

provisions of this chapter shall file a statement of income with the retirement board. Any retired judge who is receiving income from employment of any kind shall have his retirement allowance reduced by the amount that his combined retirement allowance and employment income exceed the current monthly salary being paid a judge of the same court in which the retired judge served immediately prior to his retirement; PROVIDED, HOWEVER, That pro tempore service as a judge of a court of record shall not constitute employment as that term is used in this section and income from pro tempore service need not be reported to the retirement board. Pro tempore service shall be limited to not more than ninety days in any single year, and the combined retirement allowance of a retired judge together with his income as a pro tempore judge shall not exceed the salary being paid a judge of the same court in which the retired judge served immediately prior to his retirement.

Failure to file or the filing of a false statement shall be grounds for cancellation of all benefits payable under this chapter.

Passed the Senate March 22, 1973.

Passed the House April 14, 1973.

Approved by the Governor April 23, 1973.

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CHAPTER 120  
[Substitute Senate Bill No. 2407]  
WASHINGTON HIGHER EDUCATION  
ASSISTANCE AUTHORITY

AN ACT Relating to higher education; creating the Washington higher education assistance authority and setting out its powers, duties and functions; adding new sections to chapter 223, Laws of 1969 ex. sess. and to Title 28B RCW as a new chapter thereof; making an effective date; and declaring an emergency.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Section 1. AUTHORITY CREATED. There is hereby created a corporate governmental agency of the state, constituting a public corporation and governing instrumentality, which shall be known as the "Washington State Higher Education Assistance Authority".

NEW SECTION. Sec. 2. PURPOSE OF AUTHORITY. The purpose of the authority shall be to assist needy and disadvantaged persons to pursue a post-secondary education by purchasing loans made by banking and educational institutions to such persons to help them meet the rising costs of such education, thereby encouraging those

institutions to make such loans, and increasing the supply of moneys available therefor. The legislature hereby finds and determines that it is in the public interest and essential to the welfare and well-being of the inhabitants of the state and to the proper growth and development of the state to encourage and assist every student who has the desire and capacity to pursue a post-secondary education. It is hereby further found and determined that the rising costs to students of post-secondary education are placing the goal of such study beyond the financial reach of a growing proportion of our potential student population, particularly those young men and women who are needy and disadvantaged, with a consequent irreparable loss to the state of valuable talents vital to its welfare. It is, therefore, found and determined that the authority created by section 1 of this 1973 act is a proper and effective means of meeting this fiscal crisis in post-secondary education, which is contrary to the general welfare of the inhabitants of the state.

NEW SECTION. Sec. 3. DEFINITIONS. As used in this chapter, the following words and terms shall have the following meanings, unless the context shall clearly indicate another or different meaning or intent:

(1) The term "authority" shall mean the Washington state higher education assistance authority, the corporate governmental agency created by section 1 of this 1973 act.

(2) The term "bank" shall mean any bank, bank and trust company, or trust company, savings bank, building and loan association, private bank, or savings and loan association which is organized under the laws of this state or any national banking association, located in the state.

(3) The term "bonds" and "notes" shall mean the bonds and notes, respectively, issued by the authority pursuant to this chapter.

(4) The term "commission" shall mean the commission on higher education created by RCW 28B.81.01C.

(5) The term "council" shall mean the council on higher education created by RCW 28B.80.010.

(6) The term "post-secondary educational institution" shall mean (a) any public or private college, university or community college approved by the commission, and (b) any business, trade, technical, vocational or other occupational school approved by the commission.

(7) The term "disadvantaged or needy student" shall mean a student (a) who is enrolled, or accepted for enrollment, at a post-secondary educational institution located within the state or a student who is a resident of the state and who is enrolled, or accepted for enrollment, at a post-secondary educational institution

wherever located, and (b) who demonstrates to the authority the financial inability, either through his parents, family and/or personally, to meet the total cost of board, room, books, tuition and fees and incidental expenses for any semester or quarter.

(8) The term "federal guaranteed loan program" shall mean the program for the insurance by the federal government of loans to students, enacted by the higher education act of nineteen hundred sixty-five, as amended, and all rules and regulations promulgated thereunder, or any successor legislation thereto providing for similar federal insurance of student loans.

