shall be required to finance the capital projects set forth in section 6 of this act, to be paid and discharged within twenty years of the date of issuance.

Public build-
ings, financing.
Bonds—
Authorized—
Amount—As
state obliga-
tions—Terms
and conditions.

The state finance committee is authorized to prescribe the form of such bonds, and the time of sale of all or any portion or portions of such bonds, and the conditions of sale and issuance thereof: *Provided*, That none of the bonds herein authorized shall be sold for less than the par value thereof, nor shall they bear interest at a rate in excess of six percent per annum.

The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise to pay the principal and interest when

due. The committee may provide that the bonds, or any of them, may be called prior to the due date thereof under such terms and conditions as it may determine. The state finance committee may authorize the use of facsimile signatures in the issuance of the bonds.

Public build-
ings, financing.
Disposition of
bond proceeds
—Account
created.

SEC. 2. The proceeds from the sale of the bonds authorized herein, together with all grants, donations, transferred funds and all other moneys which the state finance committee may direct the state treasurer to deposit therein shall be deposited in the state building and higher education construction account hereby created in the state general fund.

Redemption
fund created
—Bonds, re-
tirement of
and payment
of interest on,
procedure.

SEC. 3. The state building and higher education bond redemption fund is hereby created in the state treasury, which fund shall be exclusively devoted to the payment of interest on and retirement of the bonds authorized by this act. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet bond retirement and interest requirements and on July 1st of each year the state treasurer shall deposit such amount in said state building and higher education bond redemption fund from moneys transmitted to the state treasurer by the tax commission and certified by the tax commission to be sales tax collections and such amount certified by the state finance committee to the state treasurer shall be a prior charge against all retail sales tax revenues of the state of Washington, except that portion thereof heretofore pledged for the payment of bond principal and interest.

The owner and holder of each of said bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require and compel the transfer and payment of funds as directed herein.

SEC. 4. The legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized herein and this act shall not be deemed to provide an exclusive method for such payment.

—Not exclusive method.

SEC. 5. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

Bonds as legal investment for state funds.

SEC. 6. The following sums, or so much thereof as may be necessary, are appropriated from the state building and higher education construction account: *Provided*, That the legislature may reappropriate the unexpended balance from any project for other projects within the scope of section 1 of this act.

Projects, appropriations for.

For the Reformatory	
Renovation of utilities.....	\$ 342,000
Construct chapel	\$ 137,500
For the Women's Correction Center	
Construct and equip, or remodel and equip.....	\$2,166,333
For the Maple Lane School	
Construct and equip two residential units, demolish Spruce and Hawthorne cottages.....	\$ 350,000
For the Group Homes	
Construct and equip three group homes.....	\$ 276,600
For the Fifth Youth Forestry Camp	
Construct and equip.....	\$ 668,631
For the Western Hospital	
Renovate utilities	\$ 228,000
For the Rainier School	
Construct and equip laundry addition.....	\$ 273,013
For the Yakima Valley School	
Construct and equip three wings for two-hundred seventy additional beds; remodel and equip kitchen	\$1,978,033
For the Fircrest School	
Construct and equip activities building.....	\$ 483,500
For the University of Washington	
Construct and equip college of architecture building	\$1,960,000
Construct and equip physics-atmospheric science building	\$2,275,000
Construct and equip art wing.....	\$ 750,000
Renovate forestry building and construct pulp and paper teaching facility.....	\$2,290,000

Public build-
ings, financing.
Projects,
appropriations
for.

Construct and equip general classroom building..	\$2,600,000
Construct graduate center facility.....	\$ 500,000
For Washington State University	
Construct Research and Laboratory building— Puyallup	\$1,334,782
For Eastern Washington State College	
New heating plant and extension of utilities....	\$1,500,000
Construct and equip music building.....	\$1,375,000
Construct and equip general classroom building..	\$ 890,000
For Central Washington State College	
Construct and equip fine and applied arts— language and literature facility.....	\$4,119,638
Land acquisition	\$ 300,000
For Western Washington State College	
Construct and equip classroom—faculty offices addition	\$1,704,000
Construct and equip addition to the library.....	\$1,167,000
For the Washington State Historical Society	
Construct new wing to museum building: <i>Pro- vided</i> , That the sum appropriated herein or so much thereof as is necessary shall not be ex- pended unless such sum is matched in an equal amount from private contribution and other sources collected on or before January 1, 1969	\$ 339,000
<i>For the Department of Commerce & Economic Development</i>	
Construct tourist information centers at Oroville, Port Angeles, and Clarkston.....	\$ 86,226
<i>For the Department of Fisheries</i>	
Construct Sol Duc production development station	\$ 190,000
Fidalgo Bay fish farm, marine park and small boat basin	\$ 100,000
For the Department of Natural Resources	
Clearwater Honor Camp.....	\$ 500,000
For the University of Washington	
Construct and equip health sciences expansion...	\$9,600,000
For the Finance Committee.....	\$ 40,744

Definitions.

SEC. 7. The words "capital improvement" or "capital project" used herein shall mean acquisition of sites, easements, rights of way or improvements thereon or appurtenances thereto, construction and initial equipment, reconstruction, demolition or major alteration of new or presently owned capital assets.

