

CHAPTER 103
[Substitute House Bill No. 312]
STATE BUILDING AUTHORITY

AN ACT Relating to the state building authority; amending section 2, chapter 162, Laws of 1967 as amended by section 1, chapter 261, Laws of 1969 ex. sess. and RCW 43.75.020; amending section 3, chapter 162, Laws of 1967 and RCW 43.75.030; amending section 6, chapter 162, Laws of 1967 as amended by section 2, chapter 27, Laws of 1969 ex. sess. and RCW 43.75.060; amending section 7, chapter 162, Laws of 1967 and RCW 43.75.070; amending section 8, chapter 162, Laws of 1967 and RCW 43.75-.080; amending section 9, chapter 162, Laws of 1967 and RCW 43.75.090; amending section 10, chapter 162, Laws of 1967 and RCW 43.75.100; amending section 12, chapter 162, Laws of 1967 as amended by section 3, chapter 27, Laws of 1969 ex. sess. and RCW 43.75.120; amending section 13, chapter 162, Laws of 1967 and RCW 43.75.130; amending section 14, chapter 162, Laws of 1967 and RCW 43.75.140; amending section 16, chapter 162, Laws of 1967 and RCW 43.75.160; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 2, chapter 162, Laws of 1967 as amended by section 1, chapter 261, Laws of 1969 ex. sess. and RCW 43.75.020 are each amended to read as follows:

The following terms, when used in this chapter, shall have the following meanings:

- (1) "Authority" means the state building authority.
- (2) "Institution of higher learning" means any one of the following: University of Washington, Washington State University, Western Washington State College, Eastern Washington State College, Central Washington State College, and The Evergreen State College.
- (3) "Governing body" shall mean the board of regents of the University of Washington, the board of regents of Washington State

University, or the board of trustees of any of the state colleges.

(4) "Project" shall mean ((a-single)) any undertaking by the authority to provide one or more buildings under a single lease by the authority.

(5) "Buildings" shall include structures together with improvements on appurtenant adjacent land for the enhancement of the utility or value thereof.

Sec. 2. Section 3, chapter 162, Laws of 1967 and RCW 43.75-.030 are each amended to read as follows:

The authority may contract with any of the institutions of higher learning to lease from any such institution land owned by such institution or may acquire land for the purpose of erecting thereon a building or buildings as requested by the governing body of any such institution of higher learning when such building or buildings shall be specifically approved by the legislature: PROVIDED, That no specific approval by the legislature shall be required for buildings at The Evergreen State College prior to July 1, 1971.

Such building or buildings, ((when-erected,)) together with the land upon which they shall be built, shall be leased or released by the authority to the appropriate institution of higher learning at any time subsequent to the commencement of construction thereof for a term of years not to exceed seventy-five, at reasonable rental rates.

Sec. 3. Section 6, chapter 162, Laws of 1967 as amended by section 2, chapter 27, Laws of 1969 ex. sess. and RCW 43.75.060 are each amended to read as follows:

Rental rates shall be set by the authority in an amount which, during the term of each lease, shall yield sufficient revenue to repay the authority for the cost of construction, land acquisition and all expenditures, including overhead, which may be made by the authority in connection with any such building or the financing

thereof including interest and bond service charges upon the money required for providing any such building. In determining the amount of the rent, the authority shall seek to avoid the making of any profit but may fix the rental at such figure as shall afford reasonable protection to the holders of bonds issued by the authority, and shall also afford reasonable protection to the authority from losses from unpredictable causes.

Sec. 4. Section 7, chapter 162, Laws of 1967 and RCW 43.75-.070 are each amended to read as follows:

Upon the completion of construction of each building, the authority shall make a determination of the cost thereof and the amount required to reimburse the authority for its expenditures in connection therewith. The institution of higher learning concerned shall have the right to purchase the interest of the authority in any building and land pertaining thereto at any time and to terminate the lease thereon by paying to the authority the amount (~~(as determined reduced by the proportion that the number of months for which rent shall have been paid in the rental term shall bear to the total number of months in the term)~~ agreed upon by the authority and the institution.