(9) The term "loan" shall mean a loan to a needy or disadvantaged student the principal and interest of which is guaranteed by the federal government pursuant to the federal guaranteed loan program, made for the purpose of assisting such person to meet his expenses of post-secondary education.

(10) The term "state" shall mean the state of Washington.

(11) The term "state agency" shall mean any office, department, board, commission, bureau, division, public corporation, agency or instrumentality of the state.

NEW SECTION. Sec. 4. BOARD OF DIRECTORS OF THE AUTHORITY.

(1) The authority shall be governed and all of its corporate powers exercised by a board of directors which shall consist of the nine citizen members of the council, each of whose term as a member of the authority shall be co-terminus with his term as a citizen member of the council, and six additional members, one of which shall be a student financial aid officer, one of which shall be representative of the banking industry, and two of which shall be students enrolled in a Washington post-secondary educational institution, and two of which shall serve at large appointed by the governor, each of whom shall be of full age, a citizen of the United States and a resident of the state. Prior to the appointment of the student representative the governor shall consult with elected student government officers. The six additional members shall have four year terms except for the two students who shall serve for two years: PROVIDED, That the initial terms of the additional members, except for student members, shall be staggered so that terms shall be for one year, two years, three years, and four years respectively: PROVIDED FURTHER, That the initial terms of the student members shall be staggered so that terms shall be for one year and two years respectively: PROVIDED FURTHER, That a student member's term of office shall be terminated if said student member ceases to be enrolled in a post-secondary educational institution during said term of office.

(2) Vacancies shall be filled for the unexpired terms in the same manner as original appointments.

(3) Directors shall receive per diem in lieu of compensation,

and travel expenditures, in accordance with standard rates for part time boards, councils and commissions as certified by the state budget director.

(4) The board of directors shall elect from its members each year a chairman and vice chairman who shall serve for terms of one year and who shall be eligible for reelection for successive terms.

(5) A majority of the directors of the authority shall constitute a quorum for the transaction of any business and, unless a greater number is required by the bylaws of the authority, the act of a majority of the directors present at any meeting shall be deemed the act of the board.

(6) The board of directors shall adopt bylaws for the authority, and may appoint such officers and employees as it deems advisable, fix their compensation and prescribe their duties, and may delegate to one or more of its members, or its officers, agents or employees, such powers and duties as it may deem proper.

(7) The board of directors may elect an executive committee of not less than six members who, in intervals between meetings of the board, may transact such business of the authority as the board may from time to time authorize. Unless otherwise provided by the bylaws, a majority of the members of such committee shall constitute a quorum for the transaction of any business and the act of a majority of the members of the executive committee present at any meeting shall be deemed the act of such committee.

NEW SECTION. Sec. 5. POWERS OF THE AUTHORITY. Except as otherwise limited by this chapter and subject to Title 34 RCW, the authority shall have power:

- (1) To have a seal and alter the same at pleasure;
- (2) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter;
- (3) To sue and be sued;
- (4) To make and alter bylaws for its organization and internal management;
- (5) To acquire, hold and dispose of real and personal property for its corporate purposes;
- (6) Subject to any agreement with bondholders or noteholders, to invest moneys of the authority not required for immediate use, including proceeds from the sale of any bonds or notes, (a) in obligations of the state or the United States of America or any agency of either, (b) in obligations the principal and interest of which are guaranteed by the state or the United States of America, (c) in obligations of any corporation wholly owned by the United States of America, (d) in obligations of any corporation sponsored by the United States of America which are or may become eligible as

collateral for advances to member banks as determined by the board of governors of the federal reserve system, or (e) in certificates of deposit or time deposits secured in such manner as the authority shall determine;

(7) To appoint officers, agents and employees, prescribe their duties and qualifications and fix their compensation;

(8) To purchase and contract to purchase loans made by banks, pension funds, credit unions, post-secondary educational institutions, and the commission, all subject to the provisions of section 6 of this 1973 act.

