

CHAPTER 112

[Substitute Senate Bill No. 3355]

COMMUNITY COLLEGE LIMITED OBLIGATION BONDS—
STATE REFUNDING GENERAL OBLIGATION BONDS

AN ACT Relating to community colleges; amending section 20, chapter 15, Laws of 1970 ex. sess. as amended by section 20, chapter 279, Laws of 1971 ex. sess. and RCW 28B.50.360; adding new sections to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW; and declaring an emergency.

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

NEW SECTION. Section 1. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

The state of Washington is hereby authorized to issue state general obligation bonds for the purpose of refunding any outstanding general tuition fee, limited obligation bonds of the college board issued pursuant to this chapter in an amount not exceeding 1.05 times the amount which, taking into account amounts to be earned from the investment of the proceeds of the issue, is required to pay the principal thereof, interest thereon, any premium payable with respect thereto, and the costs incurred in accomplishing such refunding: PROVIDED, That any proceeds of the refunding bonds in excess of those required to accomplish such refunding, or any obligations acquired with such excess proceeds, shall be applied exclusively for the payment of principal, interest, or call premiums with respect to such refunding obligations. In no event shall the amount of such refunding bonds authorized in this section exceed seventy-five million dollars.

NEW SECTION. Sec. 2. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

Subject to the specific provisions of sections 1 through 6 of this amendatory act, such general obligation refunding bonds shall be issued and the refunding of said community college tuition fee bonds shall be carried out pursuant to chapters 39.42 and 39.53 RCW as now or hereafter amended. The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise of the state to pay the principal thereof and interest thereon when due.

NEW SECTION. Sec. 3. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

There is hereby created in the state treasury the community college refunding bond retirement fund of 1974, which fund shall be exclusively devoted to the payment of the principal of and interest on the refunding bonds authorized by sections 1 through 6 of this amendatory 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 pay the principal of and interest on such bonds. On July 1st of each year the state treasurer shall deposit such amount in the community college refunding bond retirement fund of 1974 from any general state revenues received in the state treasury.

Sec. 4. Section 20, chapter 15, Laws of 1970 ex. sess. as amended by section 20, chapter 279, Laws of 1971 ex. sess. and RCW 28B.50.360 are each amended to read as follows:

There is hereby created in the state treasury a community college bond retirement fund. Within thirty-five days from the date of start of each quarter all general tuition fees of each such community college shall be paid into the state treasury, and shall be credited as follows:

(1) On or before June 30th of each year the college board if issuing bonds payable out of general tuition fees shall certify to the state treasurer the amounts required in the ensuing twelve-month period to pay and secure the payment of the principal of and interest on such bonds. The state treasurer shall thereupon deposit the amounts so certified in the community college bond retirement fund which fund as required, is hereby created in the state treasury. ((The amounts deposited in the bond retirement fund shall be used exclusively)) Such amounts of the funds deposited in the bond retirement fund as are necessary to pay and secure the payment of the principal of and interest on the tuition fee bonds issued by the college board as authorized by this chapter shall be exclusively devoted to that purpose. If in any twelve-month period it shall appear that the amount certified by the college board is insufficient to pay and secure the payment of the principal of and interest on the outstanding general tuition fee bonds, the state treasurer shall notify the college board and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal and interest on all such bonds then outstanding shall be fully met at all times.

(2) That portion of the general tuition fees not required for or in excess of the amounts ((certified to the state treasurer as being required)) necessary to pay and secure the payment of any of the bonds as provided in subsection (1) above shall be deposited in

the community college capital projects account which account is hereby created in the general fund of the state treasury. The sums deposited in the capital projects account shall be appropriated and expended exclusively for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community college education in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto, and for the payment of principal of and interest on any bonds issued for such purposes.

(3) Notwithstanding the provisions of subsections (1) and (2) above, at such time as all outstanding tuition fee bonds of the college board payable from the community college bond retirement fund have been paid, redeemed, and retired, or at such time as ample provision has been made by the state for full payment, from some source other than the community college bond retirement fund, of the principal of and the interest on and call premium, if applicable, of such bonds as they mature and/or upon their call prior to their maturity, through refunding or otherwise, that portion of all general tuition fees of the community colleges equal to the amount required to pay yearly debt service on any general obligation bonds issued by the state in accordance with Article VIII, section 1, Washington state Constitution, for community college purposes, shall be paid into the general fund of the state treasury. The state finance committee shall determine whether ample provision has been made for payment of such bonds payable from the said bond retirement fund and shall determine the amount required to pay yearly debt service on such general obligation bonds of the state. Nothing in this subsection shall be construed as obligating the legislature or the state to provide for payment of such community college tuition fee bonds from some source other than the community college bond retirement fund or as pledging the general credit of the state to the payment of such bonds.

NEW SECTION. Sec. 5. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

The legislature may provide additional means for raising moneys for the payment of the interest and principal of the bonds authorized in sections 1 through 6 of this amendatory act and sections 1 through 6 of this amendatory act shall not be deemed to provide an exclusive method for such payment.

NEW SECTION. Sec. 6. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

The bonds authorized in sections 1 through 6 of this amendatory act shall be a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

NEW SECTION. Sec. 7. There is added to chapter 223, Laws of 1969 ex. sess. and to chapter 28B.50 RCW a new section to read as follows:

All bonds issued after the effective date of this amendatory act by the college board or any community college board of trustees for any community college district under provisions of chapter 28B.50 RCW, as now or hereafter amended, shall be issued by such boards only upon the prior advice and consent of the state finance committee.

NEW SECTION. Sec. 8. This amendatory act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 9. If any provision of this amendatory act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

Passed the Senate February 5, 1974.
Passed the House February 11, 1974.
Approved by the Governor February 16, 1974.
Filed in Office of Secretary of State February 16, 1974.

CHAPTER 113

[Senate Bill No. 3362]

CAPITOL FACILITIES LIMITED OBLIGATION BONDS—
STATE REFUNDING GENERAL OBLIGATION BONDS

AN ACT Relating to state government; providing for the refunding of certain state capitol committee bonds by issuance of refunding bonds; creating new sections; adding new sections to Title 43 RCW as a new chapter thereto; and declaring an emergency.

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

NEW SECTION. Section 1. The state finance committee is authorized to issue general obligation bonds of the state in the amount of twenty-one million dollars, or so much thereof as may be required to refund, at or prior to maturity, the outstanding "State of Washington Capitol Facilities Revenue Bonds, 1969", dated October 1, 1969, and the outstanding "State of Washington East Capitol Site Bonds, 1969", dated October 1, 1969, and to pay any premium payable with respect thereto and all interest thereon, and to pay all costs incidental thereto and to the issuance of the bonds authorized by this chapter. The bonds authorized by this chapter shall be paid and