

utilities services. The fund shall be credited with all receipts from the rental, sale or distribution of supplies, equipment, and services rendered to the various state agencies. The moneys held in the present central stores revolving fund created by section 4, chapter 160, Laws of 1943 are hereby transferred to the central stores revolving fund created by this section.

Sec. 6. There is added to chapter 8, Laws of 1965 and to chapter 43.19 RCW a new section to read as follows: New section.

All of the powers and duties relating to the maintenance of inventory records of supplies, materials, equipment and other property including state equipment as provided in RCW 43.19.1917 shall be performed with the advice, cooperation and assistance of the director of budget. State agencies
—Inventory
records—
Advice.

Sec. 7. Section 43.19.210, chapter 8, Laws of 1965 and RCW 43.19.210 are each hereby repealed. Repeal.

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. Emergency.

Passed the House April 21, 1967.

Passed the Senate April 20, 1967.

Approved by the Governor April 28, 1967.

CHAPTER 105.

[Engrossed Senate Bill No. 638.]

EAST CAPITOL SITE—WATERWAYS.

AN ACT relating to public lands; providing for the vacation of waterways; providing for the acquisition, improvement, development and financing of the east capitol site; providing for the disposition of certain public funds; amending section 118, chapter 255, Laws of 1927 and RCW

79.01.472; amending section 1, chapter 170, Laws of 1913, as last amended by section 1, chapter 115, Laws of 1937, and RCW 79.16.180; amending section 9, chapter 167, Laws of 1961 and RCW 79.24.580; making an appropriation; and declaring an emergency.

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

RCW 79.01.472
amended.

Section 1. Section 118, chapter 255, Laws of 1927 and RCW 79.01.472 are each amended to read as follows:

Public lands—
Waterways—
Vacation—
Port districts.

Whenever any waterway established under the authority of the laws of this state, or any portion of such waterway, shall not have been excavated, or shall not be in use for the purposes of navigation, or shall no longer be required in the public interest to exist as a waterway, such waterway or portion thereof may be vacated by written order of the commissioner of public lands of the state of Washington whenever he shall be requested so to do by ordinance or resolution of the city council of the city in which such waterway is situate, in whole or in part, or, in case such waterway is situate, in whole or in part, in a port district organized under the laws of the state of Washington, whenever he shall be requested so to do by resolution of the port commission of such port district; and upon the making of such order the waterway or portion thereof shall thereupon be deemed to be and shall be thereby vacated: *Provided, however,* That if the waterway or portion thereof so vacated be navigable water of the United States, or otherwise within the jurisdiction of the United States, a copy of such resolution or ordinance, together with a copy of said order of the commissioner of public lands certified to by him, shall be submitted to the secretary of the army and chief of engineers of the United States for their approval, and if they approve the same such waterway or portion thereof shall thereupon be deemed to be and shall be thereupon vacated.

Upon such vacation occurring, in either of the manners aforesaid, the commissioner of public lands shall notify the city within, or in front of, which, such waterway is located, and the city shall have the right to extend across the portions so vacated any existing streets, or to select therefrom such portions thereof as the city may desire for street purposes, in no case to exceed one hundred fifty feet in width for any one street. Such selection shall be made within sixty days subsequent to the receipt of notice of the vacation of the portion of the waterway so vacated.

Should such city fail to make such selection within such time, or within such time make such selection, the title of the remaining portions of such waterway so vacated shall vest in the state, unless the same be situate within the territorial limits of a port district created under the laws of the state, in which event such title shall vest in said port district. If subsequent to such vacation, the vacated waterway or portion of waterway shall be embraced within the limits of a port district created under the laws of the state, the title to such portions thereof as shall then remain undisposed of by the state shall vest in such port district. Such title so vesting shall be subject to any railroad or street railway crossings existing at the time of such vacation.

Sec. 2. Section 1, chapter 170, Laws of 1913, as last amended by section 1, chapter 115, Laws of 1937, and RCW 79.16.180 are each amended to read as follows:

RCW 79.16.180
amended.

The rents hereinafter to be paid under existing or future leases of harbor areas and also of tidelands belonging to the state of Washington, the proceeds of which are not otherwise directed to a particular account or which are appropriated by the 1967 legislature to finance the Washington state canal commission shall be hereafter disposed of as follows:

State tidelands
—Rents—
Proceeds,
disposition.

State tidelands
—Rents—
Proceeds,
disposition.

