construction of a school building to provide for improved school district organization or racial balance, or (f) conditions similar to those defined under (a), (b), (c), (d) and (e) hereinafore, creating a like emergency.

*Sec. 2 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 3. 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 House June 1, 1979.
Passed the Senate June 1, 1979.
Approved by the Governor June 21, 1979, with the exception of Section 2 which is vetoed.

FILED IN OFFICE OF SECRETARY OF STATE JUNE 21, 1979.

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

*I am returning herewith without may approval as to one section of House Bill No. 191 entitled:

"AN ACT Relating to school district bonds;"

Section 2 of this bill would reduce the state's matching ratio for school district capital construction. Buildings are an integral part of an educational program and to reduce the state matching ratio for capital at the same time the state has increased its commitment to 100 percent of basic education operating costs would be inconsistent. In addition, decreasing the state's matching ratio for capital construction would increase property tax levies at a time when the Legislature has approved, and I have signed, several measures designed to decrease property taxes.

A major thrust of my administration has been to place the common schools on a sound financial basis and reduce property taxes as a primary source of support. To reduce the state's funding for school construction would be in conflict with my basic commitment to both goals. While I do not endorse buildings that are unnecessary, I believe the voters of the individual school districts are best able to judge the necessity for construction of school buildings when they cast their special levy votes.

With the exception of Section 2, which I have vetoed, the remainder of House Bill No. 191 is approved.*

CHAPTER 258
[Substitute House Bill No. 574]
WATER SUPPLY FACILITIES—CONSTRUCTION—BOND ISSUE—APPROPRIATION

AN ACT Relating to state and local government and the support thereof; authorizing the issuance and sale of state general obligation bonds to provide for needed water supply facilities throughout the state; providing ways and means to pay the bonds; adding a new chapter to Title 43 RCW; and making an appropriation.

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

NEW SECTION. Section 1. The development goals for the state of Washington must include the provision of those supportive public services necessary for the development and expansion of industry, commerce, and
employment, including the furnishing of an adequate supply of water for domestic and industrial purposes.

**NEW SECTION.** Sec. 2. For the purpose of providing funds for the planning, acquisition, construction, and improvement of water supply facilities within the state, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of ten million dollars or so much thereof as may be required to finance the improvements defined in this chapter and all costs incidental thereto. These bonds shall be paid and discharged within thirty years of the date of issuance. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation of the proceeds of such bonds to be sold.

**NEW SECTION.** Sec. 3. The proceeds from the sale of bonds authorized by this chapter, and any interest earned on the interim investment of the proceeds, shall be deposited in the state and local improvements revolving account—water supply facilities in the general fund and shall be used exclusively for the purpose specified in this chapter and for payment of the expenses incurred in the issuance and sale of the bonds.

**NEW SECTION.** Sec. 4. The proceeds from the sale of the bonds deposited in the state and local improvements revolving account—water supply facilities of the general fund under the terms of this chapter shall be administered by the state department of social and health services subject to legislative appropriation. The department may use or permit the use of any funds derived from the sale of bonds authorized under this chapter to accomplish the purpose for which the bonds are issued by direct expenditures and by grants or loans to public bodies, including grants to public bodies as matching funds in any case where federal, local, or other funds are made available on a matching basis for improvements within the purposes of this chapter.

**NEW SECTION.** Sec. 5. As used in this chapter, the term "water supply facilities" means municipal and industrial water supply and distribution systems including, but not limited to, all equipment, utilities, structures, real property, and interests in and improvements on real property, necessary for or incidental to the acquisition, construction, installation, or use of any municipal and industrial water supply or distribution system.

As used in this chapter, the term "public body" means the state of Washington, or any agency, political subdivision, taxing district, or municipal corporation thereof, an agency of the federal government, and those Indian tribes now or hereafter recognized as such by the federal government for participation in the federal land and water conservation program and which may constitutionally receive grants or loans from the state of Washington.

**NEW SECTION.** Sec. 6. The state finance committee shall prescribe the form, terms, conditions, and covenants of the bonds, the time or times of
sale of all or any portion of them, and the conditions and manner of their
sale and issuance. None of the bonds authorized by this chapter shall be
sold for less than their par value.

NEW SECTION. Sec. 7. When the state finance committee has decid-
ed to issue such bonds or a portion thereof, it may, pending the issuing of
the bonds, issue, in the name of the state, temporary notes in anticipation of
the money to be derived from the sale of such bonds, which notes shall be
designated as "anticipation notes." Such portion of the proceeds of the sale
of the bonds as may be required for such purpose shall be applied to the
payment of the principal of and interest on the anticipation notes which
have been issued. The bonds and notes shall pledge the full faith and credit
of the state of Washington and shall contain an unconditional promise to
pay the principal and interest when due. The state finance committee may
authorize the use of a printed facsimile of the seal of the state of
Washington in the issuance of the bonds and notes.

NEW SECTION. Sec. 8. The 1979 water supply facilities bond re-
demption fund is created in the state treasury. This fund shall be used for
the payment of interest on and retirement of the bonds authorized by this
chapter. 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 the bond retirement and interest requirements. Not less
than thirty days prior to the date on which any interest or principal and in-
terest payment is due, the state treasurer shall withdraw from any general
state revenues received in the state treasury and deposit in the 1979 water
supply facilities bond redemption fund an amount equal to the amount cer-
tified by the state finance committee to be due on the payment date.

If a state general obligation bond retirement fund is created in the state
treasury by chapter ... (SB 2361 or HB 569), Laws of 1979 1st ex. sess.,
and becomes effective by statute prior to the issuance of any of the bonds
authorized by this chapter, the state general obligation bond retirement
fund shall be used for purposes of this chapter in lieu of the 1979 water
supply facilities bond redemption fund, and the water supply facilities bond
redemption fund shall cease to exist.

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

NEW SECTION. Sec. 9. The legislature may provide additional means
for raising moneys for the payment of the principal and interest of the
bonds authorized in this chapter, and this chapter shall not be deemed to
provide an exclusive method for such payment.
NEW SECTION. Sec. 10. The bonds authorized by this chapter shall be a legal investment for all state funds or for funds under state control and for all funds of any other public body.

NEW SECTION. Sec. 11. Sections 1 through 10 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 12. There is appropriated to the state department of social and health services, from the state and local improvements revolving account out of the proceeds from the sale of bonds or notes authorized by this 1979 act, the sum of ten million dollars for grants to public bodies as state matching funds for the purpose of aiding in planning, acquisition, construction, and improvement of water supply facilities. This appropriation expires on June 30, 1981.

NEW SECTION. Sec. 13. If any provision of this 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 House June 1, 1979.
Passed the Senate June 1, 1979.
Approved by the Governor June 21, 1979.
Filed in Office of Secretary of State June 21, 1979.

CHAPTER 259
[Substitute House Bill No. 768]
INSTITUTIONS OF HIGHER EDUCATION—RETIREMENT PLANS


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

Section 1. Section 28B.10.400, chapter 223, Laws of 1969 ex. sess. as last amended by section 15, chapter 169, Laws of 1977 ex. sess. and RCW 28B.10.400 are each amended to read as follows:

The boards of regents of the state universities, the boards of trustees of the regional universities and of The Evergreen State College, and the state board for community college education are authorized and empowered:

(1) To assist the faculties and such other employees as any such board may designate in the purchase of old age annuities or retirement income plans under such rules and regulations as any such board may prescribe. County agricultural agents, home demonstration agents, 4-H club agents, and assistant county agricultural agents paid jointly by the Washington