(9) To procure or require the procurement of a policy or policies of group life insurance to insure repayment of loans acquired by the authority in event of the death of the borrower;

(10) Subject to provisions of section 6 of this 1973 act and any agreement with bondholders or noteholders, to renegotiate or refinance any loan in default; to waive any default or consent to the modification of the terms of any loan; to forgive all or part of any loan; and to commence any action or proceeding to protect or enforce any right conferred upon it by law, loan agreement, contract or other agreement;

(11) To prescribe rules and regulations setting forth standards and criteria for the granting of applications for loan purchases, insofar as such standards and criteria are not inconsistent with this chapter;

(12) To make and execute contracts for the administration, servicing or collection of any loan acquired by the authority and pay the reasonable value of services rendered to the authority pursuant to such contracts;

(13) To make, execute, and carry out contracts for the administration, servicing or collection of loans, including National Student Defense Loans, owned by banks and post-secondary educational institutions and to establish, revise from time to time, charge and collect from such banks and post-secondary educational institutions such fees in connection therewith as the authority may determine;

(14) To make, execute, and carry out contracts with any state agency for the collection of amounts voluntarily pledged to the state by recipients of awards under the need grant program administered by the commission and to charge and collect from such agency the reasonable value of its services rendered in connection with such contracts;

(15) Subject to any agreement with bondholders or noteholders, to sell any loans acquired by the authority at public or private sale and at such price or prices and on such terms as the authority shall determine;

(16) Subject to the provisions of the federal guaranteed loan

program, to establish, revise from time to time, charge and collect such premiums or fees in connection with loans and purchases thereof, as the authority shall determine;

(17) Subject to any agreement with bondholders or noteholders, to purchase bonds or notes of the authority, which shall thereupon be canceled, at a price not exceeding (a) if the bonds or notes are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, (b) if the bonds or notes are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption at the option of the authority plus accrued interest to said date, or (c) if the bonds or notes are not redeemable prior to their respective maturities at the option of the authority, one hundred four per centum of the principal amount thereof plus accrued interest to the date of purchase;

(18) To borrow money and to issue negotiable bonds and notes and to provide for the rights of the holders thereof;

(19) To engage the services of private consultants on a contract basis for rendering professional and technical assistance and advice;

(20) To contract for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source, and to comply, subject to the provisions of this chapter, with the terms and conditions thereof;

(21) To promulgate such rules and regulations, not inconsistent with the provisions of the federal guaranteed loan program and subject to the approval of the commission, as are necessary to carry out its functions and duties in the administration of this chapter; and

(22) To do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in this chapter.

NEW SECTION. Sec. 6. PURCHASE OF STUDENT LOANS. (1) The authority may purchase and contract to purchase loans made by banks, pension funds, credit unions, and post-secondary educational institutions located within the state, and from the commission, all upon such terms and conditions as the authority may prescribe by rule or regulation, including, if the seller is a bank, the requirement that such bank make new loans in an amount equal to the purchase price received from the authority: PROVIDED, That the authority shall not purchase a loan to any borrower who is then in default on an outstanding loan unless provisions satisfactory to the authority are made to cure such default.

(2) Notwithstanding anything to the contrary provided in this chapter, the authority may, subject to the provisions of the federal guaranteed loan program, forgive or suspend all or part of the payment of any loan pursuant to such rules or regulations as the authority shall prescribe: PROVIDED, That the authority shall not so forgive or suspend any such payment, unless it shall, on behalf of the borrower and on such terms and conditions as it shall deem proper, set apart and apply an amount equal to the payment so forgiven or suspended from available funds of the authority not required by the terms of any bond resolution for the payment of principal of or interest on bonds payable during the current state fiscal year or the current operating expenses of the authority.

(3) Any person otherwise qualifying for a loan from a bank, pension fund, credit union, post-secondary educational institution or the commission shall not be disqualified by reason of his being under the age of majority. For the purposes of applying for, receiving and repaying such a loan, any such person shall be deemed to have full legal capacity to act, and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto. In no event shall lack of legal capacity to act by reason of nonage be a defense to an action or claim based upon a loan made by a bank, pension fund, credit union, post-secondary educational institution or the commission, or upon a loan held by the authority.

NEW SECTION. Sec. 7. BONDS AND NOTES OF THE AUTHORITY. (1) The authority shall have the power and is hereby authorized from time to time to issue its negotiable bonds and notes in conformity with the applicable provisions of the uniform commercial code in such principal amounts as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving the corporate purposes thereof, including the purchase of loans as provided in this chapter, the payment of interest on bonds and notes of the authority, establishment of reserves to secure such bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(2) Except as may otherwise be expressly provided by the authority, all bonds and notes issued by the authority shall be general obligations of the authority, secured by the full faith and credit of the authority and payable out of any moneys, assets, or revenues of the authority, subject only to any agreement with bondholders or noteholders pledging any particular moneys, assets or revenues. In no event shall any bonds or notes constitute an obligation, either general or special, of the state; nor shall the authority have the power to pledge the credit or taxing power of the state or to make its debts payable out of any moneys except those of the authority.