In cases where the leased harbor area or tideland is situated within the territorial limits of a port district already created or to be hereafter created under the laws of the state of Washington, twenty-five percent of the rents received for such cases shall be paid by the state treasurer to the county treasurer of the county wherein such port district is situated for the use of such port district and go into a special fund to be expended only for harbor or water front improvement purposes and the remaining seventy-five percent shall be deposited in the capitol purchase and development account of the general fund of the state treasury and shall only be subject to appropriation for purchasing, improving, and managing the east capitol site; except that in cases where the port district itself shall have presently constructed or shall now own existing structures or improvements situate upon leased harbor areas, or tidelands, the entire rentals of such improved area or tideland shall go to such port district: *Provided*, That whenever the port district shall hereafter construct improvements on such leased harbor areas or tideland the rental attributable to such improvements shall go to the port district. In all other cases twenty-five percent of the rents shall be paid by the state treasurer into the county treasury of the county in which the leased harbor areas or tidelands are situated, the same to go into a special fund known as the "harbor improvement fund", and to be disbursed only for harbor or harbor improvement purposes; and the remaining seventy-five percent shall be deposited in the capitol purchase and development account of the general fund of the state treasury. In cases where any leased harbor area or tideland is situated within the limits of any incorporated city or town and is not embraced within the area of any port district, the county commissioners of the county shall allo-

cate the funds received from the lease thereof to the municipal authorities of such city or town, to be expended by said authorities for harbor or waterfront purposes. The state treasurer being hereby authorized and directed to make such payments to the respective county treasurers for the use of such port districts or counties, as the case may be, on the first days of July and January of each year, of all moneys in his hands on such dates payable under the terms of this section to such port district and counties respectively: *Provided, That each year, when the current annual debt service requirements for the bonds authorized by section 4 of this act have been provided for, the formula for distribution to port districts shall be re-established as provided in section 1, chapter 170, Laws of 1913, as last amended by section 1, chapter 115, Laws of 1937.*

Sec. 3. Section 9, chapter 167, Laws of 1961 and RCW 79.24.580 are each amended to read as follows:

RCW 79.24.580
amended.

All moneys received by the state from the sale of tidelands, and shorelands, and from the sale of valuable material from tidelands, shorelands, beds of navigable waters and harbor areas, the proceeds of which are not otherwise directed to a particular fund or account or appropriated by the 1967 legislature to finance the Washington state canal commission, and from the lease of shorelands and beds of navigable waters, the proceeds of which are not otherwise directed to a particular fund or account or appropriated by the 1967 legislature to finance the Washington state canal commission, shall be deposited in the capitol purchase and development account of the general fund, the creation of which is hereby authorized. This account shall only be subject to appropriation for purchasing, improving, and managing the east capitol site.

Public lands—
Sale and lease
—Disposition
of proceeds.

Sec. 4. In addition to any authority previously granted, the state capitol committee is authorized

State capitol
committee—
Issuance of
bonds—East
capitol site.

and directed to issue coupon or registered bonds of the state in an amount not to exceed four million dollars. The bonds shall bear interest at a rate not to exceed six percent per annum, both principal and interest to be payable only from funds received and deposited in the capitol purchase and development account of the general fund.

East capitol
site—Bonds—
Sale.

Sec. 5. Such bonds may be sold in such manner and in such amounts, in such denominations and at such times as the capitol committee shall determine, and at the best price obtainable. They shall be sold at such price and interest rate that the net interest cost shall not exceed six percent.

Bonds—Term
—Form—
Provisions.

Sec. 6. Bonds issued under this act shall mature at such time or times, and include such provisions for optional redemption, premiums, coverage, guarantees, and other covenants as in the opinion of the state capitol committee may be necessary. The principal and interest of said bonds shall be payable at the office of the state treasurer, or at the office of the fiscal agent of the state in New York City at the option of the holder of any such bond or bonds.

Bonds—Form.

Sec. 7. The bonds shall be signed by the governor and state auditor under the seal of the state which may be printed or engraved in the border of such bonds. The signature of the governor may be a facsimile printed upon the bonds and any coupons attached thereto shall be signed with the facsimile signature of said officials. Any of such bonds may be registered in the name of the holder upon presentation to the state treasurer, or at the fiscal agency of the state in New York City, as to principal alone, or as to both principal and interest, under such regulations as the treasurer may prescribe.

Sec. 8. For the purpose of paying the principal and interest of said bonds as the same shall become due, or as said bonds become callable at the option

of the capitol committee, there is created a fund to be denominated the "state building bond redemption fund". While any of said bonds remain outstanding and unpaid, it shall be the duty of the capitol committee in December of each year to determine the amount that will be required for the redemption of bonds and the payment of interest during the twelve-month period of the next calendar year, and certify said amount to the state treasurer in writing. The state treasurer shall forthwith and thereafter during said twelve-month period deposit into the state building bond redemption fund that portion of all receipts necessary to pay the principal and interest on the bonds issued that would otherwise be deposited in the general fund—capitol purchase and development account until the amount certified to said treasurer by the said capitol committee has accrued to the state building bond redemption fund.