Referendum
to people.

SEC. 8. This act shall be submitted to the people for their adoption and ratification, or rejection, at

the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1966, in accordance with the provisions of section 3, Article VIII of the state Constitution; and in accordance with the provisions of section 1, Article II of the state Constitution as amended, and the laws adopted to facilitate the operation thereof.

Passed the Senate May 6, 1965.

Passed the House May 5, 1965.

Approved by the Governor May 15, 1965, with the exception of certain items in section 1 and section 6, and an item in the title of the bill, which were vetoed.

NOTE: Governor's explanation of partial veto is as follows:

Veto message.

"The bill as approved is to be submitted to the people for their adoption and ratification or rejection at the next general election in accordance with section 8 of the bill. Certain items of the bill which I have not approved are to be submitted to the Senate at the next session of the Legislature.

"This bill provides needed capital improvements for the institutions of higher education, the department of institutions, certain reform facilities operated by the department of institutions in conjunction with the department of natural resources, the museum operated for the benefit of the state and the education of its people by the Washington State Historical Society, and in addition certain facilities for the department of fisheries and the department of commerce and economic development.

"Substitute Senate Bill No. 41 must be submitted to a vote of the people because of the provision of Article VIII, section 3 of the state Constitution. That section also provides that the indebtedness for which voter approval is sought 'shall be authorized by law for some single work or object'.

"After consultation with my own legal counsel, with the Office of the Attorney General and with attorneys who specialize in matters of law pertaining to bonds issued by governmental bodies, I have concluded that in its present form there is substantial doubt that Substitute Senate Bill No. 41 complies with the provisions of the state Constitution. There is no decision of the State Supreme Court which approves a bond issue as broad as that contained in Substitute Senate Bill No. 41. *State ex rel. Troy v. Martin*, 38 Wn. (2d) 501, held that a \$20 million dollar bond issue to provide needful charitable, educational and penal institutions constituted a single 'object' within the meaning of Article VIII, section 3, of the Constitution.

"Without the necessity of a test case, experienced bond attorneys approved a bond issue authorized by the 1957 Legislature for 'buildings at state operated institutions and state institutions of higher education'. Substantially all of the \$40,575,000 in bonds authorized by this bill are intended to be used for our charitable, educational and penal institutions and other institutions operated by the Department of Institutions, which I believe clearly constitutes a single object within the meaning of the Constitution. However, lesser amounts have been included in this bill to provide buildings for the Department of Commerce and Economic

Veto message. Development and facilities for the Department of Fisheries. Moreover, some of the facilities of the Department of Fisheries are not in the form of 'buildings' as specified in the title of Substitute Senate Bill No. 41.

"In order to avoid litigation over the constitutionality of this bill, which would delay the issuance of the bonds, and to avoid the risk that such litigation might result in the loss of the entire bond issue, I have vetoed the items in section 6 which would have provided funds for the construction of facilities for the Department of Commerce and Economic Development and the Department of Fisheries, and I have vetoed those portions of the title and of section 1 of the bill which refer to the Department of Fisheries. The total amount of the items vetoed is \$376,226. Since these bonds will not be issued until the 1967 Legislature is in session, these projects can be considered at that time and funds appropriated as the legislature may deem necessary.

"With the exception of the items which I have vetoed as set forth above, the remainder of the bill is approved."

DANIEL J. EVANS,
Governor.

CHAPTER 173.

[Substitute House Bill No. 608.]

REVENUE AND TAXATION.

AN ACT relating to revenue and taxation; amending section 82.04.050, chapter 15, Laws of 1961 as last amended by section 1, chapter 7, Laws of 1963, and RCW 82.04.050; amending section 82.04.100, chapter 15, Laws of 1961, and RCW 82.04.100; amending section 82.04.120, chapter 15, Laws of 1961, and RCW 82.04.120; amending section 82.04.190, chapter 15, Laws of 1961, and RCW 82.04.190; amending section 82.04.240, chapter 15, Laws of 1961, and RCW 82.04.240; amending section 82.04.260, chapter 15, Laws of 1961, and RCW 82.04.260; amending section 82.04.330, chapter 15, Laws of 1961, and RCW 82.04.330; amending section 82.04.400, chapter 15, Laws of 1961 as amended by section 1, chapter 136, Laws of 1963, and RCW 82.04.400; amending section 82.04.425, chapter 15, Laws of 1961, and RCW 82.04.425; amending section 82.04.430, chapter 15, Laws of 1961 as amended by section 5, chapter 293, Laws of 1961, and RCW 82.04.430; amending section 82.04.440, chapter 15, Laws of 1961, and RCW 82.04.440; amending section 82.08.020, chapter 15, Laws of 1961 as amended by section 6, chapter 293, Laws of 1961, and RCW 82.08.020; amending section 82.08.030, chapter 15, Laws of 1961 as last amended by section 3, chapter 28, Laws of 1963 extraordinary session, and RCW 82.08.030; amending section 82.08.050, chapter 15, Laws of 1961, and RCW 82.08.050; amending section 82.08.150, chapter 15, Laws of 1961, as last amended by section 1, chapter 42, Laws of 1965, and RCW 82.08.150; amending section 82.12.010, chapter 15, Laws of 1961 as