(3) Bonds and notes shall be authorized by a resolution or resolutions of the authority adopted as provided by this chapter: PROVIDED, That any such resolution authorizing the issuance of bonds or notes may delegate to an officer or officers of the authority the power to issue such bonds or notes from time to time and to fix the details of any such issues of bonds or notes by an appropriate certificate of such authorized officer.

(4) Such bonds

(a) Shall state (i) the date of issue; (ii) the series of the issue and be consecutively numbered within the series; and (iii) that the bond is payable both as to principal and interest solely out of the assets of the authority and does not constitute an obligation, either general or special, of the state; and

(b) Shall be (i) either registered, registered as to principal only, or in coupon form; (ii) issued in such denominations as the authority may prescribe; (iii) fully negotiable instruments under the laws of this state; (iv) signed on behalf of the authority with the manual or facsimile signature of the chairman or vice-chairman of the board, attested by the manual or facsimile signature of the secretary of the board, have the seal of the authority impressed thereon or a facsimile of such seal printed or lithographed thereon, and the coupons attached thereto shall be signed with the facsimile signatures of such chairman or vice-chairman and secretary; (v) payable as to interest at such rate or rates and at such time or times as the authority may determine; (vi) payable as to principal at such times over a period not to exceed forty years from the date of issuance, at such place or places, and with such reserved rights of prior redemption, as the authority may prescribe; (vii) sold at such price or prices, at public or private sale, and in such manner as the authority may prescribe; and the authority may pay all expenses, premiums and commissions which it deems necessary or advantageous in connection with the issuance and sale thereof; and (viii) shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal, redemption premiums, if any, and interest and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with RCW 28B.50.330 through 28B.50.400 and this chapter, as may be found to be necessary by the authority for the most advantageous sale thereof, which may include, but not be limited to, covenants with the holders of the bonds as to:

(A) pledging or creating a lien, to the extent provided by such resolution or resolutions, on all or any part of any moneys or property of the authority or of any moneys held in trust or otherwise by others for the payment of such bonds;

(B) otherwise providing for the custody, collection, securing,



investment and payment of any moneys of or due to the authority;

(C) the setting aside of reserves or sinking funds and the regulation or disposition thereof;

(D) limitations on the purpose to which the proceeds of sale of any issue of such bonds then or thereafter to be issued may be applied;

(E) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and upon the refunding of outstanding or other bonds;

(F) the procedure, if any, by which the terms of any contract with the holders of bonds may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(G) the creation of special funds into which any moneys of the authority may be deposited;

(H) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed pursuant to section 9 of this 1973 act, in which event the provisions of such section authorizing appointment of a trustee shall not apply; or limiting or abrogating the right of the holders of bonds to appoint a trustee under such section or limiting the rights, duties and powers of such trustee;

(I) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority and providing for the rights and remedies of the holders of bonds in the event of such default: PROVIDED, That such rights and remedies shall not be inconsistent with the general laws of this state and other provisions of this chapter; and

(J) any other matters of like or different character, which in any way affect the security and protection of the bonds and the rights of the holders thereof.

(5) The authority is authorized to provide for the issuance of its bonds for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds. The proceeds of any such bonds issued for the purpose of so refunding outstanding bonds shall be forthwith applied to the purchase or retirement of such outstanding bonds or the redemption of such outstanding bonds on the redemption date next succeeding the date of delivery of such refunding bonds and may, pending such application, be placed in escrow to be applied to such purchase or retirement or redemption on such date. Any such escrowed proceeds, pending such use, may be invested and reinvested only in obligations of or

guaranteed by the state or the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, on the outstanding bonds to be so refunded by purchase, retirement or redemption, as the case may be. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded by purchase, retirement or redemption, as the case may be. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner. All such bonds shall be issued and secured and shall be subject to the provisions of this chapter in the same manner and to the same extent as any other bonds issued pursuant to this chapter.

