

## CHAPTER 26.

[ S. B. 9. ]

## PUBLIC SCHOOL PLANT FACILITIES—FINANCING.

AN ACT relating to education; providing funds for the construction of public school plant facilities; authorizing the issuance and sale of limited obligation bonds of the state and providing ways and means to pay said bonds; continuing the imposition of taxes; prescribing the powers and duties of certain officers; providing for a vote of the people under certain circumstances; and declaring an emergency.

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

SECTION 1. For the purpose of furnishing funds for state assistance in providing public school plant facilities, there shall be issued and sold, at any time prior to April 1, 1967, limited obligation bonds of the state of Washington in the sum of fifty-nine million dollars to be paid and discharged not more than twenty years after the date of issuance. The issuance, sale and retirement of said bonds shall be under the general supervision and control of the state finance committee.

School plant facilities financing. Bonds authorized—Form, sale, maturity, etc.

The state finance committee is authorized to prescribe the forms of such bonds; the provisions of sale of all or any portion or portions of such bonds; the terms, provisions, and covenants of said bonds, and the sale, issuance, and redemption thereof. None of the bonds herein authorized shall be sold for less than the par value thereof. Such bonds shall state distinctly that they shall not be a general obligation of the state of Washington, but shall be payable in the manner prescribed in this act from the proceeds of motor vehicle excise taxes as imposed by chapter 82.44 RCW. As part of the contract of sale of the aforesaid bonds, the state agrees to continue to levy the motor vehicle excise taxes referred to herein and to fix and maintain said taxes in such amounts as will provide sufficient proceeds thereof available to

pay said bonds and interest thereon until all such obligations have been paid in full.

The committee may provide that the bonds, or any of them, may be called prior to the maturity date thereof under such terms, conditions, and provisions as it may determine and may authorize the use of facsimile signatures in the issuance of such bonds and upon any coupons attached thereto. Such bonds shall be payable at such places as the state finance committee may provide.

School plant facilities financing. Bond sale proceeds, disposition and use.

SEC. 2. The proceeds from the sale of the bonds authorized herein shall be deposited in the public school building construction account of the general fund and shall be used exclusively for the purposes of carrying out the provisions of this act, and for payment of the expense incurred in the printing, issuance and sale of such bonds.

Bond redemption fund. Created—Tax moneys deposited in—Use.

SEC. 3. The public school building bond redemption fund of 1963 is hereby created in the state treasury which fund shall be exclusively devoted to the retirement of the bonds and interest authorized by this act. The state finance committee shall, on or before June thirtieth of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet interest payments on and retirement of bonds authorized by this act. The state treasurer shall thereupon deposit such amount in the public school building bond redemption fund of 1963 from that portion of the motor vehicle excise tax allocable to the state school equalization fund under chapter 82.44 RCW. The amount so deposited in the aforesaid fund shall be devoted exclusively to payment of interest on and to retirement of the bonds authorized by this act. Such amount certified by the state finance committee to the state treasurer shall be a first and prior charge, subject only to amounts previously pledged for the payment

of interest on and the retirement of bonds heretofore issued, against all motor vehicle excise tax revenues of the state allocable to the state school equalization fund, which amounts so allocable shall never be less than seventy percent of said excise tax revenues. Said bond redemption fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or interest thereon remains unpaid, be available solely for the payment thereof.

SEC. 4. The legislature may provide additional means for raising funds for the payment of the interest and principal of the bonds authorized by this act and this act shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section is permissive and shall not be construed to constitute a pledge of the general credit of the state of Washington.

Bond redemption method not exclusive—State's credit not pledged.

SEC. 5. The bonds herein authorized shall be fully negotiable instruments and shall be legal investment for all state funds or for funds under state control and all funds of municipal corporations, and shall be legal security for all state, county and municipal deposits.

Bonds as negotiable instruments, legal investments.

SEC. 6. For the purpose of carrying out the provisions of this act funds appropriated to the state board of education from the public school building construction account of the general fund shall be allotted by the state board of education in accordance with the provisions of sections 7 through 15, chapter 3, Laws of 1961, extraordinary session: *Provided*, That no allotment shall be made to a school district for the purpose aforesaid until such district has provided funds for school building construction purposes through the issuance of bonds or through the authorization of excess tax levies or both in an amount equivalent to ten percent of its taxable valuation

Appropriated funds, allotting of.

Proviso.

plus such further amount as may be required by the state board of education. The state board of education shall prescribe and make effective such rules and regulations as are necessary to equate insofar as possible the efforts made by school districts to provide capital funds by the means aforesaid.

School plant facilities financing. Bond issuance affected by federal funds.

SEC. 7. The total amount of bonds authorized for issue under the provisions of this act shall be reduced by the amount of federal funds made available during each biennium for school construction purposes under any applicable federal law. In the event the entire bond issue authorized shall have been sold by the state finance committee, the proceeds in the public school building construction account available for allotment by the state board of education shall be reduced by the amount of such federal funds made available. Notwithstanding the foregoing provisions of this section, the total amount of bonds authorized for issue under this act and/or the total proceeds from the sale thereof shall not be reduced by reason of any grants to any school district of federal moneys paid under Public Law 815 or any other federal act authorizing school building construction assistance to federally affected areas.

Alternative method if prior authorization invalidated.

SEC. 8. In order to provide an alternative method for furnishing funds for state assistance in providing public school plant facilities, in the event the issuance of bonds by the state finance committee pursuant to the authority given it by sections 1 through 7 of this act is held by the supreme court of the state of Washington to be invalid for the sole reason that the proposition to issue such bonds must have been referred to the people under the provisions of section 3 of Article VIII of the state Constitution or in the event none of the bonds heretofore authorized for issue by sections 1 through 7 of this act are sold by the state finance committee on or before July 1, 1964, then a proposition as to whether or not fifty-nine

million dollars in bonds shall be issued and sold under the terms and conditions as set forth in sections 1 through 7 of this act shall be submitted to the people for their adoption and ratification, or rejection, at the next general election.

SEC. 9. If any section, paragraph, sentence, clause, phrase or word of this act should be held to be invalid or unconstitutional, such act shall not affect nor impair the validity or constitutionality of any other section, paragraph, sentence, clause, phrase or word of this act. It is hereby declared that had any section, paragraph, sentence, clause, phrase or word as to which this act is declared invalid been eliminated from the act at the time the same was considered, the act would have nevertheless been enacted with such portions eliminated. Severability.

SEC. 10. This act is necessary for the immediate preservation of the public peace, health and safety, and for the support of state government and its existing public institutions, and shall take effect immediately. Emergency.

Passed the Senate March 27, 1963.

Passed the House April 5, 1963.

Approved by the Governor April 18, 1963.