

CHAPTER 12.

[S. B. 23.]

WASHINGTON STATE UNIVERSITY—
BUILDINGS—FINANCING.

AN ACT Relating to Washington State University; providing for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of buildings and facilities; authorizing the board of regents thereof to construct and finance the same by the issuance of bonds payable from a special fund into which shall be paid certain general tuition fees; creating such special fund; authorizing the board to make certain covenants in such bonds; authorizing the board to accept federal and other grants; authorizing the legislature to provide additional means for raising money for payment of the bonds; authorizing the refunding of such bonds; and relating to tuition fees and other fees and the disposition thereof.

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

SECTION 1. The board of regents of Washington State University is empowered, in accordance with the provisions of this act, to provide for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of buildings and facilities authorized by the legislature for the use of the university and to finance the payment thereof by bonds payable out of a special fund from revenues hereafter derived from the payment of general tuition fees, gifts, bequests or grants, and such additional funds as the legislature may provide.

Washington
state univer-
sity buildings
and facilities—
Acquisition—
Financing—
Authorized.

Definitions.

SEC. 2. The following terms, whenever used or referred to in this act, shall have the following meaning, excepting in those instances where the context clearly indicates otherwise:

"Board".

(1) The word "board" means the board of regents of Washington State University.

"General
tuition fees".

(2) The words "general tuition fees" mean the general tuition fee charged students registering at the university, but shall not mean special tuition or

other fees charged such students or fees, charges, rentals, and other income derived from any or all revenue-producing lands, buildings, and facilities of the university, heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land or the appurtenances thereon.

(3) The words "bond retirement fund" mean the special fund created by this act, to be known as the Washington State University bond retirement fund. "Bond retirement fund".

(4) The word "bonds" means the bonds payable out of the bond retirement fund. "Bonds".

(5) The word "projects" means the construction, completion, reconstruction, remodeling, rehabilitation, or improvement of any building or other facility of the university authorized by the legislature at any time and to be financed by the issuance and sale of bonds. "Projects".

SEC. 3. In addition to the powers conferred under existing law, the board is authorized and shall have the power: Board powers conferred.

(1) To contract for the construction, completion, reconstruction, remodeling, rehabilitation and improvement of such buildings or other facilities of the university as are authorized by the legislature to be financed by the issuance and sale of bonds.

(2) To finance the same by the issuance of bonds secured by the pledge of any or all of the revenues and receipts of the bond retirement fund.

(3) Without limitation of the foregoing, to accept grants from the United States government, or any federal or state agency or instrumentality, or any public or private corporation, association, or person to aid in defraying the costs of any such projects.

Financing
by bonds.

SEC. 4. For the purpose of financing the cost of any projects, the board is hereby authorized to adopt the resolution or resolutions and prepare all other documents necessary for the issuance, sale and delivery of the bonds or any part thereof at such time or times as it shall deem necessary and advisable. Said bonds:

Form of
bonds.

(1) Shall not constitute

(a) An obligation, either general or special, of the state; or

(b) A general obligation of Washington State University or of the board;

(2) Shall be

(a) Either registered or in coupon form; and

(b) Issued in denominations of not less than one hundred dollars; and

(c) Fully negotiable instruments under the laws of this state; and

(d) Signed on behalf of the university by the president of the board, attested by the secretary of the board, have the seal of the university impressed thereon or a facsimile of such seal printed or lithographed in the bottom border thereof, and the coupons attached thereto shall be signed with the facsimile signatures of such president and secretary;

(3) Shall state

(a) The date of issue; and

(b) The series of the issue and be consecutively numbered within the series; and

(c) That the bond is payable both principal and interest solely out of the bond retirement fund;

(4) Each series of bonds shall bear interest, payable either annually or semiannually, as the board may determine at an effective rate not to exceed six percent per annum over the life thereof, and no single interest or coupon rate shall exceed six percent per annum;

(5) Shall be payable both principal and interest out of the bond retirement fund;

(6) Shall be payable at such times over a period of not to exceed forty years from date of issuance, at such place or places, and with such reserved rights of prior redemption, as the board may prescribe;

(7) Shall be sold in such manner as the board may prescribe, but never at a price at which the net interest cost over the life thereof shall exceed six percent per annum;