(6) The authority is authorized to issue negotiable bond anticipation notes and may renew the same from time to time but the maximum maturity of such notes, including renewals thereof, shall not exceed seven years from the date of issue of such original notes. Such notes shall be payable from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes may be issued for any corporate purpose of the authority. The notes shall be issued in the same manner as the bonds and such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations, not inconsistent with the provisions of this subdivision, which the bonds or a bond resolution of the authority may contain. Such notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided herein for bondholders. Such notes shall be as fully negotiable as the bonds of the authority.

(7) It is the intention of the legislature that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(8) Neither the members of the authority nor any person executing the bonds or other obligations shall be liable personally

on the bonds or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

NEW SECTION. Sec. 8. RESERVE FUNDS. The authority may create and establish one or more reserve funds to be known as debt service reserve funds and pay into any such reserve fund (a) any proceeds of sale of bonds and notes to the extent provided in the resolution of the authority authorizing the issuance thereof, (b) any moneys directed to be transferred by the authority to such debt service reserve fund, and any other moneys made available to the authority for the purposes of such fund from any other source or sources. The moneys held in or credited to any debt service reserve fund established under this subsection, except as hereinafter provided, shall be used solely for the payment of the principal of bonds of the authority secured by such debt service reserve fund, as the same mature, required payments to any sinking fund established for the amortization of such bonds (hereinafter referred to as "sinking fund payments"), the purchase or redemption of such bonds of the authority, the payment of interest on such bonds of the authority or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity. Moneys in such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the amount which the authority shall determine to be reasonably necessary for the purposes of such reserve fund, except for the purpose of paying principal, sinking fund payments, if any, and interest on such bonds of the authority secured by such reserve fund maturing and becoming due for the payment of which other moneys of the authority are not available. Any income or interest earned by, or increment to, any such debt service reserve fund due to the investment thereof may be transferred to any other fund or account of the authority to the extent it does not reduce the amount of such debt service reserve fund below the amount which the authority shall determine to be reasonably necessary for the purposes of such reserve fund. Moneys in any debt service reserve fund not required for immediate use or disbursement may be invested in accordance with the provisions of subsection (6) of section 5 of this 1973 act. In computing the amount of any debt service reserve fund for the purposes of this section, securities in which all or a portion of such reserve fund are invested shall be valued at par or, if purchased at other than par, at their amortized cost to the authority. If the authority shall create and establish one or more debt service reserve funds as herein provided, the authority shall not issue bonds at any time if the amount of any debt service reserve fund at the time of issuance thereof does not equal or exceed the amount which the authority shall determine to be reasonably necessary for the purposes of such reserve fund, unless

the authority, at the time of issuance of such bonds, shall deposit in such reserve fund from the proceeds of the bonds to be issued, or otherwise, an amount which together with the amount then in such reserve fund, shall be not less than the amount which the authority shall determine to be reasonably necessary for the purposes of such reserve fund. The authority may create and establish such other reserve funds as it shall deem advisable and necessary.

NEW SECTION. Sec. 9. REMEDIES OF BONDHOLDERS AND NOTEHOLDERS. (1) In the event that the authority shall default in the payment of principal or of interest on any issue of bonds or notes after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this chapter, or shall default in any agreement made with the holders of any issue of bonds or notes, the holders of twenty-five per centum in aggregate principal amount of the bonds or notes of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county in which the principal office of the authority is located, and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds or notes for the purposes herein provided.

(2) Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such issue of bonds or notes then outstanding shall, in his or its own name,

(a) enforce all rights of the bondholders or noteholders, including the right to require the authority to collect interest and principal payments on the loans held by it adequate to carry out any agreement as to, or pledge of, such interest and principal payments, and to require the authority to carry out any other agreements with the holders of such bonds or notes and to perform its duties under this chapter;

(b) bring suit upon such bonds or notes;

(c) by action or suit, require the authority to account as if it were the trustee of an express trust for the holders of such bonds or notes;

(d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds or notes;

(e) declare all such bonds or notes due and payable and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such issue of bonds or notes then outstanding, to annul such declaration and its consequences.

(3) Such trustee shall in addition to the foregoing have and

possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

(4) Before declaring the principal of bonds or notes due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority, and to the attorney general of the state.

(5) The superior court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders or noteholders. The venue of any such suit, action, or proceeding shall be laid in the county in which the principal office of the authority is located.