State building
bond redemp-
tion fund—
Creation—
Purpose. Bond
repayment.

In addition to certifying and providing for the annual amounts required to pay the principal and interest of said bonds, the capitol committee may, under such terms and conditions and at such times and in such amounts as may be found necessary to insure the sale of said bonds, provide for additional payments into the state building bond redemption fund to be held as a reserve to secure the payment of the principal and interest of such bonds.

The owner and holder of any of said bonds or the trustee for any of said bonds may by mandamus or other appropriate proceeding require and compel the deposit and payment of funds as directed herein.

The proceeds from the sale of the bonds hereby authorized shall be paid into the general fund—capitol purchase and development account.

Sec. 9. Bonds authorized by this act shall be accepted by the state, counties, cities, towns, school districts, and other political subdivisions as security for the deposit of any of their funds in any banking

Bonds.

Bonds—Legal investment for state and governmental funds.

institution. Any officer of this state, or any county, city, town, school district, or other political subdivision may invest surplus funds, which he is authorized to invest in securities, and where such authorization is not limited or restricted as to the class of securities in which he may invest, in bonds issued under this act.

Bond proceeds—Expenditure for east capitol site.

Sec. 10. Proceeds of the bonds issued hereunder shall be expended by the state capitol committee for the purposes enumerated in this section.

The state capitol committee shall provide for the acquisition, development and improvement of lands, improvements and facilities within the east capitol site, as now described or as may be described by the legislature, as may be determined by the state capitol committee to be necessary for the current and prospective requisites of a state capitol in accordance with the provisions of RCW 79.24.500 through 79.24.590 and chapter 43.19 RCW.

Appropriation.

Sec. 11. There is appropriated to the department of general administration from the general fund—capitol purchase and development account the sum of four million dollars or so much thereof as may be necessary to accomplish the purposes set forth in section 10 of this act.

Severability.

Sec. 12. 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.

Emergency.

Sec. 13. 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 Senate April 13, 1967.

Passed the House April 19, 1967.

Approved by the Governor April 28, 1967, with the exception of a certain item in Section 2 which was vetoed.

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

"This bill authorizes the State Capitol Committee to provide for the acquisition, development and improvement of lands, improvements and facilities within the East Capitol Site in the City of Olympia. The bill also provides the means for financing a portion of this project from an increased allocation to the State of rentals from harbor areas and tidelands.

"The rentals allocated to the State are to be added to the capitol purchase and development account of the State general fund. From this account the legislature has appropriated up to four million dollars to accomplish the purposes of the bill. These funds may be used directly to pay the cost of land acquisition and other expenses of the project, or the State Capitol Committee may issue bonds and use the proceeds of harbor area and tideland rentals and other funds in the capitol purchase and development account to pay the principal and interest on the bonds.

"Section 2 of the bill amends existing law relating to the allocation of harbor area and tideland rentals. It increases the allocation to the State and decreases the allocation to port districts. Looking forward to the time when the State would not require this increased allocation of rentals to pay the current installments of principal and interest on bonds, the legislature has added a proviso to section 2 as follows:

'PROVIDED, That each year, when the current annual debt service requirements for the bonds authorized by section 4 of this act have been provided for, the formula for distribution to port districts shall be re-established as provided in section 1, chapter 170, Laws of 1913, as last amended by section 1, chapter 115, Laws of 1937.'

"I do not object to the principle that the increased allocation of rentals to the State should be returned to the port districts when it is no longer required to finance the acquisition and development of property in the East Capitol Site; however, the language of the proviso is too restrictive. The increased revenues from rentals can be used only to pay debt service on bonds, otherwise they revert to the port districts. They are not available to the State to pay costs of the project without issuing bonds. And, if bonds are issued it may not be possible to accumulate funds in addition to current debt service to provide bondholders with customary guarantees that future debt service requirements will be met.

"It is doubtful that the legislature expected the proviso to result in a reduction of the State's share of these rentals during the next two years. Thus, the 1969 legislature will have the opportunity to review this provision prior to the time that any surplus funds would have been available in the capitol purchase and development account.

"For the foregoing reasons, I have vetoed a certain item in section 2. The remainder of Senate Bill No. 638 is approved."

DANIEL J. EVANS,
Governor.