

salary to each of its commissioners not exceeding one hundred fifty dollars per month. Also, any district providing group insurance for its employees, covering them, their immediate family and dependents, may provide insurance for its commissioners with the same coverage: *Provided, further,* That commissioners may not be compensated for services performed of ministerial or professional nature. Each commissioner shall be reimbursed for reasonable expenses actually incurred in connection with such business and meetings, including his subsistence and lodging and travel while away from his place of residence.

Passed the Senate March 7, 1967.

Passed the House March 6, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 162.

[Senate Bill No. 371.]

STATE BUILDING AUTHORITY.

AN ACT relating to a state building authority; and repealing sections 43.76.010 through 43.76.930, chapter 8, Laws of 1965 and RCW 43.76.010 through 43.76.930.

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

Washington
state building
authority. Cre-
ation.

Section 1. There is created the Washington state building authority as a body corporate and politic. The authority shall consist of the governor, state treasurer, and lieutenant governor.

Definitions.

Sec. 2. The following terms, when used in this act, shall have the following meanings:

(1) "Authority" means the state building authority.

(2) "Institution of higher learning" means any one of the following: University of Washington,

Washington State University, Western Washington State College, Eastern Washington State College, Central Washington State College, or any four-year state college that may be hereafter established.

(3) "Governing body" shall mean the board of regents of the University of Washington, the board of regents of Washington State University, or the board of trustees of any of the state colleges.

(4) "Project" shall mean a single undertaking by the authority to provide one or more buildings.

(5) "Buildings" shall include structures together with improvements on appurtenant adjacent land for the enhancement of the utility or value thereof.

Sec. 3. The authority may contract with any of the institutions of higher learning to lease from any such institution land owned by such institution or may acquire land for the purpose of erecting thereon a building or buildings as requested by the governing body of any such institution of higher learning when such building or buildings shall be specifically approved by the legislature. Such building or buildings, when erected, together with the land upon which they shall be built, shall be leased or released by the authority to the appropriate institution of higher learning for a term of years not to exceed seventy-five, at reasonable rental rates.

Sec. 4. The respective institutions of higher learning are authorized to enter into leases as herein provided. Each lease shall provide for the buildings erected by the authority and the land upon which they are erected to become or remain the sole property of the institution of higher learning upon termination of the lease.

Sec. 5. The authority shall delegate responsibility for the design and construction of any project to the institution concerned with respect to construction at

State building
authority.

state universities and to the department of general administration with respect to construction at the state colleges. No building shall be constructed unless the design thereof shall first have been approved by the governing body of the institution concerned.

Rental rates.

Sec. 6. Rental rates shall be set by the authority in an amount which, during the term of each lease, shall yield sufficient revenue to repay the authority for the cost of construction and all expenditures, including overhead, which may be made by the authority in connection with any such building or the financing thereof including interest and bond service charges upon the money required for providing any such building. In determining the amount of the rent, the authority shall seek to avoid the making of any profit but may fix the rental at such figure as shall afford reasonable protection to the authority from losses from unpredictable causes.

Rates—Costs—
Right to purchase.

Sec. 7. Upon the completion of construction of each building, the authority shall make a determination of the cost thereof and the amount required to reimburse the authority for its expenditures in connection therewith. The institution of higher learning concerned shall have the right to purchase the interest of the authority in any building and land pertaining thereto at any time and to terminate the lease thereon by paying to the authority the amount so determined reduced by the proportion that the number of months for which rent shall have been paid in the rental term shall bear to the total number of months in the term.

Excess returns
—Expenses of
authority.

Sec. 8. Should the authority, at the termination of any lease, have on hand funds derived from such lease in excess of the authority's expenditures in connection with the project, the authority shall pay such excess to the fund or funds from which the

rental had been paid. Office and travel expenses of the authority and salaries and wages of its employees shall be budgeted and paid from appropriations of state funds, but the authority shall allocate to each project a proportion of such costs as overhead which shall be recovered on a current basis and deposited in the fund from which overhead expenditures have been made. In determining whether excess funds remain at the conclusion of any lease, any unrecovered overhead allocated to the project shall first be reimbursed.

Sec. 9. The authority shall have all powers appropriate to carrying out its functions as outlined in this act. These powers shall include but shall not be limited to the establishment of an office, the employment of personnel, the letting of contracts for the design and construction of buildings as provided in section 43.19.450 RCW, the obtaining of insurance, the borrowing of money, the issuance of bonds or other evidences of indebtedness, and the pledging of its income as security for borrowed money or the mortgaging of its leaseholds for that purpose.

Powers and duties.

Sec. 10. The state treasurer shall be ex officio treasurer of the authority and all funds of the authority from whatever source derived shall be deposited with and held by him but such money, except appropriated funds, shall never be commingled with funds in the state treasury nor deemed to be a part of the general funds of the state.

