

(3) "Library" means a free public library supported in whole or in part with money derived from taxation; and

(4) "Regional library" means a free public library maintained by two or more counties or other governmental units as provided in RCW 27.12.080; and

(5) "Rural county library district" means a library serving all the area of a county not included within the area of incorporated cities and towns: PROVIDED, That any city or town with a population of eight thousand five hundred or less at the time of annexation may be included therein as provided in sections 1 through 4 of this amendatory act; and

(6) "Intercounty rural library district" means a municipal corporation organized to provide library service for all areas outside of incorporated cities and towns within two or more counties: PROVIDED, That any city or town with a population of eight thousand five hundred or less at the time of annexation may be included therein as provided in sections 1 through 4 of this amendatory act.

**NEW SECTION.** Sec. 6. Sections 1 through 4 of this amendatory act are each added to chapter 27.12 RCW.

Passed the House April 29, 1977.

Passed the Senate June 13, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

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## CHAPTER 354

[Substitute House Bill No. 1265]

### INSTITUTIONS OF HIGHER EDUCATION—REFUNDING BONDS

AN ACT relating to the refunding of certain limited obligation revenue bonds of various of the institutions of higher education with state general obligation bonds, herein authorized; providing for reimbursement of the general fund for debt service on the bonds to be issued and the application of reserves to effect the refunding; adding a new chapter to Title 28B RCW; and declaring an emergency.

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

**NEW SECTION.** Section 1. The state finance committee is hereby authorized to issue from time to time on behalf of the state, general obligation bonds of the state in the amount of sixty million dollars, or so much thereof as may be required to refund at or prior to maturity, all or some or any part of the various issues of outstanding limited obligation revenue bonds identified below, issued by various of the institutions of higher education, similarly identified:

(1) University of Washington general tuition fee revenue bonds, all series, aggregating \$28,850,000 in original principal amount;

(2) Washington State University general tuition fee revenue bonds and general tuition fee and scientific fund revenue bonds, all series, aggregating \$19,450,000 in original principal amount;

(3) Western Washington State College general tuition fee and normal school fund revenue bonds, all series, aggregating \$11,620,000 in original principal amount;

(4) Eastern Washington State College general tuition fee and normal school fund revenue bonds, all series, aggregating \$9,501,000 in original principal amount;

(5) Central Washington State College general tuition fee and normal school fund revenue bonds, all series, including refunding series, aggregating \$8,925,000 in original principal amount; and

(6) The Evergreen State College general tuition fee revenue bonds, all series, aggregating \$2,191,125 in original principal amount.

**NEW SECTION.** Sec. 2. The refunding authorized by this act is to be carried out primarily for the purpose of releasing for other needs of the state and its agencies the reserves presently required under existing covenants and statutes to secure payment of the various issues of the bonds to be refunded and, as such, is of substantial benefit to the state.

**NEW SECTION.** Sec. 3. Subject to the specific requirements of sections 1 through 15 of this act, such general obligation refunding bonds shall be issued and the refunding plan carried out in accordance with Article VIII, section 1, of the state Constitution, in accordance with chapter 39.42 RCW as presently in effect, and in accordance with the following sections of chapter 39.53 RCW as presently in effect, where applicable: RCW 39.53.010, 39.53.030, 39.53.060, 39.53.070, 39.53.100, and 39.53.110. The remainder of chapter 39.53 RCW shall not be applicable to the refunding authorized by this act.

In addition to the powers granted to the state finance committee in this subsection, said committee is hereby authorized (1) to determine the times and manner of redemption of the various bonds to be refunded, if any are to be redeemed prior to maturity; (2) to carry out all procedures necessary to accomplish the call for redemption and the subsequent redemption of the bonds to be refunded on behalf of the board of regents or the board of trustees, as the case may be, of each of the institutions which originally issued the bonds to be refunded; and (3) to determine the time, manner, and call premium, if any, for redemption of the refunding issue or issues, if any of the bonds of such issue are to be redeemed prior to maturity.

**NEW SECTION.** Sec. 4. The amount of general obligation refunding bonds issued shall not exceed 1.05 times the amount which, taking into account amounts to be earned from the investment of the proceeds of such issue or issues, is required to pay the principal of, the interest on, premium of, if any, on the revenue bonds to be refunded with the proceeds of the refunding issue or issues.

Each bond issued pursuant to the provisions of this act shall contain a pledge of the state's full faith and credit to the payment of the principal thereof and the interest thereon and the state's unconditional promise to pay said principal and interest as the same shall become due.