NEW SECTION. Sec. 10. STATE AND MUNICIPALITIES NOT LIABLE ON BONDS AND NOTES. The bonds, notes and other obligations of the authority shall not be a debt of the state of Washington or of any municipality, and neither the state nor any municipality shall be liable thereon, nor shall they be payable out of any funds other than those of the authority.

NEW SECTION. Sec. 11. AGREEMENT OF THE STATE. The state of Washington does hereby pledge to and agree with the holders of any bonds or notes issued under this chapter that the state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such bonds or notes together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds or notes.

NEW SECTION. Sec. 12. BONDS AND NOTES AS LEGAL INVESTMENTS FOR PUBLIC OFFICERS AND FIDUCIARIES. The bonds and notes of the authority are hereby made securities in which all public officers and bodies of this state, including without limitation the state employees' retirement fund and the public school employees' retirement fund, and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bank and trust companies, trust companies, private banks, savings banks, savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and

legally invest funds including capital in their control or belonging to them. The bonds and notes are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized.

NEW SECTION. Sec. 13. TAX EXEMPTION AND DEDUCTIONS. (1) It is hereby determined that the creation of the authority is in all respects for the benefit of the people of the state, for the improvement of their health and welfare, and for the promotion of the economy, and that said purposes are public purposes and the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this chapter, and the state covenants with the purchasers and all subsequent holders and transferees of bonds and notes issued by the authority, in consideration of the acceptance of and payment for the bonds and notes, that the bonds and notes of the authority issued pursuant to this chapter and the income therefrom shall at all times be free from taxation, except for estate or gift taxes and taxes on transfers.

(2) The property of the authority and its income and operations shall be exempt from taxation and assessments of every kind and nature, other than assessments for local improvements. The authority shall not be required to pay any recording fee or transfer tax of any kind on account of instruments recorded by it or on its behalf.

(3) Notwithstanding the provisions of any general or special law or the provisions of any certificate of incorporation, charter or other articles of organization, all domestic corporations or associations organized for the purpose of carrying on business in the state and all persons are hereby authorized to make contributions to the authority and a sum equal to any such contribution may be deducted from any tax imposed by the provisions of Title 82 RCW.

NEW SECTION. Sec. 14. MONEYS OF THE AUTHORITY. (1) All moneys of the authority from whatever source derived, except as otherwise authorized or provided in this chapter, shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks in the state designated by the authority. The moneys in such accounts shall be withdrawn on the order of such person or persons as the authority may authorize. All deposits of such moneys shall, if required by the authority, be secured in such manner as the authority may determine. The state auditor and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its

financial standing; the authority shall not be required to pay a fee for any such examination.

(2) The authority shall have power to contract with holders of any of its bonds or notes as to the custody, collection, securing, investment, and payment of any moneys of the authority, of any moneys held in trust or otherwise for the payment of bonds or notes, and to carry out such contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.

(3) Subject to the provisions of any contract with bondholders or noteholders and to the approval of the state auditor, the authority shall prescribe a system of accounts.

(4) The authority shall submit to the governor, president pro tempore of the senate, speaker of the house of representatives, and the state auditor, within thirty days of the receipt thereof by the authority, a copy of the report of every external examination of the books and accounts of the authority other than copies of the reports of such examinations made by the state auditor.

NEW SECTION. Sec. 15. LIMITATION OF LIABILITY. Neither the members of the authority, nor any person or persons acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from carrying out any of the powers expressly given in this chapter.

NEW SECTION. Sec. 16. ASSISTANCE BY STATE OFFICERS, DEPARTMENTS, BOARDS AND COMMISSIONS. (1) The commission, council, attorney general and state treasurer, and all other state agencies may render such services to the authority within their respective functions as may be requested by the authority.

(2) Upon request of the authority, any state agency is hereby authorized and empowered to transfer to the authority such officers and employees as it may deem necessary from time to time to assist the authority in carrying out its functions and duties under this chapter. Officers and employees so transferred shall not lose their civil service status or rights.

NEW SECTION. Sec. 17. ANNUAL REPORT. The authority shall submit to the governor, the president pro tempore of the senate, speaker of the house of representatives and the state auditor, within six months after the end of its fiscal year, a complete and detailed report setting forth: (1) Its operations and accomplishments; (2) its receipts and expenditures during such fiscal year in accordance with the categories or classifications established by the authority for its operating and capital outlay purposes, including a listing of all private consultants engaged by the authority on a contract basis

and a statement of the total amount paid to each such private consultant; (3) its assets and liabilities at the end of its fiscal year and the status of reserve, special or other funds; and (4) a schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year.

