

CHAPTER 158.

[Senate Bill No. 40.]

PUBLIC SCHOOL PLANT FACILITIES—FINANCING.

AN ACT relating to the public schools and the support thereof; authorizing the issuance and sale of state general obligation bonds to provide for needed public school plant facilities; providing ways and means to pay said bonds; making appropriations; and providing for submission of this act to a vote of the people.

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

School plant facilities financing. Bonds authorized—Form, sale, maturity, etc.

SECTION 1. For the purpose of furnishing funds for state assistance in providing public school plant facilities, there shall be issued and sold, at any time prior to April 1, 1970, general obligation bonds of the state of Washington in the sum of sixteen million five hundred thousand dollars to be paid and discharged not more than twenty years after the date of issuance. The issuance, sale and retirement of said bonds shall be under the general supervision and control of the state finance committee.

The state finance committee is authorized to prescribe the forms of such bonds; the provisions of sale of all or any portion or portions of such bonds; the terms, provisions, and covenants of said bonds, and the sale, issuance, and redemption thereof. None of the bonds herein authorized shall be sold for less than the par value thereof.

The bonds shall pledge the full faith and credit of the state of Washington and contain an unconditional promise to pay the principal and interest when due.

The committee may provide that the bonds, or any of them, may be called prior to the maturity date thereof under such terms, conditions, and provisions as it may determine and may authorize the use of facsimile signatures in the issuance of such bonds and upon any coupons attached thereto. Such

bonds shall be payable at such places as the state finance committee may provide.

SEC. 2. The proceeds from the sale of the bonds authorized herein shall be deposited in the public school building construction account of the general fund and shall be used exclusively for the purposes of carrying out the provisions of this act, and for payment of the expense incurred in the printing, issuance and sale of such bonds.

Bond sale proceeds, disposition and use.

SEC. 3. The public school building bond redemption fund of 1965 is hereby created in the state treasury which fund shall be exclusively devoted to the retirement of the bonds and interest authorized by this act. The state finance committee shall, on or before June thirtieth of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet interest payments on and retirement of bonds authorized by this act. On July 1st of each year the state treasurer shall deposit such amount in the public school building bond redemption fund of 1965 from moneys transmitted to the state treasurer by the tax commission and certified by the tax commission to be sales tax collections and such amount certified by the state finance committee to the state treasurer shall be a prior charge against all retail sales tax revenues of the state of Washington, except that portion thereof heretofore pledged for the payment of bond principal and interest.

Bond redemption fund. Created—Tax moneys deposited in—Use.

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

SEC. 4. The legislature may provide additional means for raising funds for the payment of the interest and principal of the bonds authorized by

Bond redemption method not exclusive.

this act and this act shall not be deemed to provide an exclusive method for such payment.

School plant facilities financing. Bonds as negotiable instruments, legal investments of public funds.

SEC. 5. The bonds herein authorized shall be fully negotiable instruments and shall be legal investment for all state funds or for funds under state control and all funds of municipal corporations, and shall be legal security for all state, county and municipal deposits.

Appropriated funds, allotting of.

SEC. 6. For the purpose of carrying out the provisions of this act funds appropriated to the state board of education from the public school building construction account of the general fund shall be allotted by the state board of education in accordance with the provisions of sections 7 through 15, chapter 3, Laws of 1961, extraordinary session: *Provided*, That no allotment shall be made to a school district for the purpose aforesaid until such district has provided funds for school building construction purposes through the issuance of bonds or through the authorization of excess tax levies or both in an amount equivalent to ten percent of its taxable valuation or such amount as may be required by the state board of education. The state board of education shall prescribe and make effective such rules and regulations as are necessary to equate insofar as possible the efforts made by school districts to provide capital funds by the means aforesaid.

Appropriations.

SEC. 7. The following sums, or so much thereof as may be necessary, are hereby appropriated from the public school building construction account of the general fund, from the proceeds of the bonds herein authorized, to carry out the purposes of this act: To the state finance committee, sixteen thousand five hundred dollars; to the state board of education, sixteen million four hundred eighty-three thousand five hundred dollars.

SEC. 8. In accordance with the provisions of section 6, the state board of education is authorized to allocate the sum of \$27,753,500 (being (1) \$16,483,500 from the public school building construction account including \$7,403,500 for new community colleges authorized by the 1965 legislature, and (2) \$11,270,000 from the common school construction fund): *Provided*, That such allocations shall not be binding upon the state in the event that either this act or Senate Joint Resolution No. 22, 1965 extraordinary session, is rejected by the people: *Provided further*, That expenditures against such allocations shall not exceed the amounts appropriated in this act and in chapter 153, Laws of 1965, extraordinary session (ESSB 42) during the 1965-1967 fiscal biennium, or the amounts then currently appropriated for these purposes by future legislatures.

Allocations--
Conditional.

SEC. 9. This act shall be submitted to the people for their adoption and ratification, or rejection, at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1966, in accordance with the provisions of section 3, Article VIII of the state Constitution; and in accordance with the provisions of section 1, Article II of the state Constitution, as amended, and the laws adopted to facilitate the operation thereof.

Referendum.

Passed the Senate May 6, 1965.

Passed the House May 6, 1965.

Approved by the Governor May 12, 1965.