

184, Laws of 1923, section 7, chapter 58, Laws of 1951, section 13, chapter 142, Laws of 1955, section 4, chapter 151, Laws of 1959 and RCW 76.04.320.

Passed the House March 20, 1973.  
Passed the Senate April 3, 1973.  
Approved by the Governor April 10, 1973.  
Filed in Office of Secretary of State April 10, 1973.

CHAPTER 25  
[Engrossed Senate Bill No. 2293]  
REFUNDING BONDS--OBLIGATION--  
REDEMPTION

AN ACT Relating to financing by and bonds, obligations, refunding bonds, and refunding obligations of the state, its agencies, institutions, political subdivisions, and municipal and quasi municipal corporations; amending section 2, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.010; amending section 4, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.030; amending section 5, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.040; amending section 7, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.060; amending section 8, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.070; amending section 11, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.100; and declaring an emergency.

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

Section 1. Section 2, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.010 are each amended to read as follows:

Except where the context otherwise requires, the terms defined in this section shall for all purposes have the meanings herein specified:

(1) "Governing body" means the council, commission, board of commissioners, board of directors, board of trustees, board of regents, or other legislative body of the public body designated herein in which body the legislative powers of the public body are vested: PROVIDED, That with respect to the state it shall mean the state finance committee.

(2) "Public body" means the state of Washington, its agencies, institutions, political subdivisions, and municipal and quasi municipal corporations now or hereafter existing under the laws of the state of Washington.

(3) "Bond" means any revenue bond or general obligation bond.

(4) "Revenue bond" means any bond, note, warrant, certificate

of indebtedness, or other obligation for the payment of money issued by a public body or any predecessor of any public body and which is payable from designated revenues or a special fund but excluding any obligation constituting an indebtedness within the meaning of the constitutional debt limitation and any obligation payable solely from special assessments or special assessments and a guaranty fund.

(5) "General obligation bond" means any bond, note, warrant, certificate of indebtedness, or other obligation of a public body which constitutes an indebtedness within the meaning of the constitutional debt limitation.

(6) "Advance refunding bonds" means bonds issued for the purpose of refunding bonds first subject to redemption or maturing one year or more from the date of the advance refunding bonds.

(7) "Issuer" means the public body issuing any bond or bonds.

(8) "Ordinance" means an ordinance of a city or town or resolution or other instrument by which the governing body of the public body exercising any power hereunder takes formal action and adopts legislative provisions and matters of some permanency.

(9) "Government obligations" means any of the following: (a) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and bank certificates of deposit secured by such obligations; (b) bonds, debentures, notes, participation certificates, or other obligations issued by the banks for cooperatives, the federal intermediate credit bank, the federal home loan bank system, the export-import bank of the United States, federal land banks, or the federal national mortgage association; (c) public housing bonds and project notes fully secured by contracts with the United States; and (d) obligations of financial institutions insured by the federal deposit insurance corporation or the federal savings and loan insurance corporation, to the extent insured or to the extent guaranteed as permitted under any other provision of state law.

[10] Words used herein importing singular or plural number may be construed so that one number includes both.

Sec. 2. Section 4, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.030 are each amended to read as follows:

Any bonds issued for refunding purposes may be delivered in exchange for the outstanding bonds being refunded or may be sold in ((the manner provided by law for the sale by the public body of bonds of the type being refunded)) such manner and at such price as the governing body may in its discretion determine advisable.

Sec. 3. Section 5, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.040 are each amended to read as follows:

Bonds may be refunded hereunder or under any other law of this state which authorizes the issuance of refunding bonds when the

holders thereof voluntarily surrender them for exchange or payment, or, if they mature or are subject to redemption prior to maturity within fifteen years from the date of the refunding bonds. In any advance refunding plan under this chapter the governing body shall provide irrevocably in the ordinance authorizing the issuance of the advance refunding bonds for the redemption of the bonds to be refunded (~~within~~) not later than six months from the date they are first subject to redemption at par or fifteen years from the date of issuance of the refunding bonds, whichever is sooner.

The ordinance authorizing the issuance of advance refunding bonds pursuant to this chapter shall contain a provision that such bonds shall be subject to redemption not later than five years from date of such bonds or six months after the first date on which the bonds to be refunded may be redeemed, whichever is later. If more than one issue or series of bonds are being refunded by a single issue or series of advance refunding bonds, such advance refunding bonds must be subject to redemption not later than five years from date of issue or six months after the first date on which the series or issue of bonds being refunded having the latest first redemption date may be redeemed. The governing body may fix any redemption premium or premiums as it may in its discretion determine advisable.

Sec. 4. Section 7, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.060 are each amended to read as follows:

Prior to the application of the proceeds derived from the sale of advance refunding bonds to the purposes for which such bonds shall have been issued, such proceeds, together with any other funds the governing body may set aside for the payment of the bonds to be refunded, may be invested and reinvested only in (direct) government obligations ((of the United States of America)) maturing or having guaranteed redemption prices at the option of the holder at such time or times as may be required to provide funds sufficient to pay principal, interest and redemption premiums, if any, in accordance with the advance refunding plan. To the extent incidental expenses have been capitalized, such bond proceeds may be used to defray such expenses.

Sec. 5. Section 8, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.070 are each amended to read as follows:

The governing body may contract with respect to the safekeeping and application of the advance refunding bond proceeds and other funds included therewith and the income therefrom including the right to appoint a trustee which may be any trust company or state or national bank having powers of a trust company within or without the state of Washington. The governing body may provide in the refunding plan that until such moneys are required to redeem or retire the general obligation or revenue bonds to be refunded, the

refunding bond proceeds and other funds, and the income therefrom shall be used to pay and secure the payment of the principal of and interest on the advance refunding bonds. The governing body may additionally pledge for the payment of such revenue refunding bonds any revenues which might legally be pledged for the payment of revenue bonds of the issuer of the type being refunded. Provisions must be made by the governing body for moneys sufficient in amount to accomplish the refunding as scheduled.

Sec. 6. Section 11, chapter 138, Laws of 1965 ex. sess. and RCW 39.53.100 are each amended to read as follows:

((When funds and investments and the known earned income therefrom in amounts sufficient to pay the principal of and interest and any premium on general obligation bonds to be refunded as they become due at their respective maturities or at the date fixed for redemption have been irrevocably pledged to the general obligation bonds to be refunded; such bonds shall not constitute an indebtedness of the public body within the meaning of any constitutional or statutory debt limitation)) In computing indebtedness for the purpose of any constitutional or statutory debt limitation there shall be deducted from the amount of outstanding indebtedness the amounts of money and investments credited to or on deposit for general obligation bond retirement.

NEW SECTION. Sec. 7. The state may issue general obligation bonds to refund any special revenue obligations of the state at or prior to the date they mature or are subject to redemption.

NEW SECTION. Sec. 8. This 1973 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.

Passed the Senate April 3, 1973.

Passed the House March 28, 1973.

Approved by the Governor April 10, 1973.

Filed in Office of Secretary of State April 11, 1973.

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CHAPTER 26

[ House Bill No. 204 ]

MEDICAL PRACTITIONERS--FINANCIAL  
INTERESTS--DISCLOSURE

AN ACT Relating to business regulations; and amending section 1, chapter 58, Laws of 1965 ex. sess. and RCW 19.68.010.

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

Section 1. Section 1, chapter 58, Laws of 1965 ex. sess. and