NEW SECTION. Sec. 18. COURT PROCEEDINGS; PREFERENCES; VENUE. Any action or proceeding to which the authority or the people of the state of Washington may be a party, in which any question arises as to the validity of this chapter, shall be preferred over all other civil causes in all courts of the state of Washington and shall be heard and determined in preference to all other civil business pending therein irrespective of position on the calendar. The same preference shall be granted upon application of counsel to the authority in any action or proceeding questioning the validity of this chapter in which he may be allowed to intervene. The venue of any such action or proceeding shall be laid in the county in which the principal office of the authority is located.

NEW SECTION. Sec. 19. CORPORATE EXISTENCE. The authority and its corporate existence shall continue until terminated by law: PROVIDED, That no such law shall take effect so long as the authority shall have bonds, notes and other obligations outstanding, unless adequate provision has been made for the payment thereof. Upon termination of the existence of the authority, all its rights and properties in excess of its obligations shall pass to and be vested in the state.

NEW SECTION. Sec. 20. INCONSISTENT PROVISIONS OF OTHER LAWS SUPERSEDED. Insofar as the provisions of this chapter are inconsistent with the provisions of any other law, general, special or local, the provisions of this chapter shall be controlling.

NEW SECTION. Sec. 21. CONSTRUCTION. This chapter, being necessary for the welfare of the state and its inhabitants, shall be liberally construed so as to effectuate its purposes.

NEW SECTION. Sec. 22. SEVERABILITY. If any provision of this 1973 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.

NEW SECTION. Sec. 23. APPROPRIATION. There is hereby appropriated from the general fund the sum of two hundred fifty thousand dollars, or so much thereof as may be necessary, to the authority for the biennium ending June 30, 1975 for the payment of expenses of the authority in carrying out the provisions of sections 1 through 21 of this 1973 act: PROVIDED, HOWEVER, That no portion of the sum hereby appropriated shall be available, or shall be used by the authority, for the purchase of any loans as provided in section 6



of this 1973 act, for the payment of any principal of, or redemption premium or interest on any bonds or notes of the authority issued pursuant to section 7 of this 1973 act, or for deposit in any debt service reserve fund created pursuant to section 8 of this 1973 act.

NEW SECTION. Sec. 24. Sections 1 through 21 of this 1973 act are hereby added to chapter 223, Laws of 1969 ex. sess. and to Title 28B RCW as a new chapter thereof.

NEW SECTION. Sec. 25. EMERGENCY. This 1973 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 March 14, 1973.

Passed the House April 12, 1973.

Approved by the Governor April 23, 1973.

Filed in Office of Secretary of State April 24, 1973.

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CHAPTER 121

[Engrossed Senate Bill No. 2425]

ELECTIONS--WRITE-IN VOTING--

EXCLUSIONS

AN ACT Relating to elections; amending section 29.51.170, chapter 9, Laws of 1965 as last amended by section 28, chapter 109, Laws of 1967 ex. sess. and RCW 29.51.170; and amending section 29.54.050, chapter 9, Laws of 1965 as amended by section 11, chapter 101, Laws of 1965 ex. sess. and RCW 29.54.050.

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

Section 1. Section 29.51.170, chapter 9, Laws of 1965 as last amended by section 28, chapter 109, Laws of 1967 ex. sess. and RCW 29.51.170 are each amended to read as follows:

At any election or primary, any voter may write in on the ballot the name of any person for whom he desires to vote for any office and such vote shall be counted the same as if the name had been printed on the ballot and marked by the voter: PROVIDED, That no write-in vote for a partisan office at a general election shall be valid for any person who has offered himself as a candidate for such position for the nomination at the preceding primary: PROVIDED, FURTHER, That when voting machines or voting devices and ballot cards are used, no write-in vote for any candidate for a partisan office at either a state primary election or state general election shall be valid unless a political party affiliation is also written by the voter after the candidate's name: AND PROVIDED FURTHER, That in the instance of a write-in candidate for a partisan office only those write-in votes constituting the greatest number of a single political party designation shall be valid for counting purposes when the