Sec. 5. Section 8, chapter 162, Laws of 1967 and RCW 43.75-.080 are each amended to read as follows:

~~((Should the authority, at the termination of any lease, have on-hand funds derived from such lease))~~ When the principal of and interest on the bonds or other obligations issued in whole or in part to pay the cost of any project or any bonds or obligations issued to refund such bonds or obligations have been paid in full or such payment has been duly provided for, all remaining funds held by the authority derived from any lease, in excess of the authority's expenditures in connection with the project ((the authority)) shall

~~((pay-such-excess))~~ be paid to the fund or funds from which the rental had been paid. Office and travel expenses of the authority and salaries and wages of its employees shall be budgeted and paid from appropriations of state funds, but the authority shall allocate to each project a proportion of such costs as overhead which shall be recovered on a current basis and deposited in the fund from which overhead expenditures have been made. In determining whether excess funds remain at the conclusion of any lease, any unrecovered overhead allocated to the project shall first be reimbursed.

Sec. 6. Section 9, chapter 162, Laws of 1967 and RCW 43.75-090 are each amended to read as follows:

The authority shall have all powers appropriate to carrying out its functions as outlined in this chapter (~~((--These powers shall include but shall not be limited to the establishment of an office, the employment of personnel, the letting of contracts for the design and construction of buildings as provided in section 43-19-450 RCW, the obtaining of insurance, the borrowing of money, the issuance of bonds or other evidences of indebtedness, and the pledging of its income as security for borrowed money or the mortgaging of its lease holds for that purpose--))~~), including but not limited to the power to:

(1) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) Adopt an official seal.

(3) Maintain an office.

(4) Sue and be sued in its own name and plead and be impleaded.

(5) Acquire in the name of the authority and hold and dispose of real and personal property, or any interest therein, in the exercise of its powers and the performance of its duties under this act.

(6) Borrow money for any of its corporate purposes as expressed in this chapter and to issue negotiable revenue bonds and other evidences of indebtedness, to refund and refinance, from time to time, such bonds and other evidences of indebtedness as may be deemed to be advantageous by the authority and to provide for the payment of all of such obligations and the rights of the holders thereof.

(7) Make and enter into contracts for the design and construction of buildings as provided in RCW 43.19.450.

(8) Make and enter into other contracts, leases and other instruments necessary or incident to the performance of its duties and the execution of its powers under this act.

(9) Employ appraisal and financial experts, attorneys and other employees and agents as may be necessary in its judgment to carry out its duties and functions under this act and to fix their compensation.

(10) Receive and accept any grants or contributions from the United States of America and any agency thereof and to pledge such contributions or grants to the payment of bonds or other obligations.

(11) Receive and accept aid or contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made.

(12) Do all acts and things necessary or, in the opinion of the building authority, convenient to carry out the powers expressly granted in this act.

Sec. 7. Section 10, chapter 162, Laws of 1967 and RCW 43.75-.100 are each amended to read as follows:

The state treasurer shall be ex officio treasurer of the authority and all funds of the authority from whatever source

derived shall be deposited with and held by him but such money, except appropriated funds, shall never be commingled with funds in the state treasury nor deemed to be a part of the general funds of the state and shall not be subject to the requirement of legislative appropriation. Subject to covenants relating to bonds and other obligations all funds of the authority not immediately required for current expenditures or disbursement may be invested in bonds or obligations of a nature eligible for the investment of surplus state funds.