(8) Shall be issued under and subject to such terms, conditions and covenants providing for the payment of the principal thereof and interest thereon and such other terms, conditions, covenants and protective provisions safeguarding such payment, not inconsistent with this act, and as found to be necessary by the board for the most advantageous sale thereof, which may include but not be limited to:

(a) A covenant that the general tuition fees shall be established, maintained and collected in such amounts that will provide money sufficient to pay the principal of and interest on all bonds payable out of the bond retirement fund, to set aside and maintain the reserves required to secure the payment of such principal and interest, and to maintain any coverage which may be required over such principal and interest;

(b) A covenant that a reserve account shall be created in the bond retirement fund to secure the payment of the principal of and interest on all bonds issued and a provision made that certain amounts be set aside and maintained therein;

(c) A covenant that sufficient moneys may be transferred from the Washington State University building account to the bond retirement fund when ordered by the board of regents in the event there is

ever an insufficient amount of money in the bond retirement fund to pay any installment of interest or principal and interest coming due on the bonds or any of them;

(d) A covenant fixing conditions under which bonds on a parity with any bonds outstanding may be issued.

The proceeds of the sale of all bonds, exclusive of accrued interest which shall be deposited in the bond retirement fund, shall be deposited in the state treasury to the credit of the Washington State University building account and shall be used solely for paying the costs of the projects.

Bond retirement fund created—Moneys credited to.

SEC. 5. For the purpose of paying and securing the payment of the principal of and interest on the bonds as the same shall become due, there shall be paid into the state treasury and credited to a special trust fund to be known as the Washington State University bond retirement fund, which fund is hereby created in the state treasury, the following:

(1) One-half of such general tuition fees as the board may from time to time determine, or such larger portion as may be necessary to prevent default in the payments required to be made out of the bond retirement fund;

(2) Any grants which may be made, or may become available, for the purpose of furthering the construction of any authorized projects, or for the repayment of the costs thereof;

(3) Such additional funds as the legislature may provide.

Said bond retirement fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or any interest thereon remain unpaid, be available solely for the payment thereof except as provided in subdivision (5) of section 6 of this act. As a part of the contract of sale of such bonds, the board shall undertake to

charge and collect general tuition fees and to deposit the portion of such fees in the bond retirement fund in amounts which will be sufficient to pay the principal of, and interest on all such bonds outstanding.

SEC. 6. The board is hereby empowered:

(1) To reserve the right to issue bonds later on a parity with any bonds being issued;

(2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;

(3) To authorize the transfer of money from the Washington State University building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;

(4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;

(5) To authorize the transfer to the Washington State University building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund.

Board powers incidental to financing through bond issuance.

SEC. 7. The board is hereby empowered to issue refunding bonds to provide funds to refund any or all outstanding bonds payable from the bond retirement fund and to pay any redemption premium payable on such outstanding bonds being refunded. Such refunding bonds may be issued in the manner and on terms and conditions and with the covenants permitted by this act for the issuance of bonds. The refunding bonds shall be payable out of the bond retirement fund and shall not constitute an obligation either general or special, of the state or a general obligation of Washington State University or the board. The net interest cost to maturity on such

Refunding bonds authorized.

refunding bonds shall not exceed six percent per annum nor shall any single interest or coupon rate exceed six percent per annum. The board may exchange the refunding bonds at par for the bonds which are being refunded or may sell them in such manner as it deems for the best interest of the university.

Bonds as
limited
obligation—
Method of
payment
nonexclusive.

SEC. 8. The bonds authorized to be issued pursuant to the provisions of this act shall not be general obligations of the state of Washington, but shall be limited obligation bonds payable only from the special fund created for their payment. The legislature may provide additional means for raising money for the payment of interest and principal of said bonds. This act shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section to provide additional means for raising money is permissive, and shall not in any way be construed as a pledge of the general credit of the state of Washington.

Act
concurrent.

SEC. 9. This act is concurrent with other legislation with reference to providing funds for the construction of buildings at Washington State University, and is not to be construed as repealing or limiting any existing provision of law with reference thereto.

Passed the Senate March 24, 1961.

Passed the House March 25, 1961.

Approved by the Governor March 30, 1961.