**NEW SECTION.** Sec. 5. The proceeds of the refunding issue or issues shall be invested and applied to the payment of the principal of, interest on and redemption premium, if any, on the bonds to be refunded, at the times and in the manner determined by the state finance committee consistent with the provisions and intent of this act. Any investment of such proceeds shall be made only in direct general obligations of the United States of America.

Any proceeds in excess of the amounts required to accomplish the refunding, or any such direct obligation of the United States of America acquired with such excess proceeds, shall be used to pay the fees and costs incurred in the refunding and

the balance shall be deposited in the institutions of higher education refunding bond retirement fund of 1977.

**NEW SECTION.** Sec. 6. There is hereby created in the state treasury the institutions of higher education refunding bond retirement fund of 1977, which fund shall be devoted to the payment of principal of, interest on and redemption premium, if any, on the bonds authorized to be issued pursuant to this act.

The state finance committee shall, on or before June 30 of each year, certify to the state treasurer the amount needed in the next succeeding twelve months to pay the installments of principal of and interest on the refunding bonds coming due in such period. The state treasurer shall, not less than thirty days prior to the due date of each installment, withdraw from any general state revenues received in the state treasury an amount equal to the amount certified by the state finance committee as being required to pay such installment; shall deposit such amount in the institutions of higher education refunding bond retirement fund of 1977; and shall apply in a timely manner the funds so deposited to the payment of the installment due on the bonds.

Moneys in the said bond retirement fund may be invested as determined by the state finance committee. Any interest and profits derived from such interim investment shall be deposited into the said bond retirement fund.

**NEW SECTION.** Sec. 7. The legislature may provide additional means for the payment of the principal of and interest on bonds issued pursuant to this act and this act shall not be deemed to provide an exclusive method for such payment.

**NEW SECTION.** Sec. 8. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding University of Washington general tuition fee revenue bonds payable from the University of Washington bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said University of Washington bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.20.720, 28B.20.725, 28B.20.800 or any other statute pertaining to said bonds or any covenant of the University of Washington board of regents pertaining to said bonds;

(2) The board of regents of the University of Washington shall, from moneys thereafter paid into the University of Washington bond retirement fund pursuant to the provisions of chapter 28B.20 RCW, transfer to the state general fund amounts sufficient to pay the principal of and the interest on that portion or series of the refunding bonds necessary to refund the said University of Washington bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.20 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been

accumulated theretofore in the University of Washington bond retirement fund pursuant to covenants in the said University of Washington bonds.

(4) Anything to the contrary contained in RCW 28B.20.725 notwithstanding, the board of regents of the University of Washington is empowered to authorize the transfer from time to time to the University of Washington building account any moneys in the University of Washington bond retirement fund in excess of the amounts determined by the state finance committee to be transferred from such bond retirement fund in accordance with subsection (2) of this section 8.

**NEW SECTION.** Sec. 9. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Washington State University general tuition fee revenue bonds and general tuition fee and scientific fund revenue bonds payable from the Washington State University bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said Washington State University bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.20.720, 28B.30.740, 28B.30.750 or any other statute pertaining to said bonds or any covenant of Washington State University board of regents pertaining to said bonds;

(2) The board of regents of Washington State University shall, from moneys thereafter paid into the Washington State University bond retirement fund pursuant to the provisions of chapter 28B.30 RCW, transfer to the state general fund amounts sufficient to pay the principal of and the interest on that portion or series of the refunding bonds necessary to refund the said Washington State University bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.30 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Washington State University bond retirement fund pursuant to covenants in the said Washington State University bonds.

(4) Anything to the contrary contained in RCW 28B.30.750 notwithstanding, the board of regents of Washington State University is empowered to authorize the transfer from time to time to the Washington State University building account any moneys in the Washington State University bond retirement fund in excess of the amounts determined by the state finance committee to be transferred from such bond retirement fund in accordance with subsection (2) of this section 9.

**NEW SECTION.** Sec. 10. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Western Washington State College general tuition fee and normal school fund revenue bonds payable from the Western Washington State College bond retirement fund, which provision has been made in a refunding

plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said Western Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Western Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all general tuition fees and all normal school fund revenues received by Western Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Western Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Western Washington State College bond retirement fund pursuant to covenants in the said Western Washington State College bonds.

NEW SECTION. Sec. 11. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Eastern Washington State College general tuition fee and normal school fund revenue bonds payable from the Eastern Washington State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said Eastern Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Eastern Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all general tuition fees and all normal school fund revenues received by Eastern Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Eastern Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Eastern Washington State College bond retirement fund pursuant to covenants in the said Eastern Washington State College bonds.

