

CHAPTER 25

[Engrossed Senate Bill No. 189]

HIGHER EDUCATION REVENUE BONDS--SIGNATURES

AN ACT Relating to revenue bonds of institutions of higher education; amending section 28B.10.310, chapter 223, Laws of 1969 ex. sess. as last amended by section 22, chapter 56, Laws of 1970 ex. sess. and RCW 28B.10.310; and amending section 28B.30.730, chapter 223, Laws of 1969 ex. sess. as last amended by section 28, chapter 56, Laws of 1970 ex. sess. and RCW 28B.30.730; and declaring an emergency.

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

Section 1. Section 28B.10.310, chapter 223, Laws of 1969 ex. sess. as last amended by section 22, chapter 56, Laws of 1970 ex. sess. and RCW 28B.10.310 are each amended to read as follows:

Each issue or series of such bonds: Shall be sold at such price and at such rate or rates of interest; may be serial or term bonds; may mature at such time or times in not to exceed forty years from date of issue; may be sold at public or private sale; may be payable both principal and interest at such place or places; may be subject to redemption prior to any fixed maturities; may be in such denominations; may be payable to bearer or to the purchaser or purchasers thereof or may be registrable as to principal or principal and interest at the option of the holder; may be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon, which may include the creation and maintenance of a reserve fund or account to secure the payment of such principal and interest and a provision that additional bonds payable out of the same source or sources may later be issued on a parity therewith, and such other terms, conditions, covenants and protective provisions safeguarding such payment, all as determined and found necessary and desirable by said boards of regents or trustees. If found reasonably necessary and advisable, such boards of regents or trustees may select a trustee for the owners and holders of each such issue or series of bonds and/or for the safeguarding and disbursements of the proceeds of their sale for the uses and purposes for which they were issued and, if such trustee or trustees are so selected, shall fix its or their rights, duties, powers, and obligations. The bonds of each such issue or series: Shall be executed on behalf of such universities or colleges by the president of the board of regents or the chairman of the board of trustees, and shall be attested by the secretary or the treasurer of such board, one of which signatures may be a facsimile signature; and shall have the seal of such university or college impressed, printed, or lithographed thereon, and the interest coupons

attached thereto shall be executed with the facsimile signatures of said officials. The bonds of each such issue or series and each of the coupons attached thereto shall be negotiable instruments within the provisions and intent of the negotiable instruments law of this state even though they shall be payable solely from any special fund or funds.

Sec. 2. Section 28B.30.730, chapter 223, Laws of 1969 ex. sess. as last amended by section 28, chapter 56, Laws of 1970 ex. sess. and RCW 28B.30.730 are each amended to read as follows:

For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

- (1) Shall not constitute
 - (a) An obligation, either general or special, of the state; or
 - (b) A general obligation of Washington State University or of the board;
- (2) Shall be
 - (a) Either registered or in coupon form; and
 - (b) Issued in denominations of not less than one hundred dollars; and
 - (c) Fully negotiable instruments under the laws of this state; and
 - (d) Signed on behalf of the university by the president of the board, attested by the secretary or the treasurer of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;
- (3) Shall state
 - (a) The date of issue; and
 - (b) The series of the issue and be consecutively numbered within the series; and
 - (c) That the bond is payable both principal and interest solely out of the bond retirement fund;
- (4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine;
- (5) Shall be payable both principal and interest out of the bond retirement fund;
- (6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;
- (7) Shall be sold in such manner and at such price as the

board may prescribe;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.30.700 through 28B.30.780, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the Washington State University building account to the bond retirement fund when ordered by the board of regents in the event there is ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the Washington State University building account and shall be used solely for paying the costs of the projects.

NEW SECTION. Sec. 3. This 1972 act is necessary for the immediate support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate January 28, 1972.

Passed the House February 10, 1972.

Approved by the Governor February 19, 1972.

Filed in Office of Secretary of State February 19, 1972.