Treasurer of authority.

Sec. 11. Any bonds which shall be issued by the authority shall be in the name of the authority and shall constitute obligations only of the authority. They shall recite upon the face thereof that neither the payment of the principal nor any part thereof or of the interest shall constitute a debt or obligation of the state of Washington but shall be chargeable

Bonds not obligation of state.

exclusively to the authority and whatever security the authority shall provide.

State building
authority—
Bonds.

Sec. 12. The authority shall determine the form, conditions, and denominations of the bonds, the maturity dates which the bonds shall bear and the interest rates thereon. The authority may provide for the retirement of the bonds at any time prior to maturity and in such manner and upon payment of such premiums as it may determine in the resolution providing for the issuance of the bonds. All such bonds shall be signed in such manner as the authority shall specify in its resolution. Bonds shall be negotiable instruments and shall be sold on sealed bids to the highest bidder after such advertising for bids as the authority deems proper. The authority may reject any and all bids and may thereafter sell bonds at private sale under such terms and conditions as it deems most advantageous to its own interests but not at a price below that of the best bid which was rejected. The authority may contract loans and borrow money through the sale of bonds of the same character as those herein authorized from the United States or any agency thereof upon such conditions and terms as may be agreed to and the bonds shall be subject to all the provisions of this act except the requirement that they be first offered at public sale. Temporary or interim bonds, certificates, or receipts of any denomination and with or without coupons attached may be issued and delivered until bonds are executed and available for delivery.

Bond proceeds.
Surplus
moneys.

Sec. 13. The proceeds from the sale of bonds shall be disbursed solely for the completion of the project for which they are sold and the payment of interest on such bonds during the period until revenues shall be derived from the project sufficient to meet interest accruals. Moneys derived from the

sale of bonds, not immediately required for current expenditure, may be invested in bonds or obligations of a nature eligible for the investment of surplus state moneys.

Sec. 14. The authority may agree with the purchaser of the bonds upon any conditions or limitations restricting the disbursement of such funds as may be deemed advisable for the purpose of assuring the proper application of such funds. Any surplus from the proceeds of the bond sales above the amounts required for the purposes of the project shall be used for bond retirement.

Agreements
with bond-
holders.

Sec. 15. The bonds herein authorized shall be legal investment for all state funds not otherwise restricted by the Constitution of the state of Washington or for funds under state control not otherwise restricted and for all funds of municipal corporations. They shall be legal security for all state, county, and municipal deposits and shall constitute legal investments for all banks, savings and loan institutions and insurance companies doing business in this state.

Bonds—Legal
investment for
state funds.

Sec. 16. The authority may, as security for bonds or funds otherwise borrowed, pledge its rental revenues or mortgage its leaseholds. In the event of default, any such pledge or mortgage may be foreclosed by action brought in the superior court for Thurston county or the obligations of the authority may be enforced by mandamus or other appropriate action. In such foreclosure, the obligee may upon establishment of a default be entitled to the appointment of a receiver to take charge of the mortgaged property or to collect the pledged rental or revenues the same as the authority might do pending completion of foreclosure.

Revenue bonds
—Default.

Sec. 17. The legislature may, by direct appropriation or by allocating other sources of revenue, pro-

State building
authority—
Bonds—Addi-
tional sources
of funds.

vide additional means for the payment of the bonds authorized herein or for the payment of all or part of the cost of a project or projects, and this act shall not be deemed the exclusive method for such payment; but this section shall be permissive only and not mandatory and the power granted herein shall not constitute a pledge of the faith and credit of the state nor of any of its institutions of higher learning, agencies, departments, or instrumentalities.

State agree-
ment for pro-
tection of
bondholders.

Sec. 18. The state of Washington pledges to and agrees with any person, firm, or corporation or federal agency lending money or subscribing to or acquiring bonds to be issued by the authority for the financing of the construction of any project or for refunding purposes that the state of Washington will not limit or restrict any provision for the security and protection of lenders or bondholders contained in this act until all loans made or bonds issued by the authority, together with the interest thereon, are fully paid and discharged.

Repeal.

Sec. 19. Sections 43.76.010 through 43.76.930, chapter 8, Laws of 1965, and RCW 43.76.010 through 43.76.930 are each repealed.

Effective date.

Sec. 20. This act shall become effective coincident with the effective date of a constitutional amendment specifically authorizing the establishment of a state building authority with the powers to carry out the provisions of this act. Unless such constitutional amendment shall be approved by the people at the next general election, this act shall be null and void.

Passed the Senate February 17, 1967.

Passed the House March 6, 1967.

Approved by the Governor March 21, 1967.