**NEW SECTION.** Sec. 12. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Central Washington State College general tuition fee and normal school fund revenue bonds payable from the Central Washington State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said Central Washington State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of Central Washington State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all general tuition fees and all normal school fund revenues received by Central Washington State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Central Washington State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Central Washington State College bond retirement fund pursuant to covenants in the said Central Washington State College bonds.

**NEW SECTION.** Sec. 13. At such time as ample provision has been made for full payment, when due under the terms thereof or upon redemption prior to maturity, of all the principal of and interest on and redemption premium, if applicable, on all the outstanding Evergreen State College general tuition fee revenue bonds payable from the Evergreen State College bond retirement fund, which provision has been made in a refunding plan adopted by the state finance committee pursuant to the terms of this act utilizing a part of the proceeds and the investment proceeds of the refunding bonds issued pursuant to this act, then:

(1) The said Evergreen State College bonds so refunded shall be deemed not to be "outstanding" or "unpaid" for purposes of RCW 28B.40.370, 28B.40.750, or, other than RCW 28B.40.751, any other statute pertaining to said bonds or any covenant of the board of trustees of The Evergreen State College pertaining to said bonds;

(2) Anything to the contrary in chapter 28B.40 RCW notwithstanding, all general tuition fees and all normal school fund revenues received by The Evergreen State College pursuant to RCW 28B.40.751 shall thenceforth be deposited into the Evergreen State College capital projects account and the board of trustees of said college shall thereafter transfer from said capital projects account to the state general fund, amounts sufficient to pay the principal of and interest on that portion or series of the refunding bonds necessary to refund the said bonds. The state finance committee shall determine all matters pertaining to the said transfer, including the amounts to be transferred and the time and manner of transfer; and

(3) Anything to the contrary contained in chapter 28B.40 RCW notwithstanding, the state treasurer shall immediately transfer to the state general fund all reserves, less any amount required to effect the refunding, which have been accumulated theretofore in the Evergreen State College bond retirement fund pursuant to covenants in the said Evergreen State College bonds.

**NEW SECTION.** Sec. 14. Any reserves transferred to the state general fund by the state treasurer pursuant to sections 8(3), 9(3), 10(3), 11(3), 12(3), or 13(3) of this act shall be appropriated and expended solely for the maintenance and support of the institutions listed in section 1 of this act.

**NEW SECTION.** Sec. 15. 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 provisions to other persons or circumstances shall not be affected.

**NEW SECTION.** Sec. 16. Sections 1 through 15 of this act shall constitute a new chapter in Title 28B RCW.

**NEW SECTION.** Sec. 17. 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 June 13, 1977.

Passed the Senate June 6, 1977.

Approved by the Governor July 1, 1977.

Filed in Office of Secretary of State July 1, 1977.

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## CHAPTER 355

[Substitute House Bill No. 952]

### MOTOR VEHICLE EQUIPMENT

AN ACT Relating to motor vehicle equipment; amending section 46.37.010, chapter 12, Laws of 1961 as amended by section 1, chapter 154, Laws of 1963 and RCW 46.37.010; amending section 46.37.020, chapter 12, Laws of 1961 as last amended by section 2, chapter 124, Laws of 1974 ex. sess. and RCW 46.37.020; amending section 46.37.030, chapter 12, Laws of 1961 and RCW 46.37.030; amending section 46.37.040, chapter 12, Laws of 1961 and RCW 46.37.040; amending section 46.37.050, chapter 12, Laws of 1961 as amended by section 3, chapter 154, Laws of 1963 and RCW 46.37.050; amending section 46.37.060, chapter 12, Laws of 1961 as amended by section 4, chapter 154, Laws of 1963 and RCW 46.37.060; amending section 46.37.070, chapter 12, Laws of 1961 as amended by section 5, chapter 154, Laws of 1963 and RCW 46.37.070; amending section 46.37.080, chapter 12, Laws of 1961 as amended by section 6, chapter 154, Laws of 1963 and RCW 46.37.080; amending section 46.37.090, chapter 12, Laws of 1961 as amended by section 7, chapter 154, Laws of 1963 and RCW 46.37.090; amending section 46.37.110, chapter 12, Laws of 1961 and RCW 46.37.110; amending section 46.37.120, chapter 12, Laws of 1961 as amended by section 8, chapter 154, Laws of 1963 and RCW 46.37.120; amending section 46.37.140, chapter 12, Laws of 1961 as amended by section 9, chapter 154, Laws of 1963 and RCW 46.37.140; amending