

district statutes relating to one of the utility systems that is being combined, as specified in the resolution combining the utility systems.

NEW SECTION. Sec. 2. A new section is added to chapter 54.16 RCW to read as follows:

A public utility district may make and repay interfund loans between its funds.

Passed the House January 28, 1987.

Passed the Senate March 25, 1987.

Approved by the Governor April 3, 1987.

Filed in Office of Secretary of State April 3, 1987.

CHAPTER 19

[Substitute House Bill No. 263]

LOCAL GOVERNMENTS—LOAN AGREEMENTS WITH THE STATE OR FEDERAL GOVERNMENT

AN ACT Relating to local government debt; adding a new chapter to Title 39 RCW; adding a new section to chapter 39.36 RCW; adding a new section to chapter 43.155 RCW; and declaring an emergency.

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

NEW SECTION. Sec. 1. As used in this chapter, "municipal corporation" includes counties, cities, towns, port districts, sewer districts, water districts, school districts, metropolitan park districts, or such other units of local government which are authorized to issue obligations.

NEW SECTION. Sec. 2. Any municipal corporation may enter into a loan agreement containing the terms and conditions of a loan from an agency of the state of Washington or the United States of America and evidencing the obligation of the municipal corporation to repay that loan under the terms and conditions set forth in the loan agreement. A loan agreement may provide that the municipal corporation will repay the loan solely from revenues set aside into a special fund for repayment of that loan. In the case of a municipal corporation authorized to borrow money payable from taxes, and authorized to levy such taxes, the loan agreement may provide that repayment of the loan is a general obligation of the municipal corporation, or both a general obligation and an obligation payable from revenues set aside into a special fund.

The state or federal agency making the loan shall have such rights of recovery in the event of default in payment or other breach of the loan agreement as may be provided in the loan agreement or otherwise by law.

NEW SECTION. Sec. 3. Nothing in this chapter authorizes municipal corporations to incur indebtedness beyond constitutional indebtedness limitations.

NEW SECTION. Sec. 4. The authority under this chapter is supplemental and in addition to the authority to issue obligations under any other provision of law.

NEW SECTION. Sec. 5. A new section is added to chapter 39.36 RCW to read as follows:

This chapter does not apply to a loan made pursuant to a loan agreement under chapter 39.— RCW (sections 1 through 4 of this act), and any computation of indebtedness under this chapter shall exclude the amount of any loan under such a loan agreement.

NEW SECTION. Sec. 6. A new section is added to chapter 43.155 RCW to read as follows:

Loans from the public works assistance account under this chapter shall be made by loan agreement under chapter 39.— RCW (sections 1 through 4 of this act).

NEW SECTION. Sec. 7. Sections 1 through 4 of this act shall constitute a new chapter in Title 39 RCW.

NEW SECTION. Sec. 8. This 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 House March 6, 1987.

Passed the Senate March 27, 1987.

Approved by the Governor April 3, 1987.

Filed in Office of Secretary of State April 3, 1987.

CHAPTER 20

[Substitute Senate Bill No. 5193]

MINING—PERMITS, LEASES, CONTRACTS—REVISIONS

AN ACT Relating to mining on public lands; amending RCW 79.01.616, 79.01.618, 79.01.620, 79.01.624, 79.01.628, 79.01.632, 79.01.633, 79.01.634, 79.01.640, 79.01.644, 79.01.650, and 79.90.330; adding new sections to chapter 79.01 RCW; and repealing RCW 79.01.636.

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

Sec. 1. Section 155, chapter 255, Laws of 1927 as amended by section 2, chapter 56, Laws of 1965 and RCW 79.01.616 are each amended to read as follows:

The department of natural resources (~~(shall have the power to execute)~~) may issue permits and leases(;) for prospecting, and contracts for the mining of valuable minerals and specified materials, except rock, gravel, sand, silt, coal, or hydrocarbons, upon and from any public lands belonging to or held in trust by the state, or which have been sold and the minerals