

CHAPTER 246

[Substitute Senate Bill No. 4783]

UNIFORM CONTROLLED SUBSTANCES ACT—DISPOSITION OF PROCEEDS FORFEITED

AN ACT Relating to the distribution of proceeds forfeited under the uniform controlled substances act; and adding a new section to chapter 43.17 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 43.17 RCW to read as follows:

(1) Each state agency is authorized to receive property or money made available by the attorney general of the United States under section 881(c) of Title 21 of the United States Code and, except as required to the contrary under subsection (2) of this section, to use the property or spend the money for such purposes as are permitted under both federal law and the state law specifying the powers and duties of the agency.

(2) Unless precluded by federal law, all funds received by a state agency under section 881(c) of Title 21 of the United States Code shall be promptly deposited into the public safety and education account established in RCW 43.08.250.

Passed the Senate March 9, 1986.

Passed the House March 6, 1986.

Approved by the Governor April 3, 1986.

Filed in Office of Secretary of State April 3, 1986.

CHAPTER 247

[Substitute Senate Bill No. 4923]

TAX EXEMPT BONDS—ALLOCATION OF THE STATE CEILING

AN ACT Relating to the allocation of the state ceiling on the issuance of certain tax exempt bonds under federal tax law; adding a new section to chapter 39.86 RCW; creating new sections; and declaring an emergency.

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

NEW SECTION. Sec. 1. Sections 701 through 703 of the proposed "Tax Reform Act of 1985" (H.R. 3838), which has been adopted by the United States House of Representatives, would, if enacted, change federal tax law regarding the allocation of the maximum amount of certain tax exempt bonds that may be issued in the state, effective retroactively to January 1, 1986, or such other effective date as may be adopted. Existing Washington law enacted as part of chapter 446, Laws of 1985 (chapter 39.86 RCW) sets forth a method for allocating the state ceiling for certain tax exempt bonds under existing federal law. The allocation formula contained

in chapter 39.86 RCW would become ineffective for federal tax law purposes from the effective date of H.R. 3838 if H.R. 3838 were enacted. So long as H.R. 3838 is pending with such a retroactive effective date, tax exempt bonds cannot be adequately allocated in an orderly manner under existing state law. It is the intent of the legislature to authorize the governor to promulgate an interim, alternative allocation mechanism to insure the orderly issuance of tax exempt bonds until the legislature can review federal tax law changes, if and when finally enacted, and consider a revised allocation mechanism.

NEW SECTION. Sec. 2. A new section is added to chapter 39.86 RCW to read as follows:

The governor is authorized to establish by executive order an alternative system for the allocation of tax exempt bonds under any new unified volume limitation provided by section 701(b) of H.R. 3838 or other federal legislation, including housing-related bonds. The allocation of the state ceiling on the issuance of certain tax exempt bonds under federal tax law may be determined under RCW 39.86.010 through 39.86.060, under this section, or under both RCW 39.86.010 through 39.86.060 and this section to the extent necessary for federal tax law purposes. The authority delegated to the governor under this section shall constitute a "different formula for allocating the state ceiling" as that term is used in section 701(b) of H.R. 3838. The governor may from time to time allocate or reallocate some or all of the state ceiling on tax exempt bonds under any new unified volume limitation. In allocating or reallocating under this section, the governor shall take into account the requirements of federal law, the policy choices expressed in state law, the projected needs of issues of tax exempt bonds in the state and historic patterns of bond issuance. If any issuer of tax exempt bonds to which allocations of the state ceiling have been made, finds that it is reasonably likely that a portion of the state ceiling allocated to it would not be consumed, it shall promptly so notify the governor, and the governor may by executive order, following no less than thirty days notice to issuers that have requested additional allocations, provide for the reallocation of the excess to one or more issuers.

This section shall expire July 1, 1987.

NEW SECTION. Sec. 3. No later than December 1, 1986, the department of community development shall submit to the governor and legislature an interim study regarding:

- (1) Status of federal tax law relating to the allocations of the state ceiling;
 - (2) Usage of allocations under previous and existing state ceilings;
 - (3) Projections of future demand for allocations of the state ceiling;
- and
- (4) Recommendations regarding allocations of the state ceiling among issuers and types of bonds.

NEW SECTION. Sec. 4. 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 February 14, 1986.

Passed the House March 4, 1986.

Approved by the Governor April 3, 1986.

Filed in Office of Secretary of State April 3, 1986.

CHAPTER 248

[Substitute Senate Bill No. 4933]

LOW-INCOME HOUSING—CITIES, TOWNS, AND COUNTIES MAY PROVIDE LOANS OR GRANTS

AN ACT Relating to low-income housing; adding a new section to chapter 35.21 RCW; and adding a new section to chapter 36.32 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 35.21 RCW to read as follows:

A city or town may assist in the development or preservation of publicly or privately owned housing for persons of low income by providing loans or grants of general municipal funds to the owners or developers of the housing. The loans or grants shall be authorized by the legislative authority of the city or town. They may be made to finance all or a portion of the cost of construction, reconstruction, acquisition, or rehabilitation of housing that will be occupied by a person or family of low income. As used in this section, "low income" means income that does not exceed eighty percent of the median income for the standard metropolitan statistical area in which the city or town is located. Housing constructed with loans or grants made under this section shall not be considered public works or improvements subject to competitive bidding or a purchase of services subject to the prohibition against advance payment for services: PROVIDED, That whenever feasible the borrower or grantee shall make every reasonable and practicable effort to utilize a competitive public bidding process.

NEW SECTION. Sec. 2. A new section is added to chapter 36.32 RCW to read as follows:

A county may assist in the development or preservation of publicly or privately owned housing for persons of low income by providing loans or grants of general county funds to the owners or developers of the housing. The loans or grants shall be authorized by the legislative authority of a county. They may be made to finance all or a portion of the cost of construction, reconstruction, acquisition, or rehabilitation of housing that will be occupied by a person or family of low income. As used in this section,