Sec. 8. Section 12, chapter 162, Laws of 1967 as amended by section 3, chapter 27, Laws of 1969 ex. sess. and RCW 43.75.120 are each amended to read as follows:

~~(The authority shall determine the form, conditions, covenants including but not being limited to a covenant for the creation, maintenance and replenishment of a reserve account within each bond redemption fund, for coverage of rental revenue to be paid into each bond redemption fund in excess of the actual annual debt service on the bonds payable out of each bond redemption fund, for the selection of a trustee for the owners and holders of such bonds or each issue or series thereof and for the fixing of the rights, duties, powers and obligations of such trustee, and providing for such other covenants, all as in the opinion of the authority are necessary for the most advantageous sale of said bonds, and denominations of the bonds, the maturity dates which the bonds shall bear and the interest rates thereon. The authority may provide for the retirement of the bonds at any time prior to maturity and in such manner and upon payment of such premiums as it may determine in the resolution providing for the issuance of the bonds. All such bonds shall be signed in such manner as the authority shall specify in its resolution.)~~ The authority may issue bonds as provided in this act

whenever and as often as it deems advisable. The authority shall by resolution determine the amount, date, form, terms, conditions, denominations, maximum interest rate, maturity or maturities, redemption rights, registration privileges, manner of execution and covenants of such bonds, including refunding bonds. In the resolution authorizing the issuance of bonds the authority shall have the power;

(1) To pledge to any payment or purpose all or any part of its revenues to which its right then exists or may thereafter come into existence, and the moneys derived therefrom, and the proceeds of any bonds;

(2) To covenant against permitting or suffering any lien on its property;

(3) To covenant as to establishment of reserves or sinking funds, the making of provision for the same, and the regulation and disposition thereof;

(4) To covenant with respect to or against limitations on any right to sell or otherwise dispose of any property of any kind;

(5) To covenant as to the issuance of additional bonds or as to limitations on the issuance of additional bonds and on the incurring of other debts by it;

(6) To covenant as to the payment of the principal of or interest on the bonds, as to the sources and methods of such payment, as to the rank or priority of any such bonds with respect to any lien or security or as to the acceleration of the maturity of any such bonds;

(7) To covenant as to any charges to be established and charged, the amount to be raised each year or other period of time by charges or other revenues and as to the use and disposition to be made thereof;

(8) To covenant to create or authorize the creation of special funds or moneys to be held in pledge or otherwise for operating expenses, payment or redemption of bonds, reserves or other purposes and as to the use and disposition of the moneys held in such funds;

(9) To covenant as to the custody of any of its properties or investments, the safe keeping thereof, the insurance to be carried thereon, and the use and disposition of insurance moneys;

(10) To vest in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds and to limit or abrogate the right of the holders of any bonds of the authority to appoint a trustee under this act or limiting the rights, powers and duties of such trustee;

(11) To appoint and to provide for the duties and obligations of a paying agent or paying agents, or such other fiduciaries as such resolution may provide; and

(12) To make covenants other than and in addition to the covenants herein expressly authorized, of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or which, in the absolute discretion of the authority, will tend to make bonds more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein.

Bonds shall be negotiable instruments and shall be sold on sealed bids to the highest bidder after such advertising for bids as the authority deems proper. The authority may reject any and all bids and may thereafter sell bonds at private sale under such

terms and conditions as it deems most advantageous to its own interests but not at a price below that of the best bid which was rejected. The authority may contract loans and borrow money through the sale of bonds of the same character as those herein authorized from the United States or any agency thereof upon such conditions and terms as may be agreed to and the bonds shall be subject to all the provisions of this chapter except the requirement that they be first offered at public sale. Temporary or interim bonds, certificates, or receipts of any denomination and with or without coupons attached may be issued and delivered until bonds are executed and available for delivery.

Sec. 9. Section 13, chapter 162, Laws of 1967 and RCW 43.75-.130 are each amended to read as follows:

The proceeds from the sale of bonds or other obligations shall be disbursed solely for the completion of the project or projects for which they are sold and all expenses incidental thereto and to the issuance of the bonds or other obligations, the payment of interest on such bonds during the period until revenues shall be derived from the project or projects sufficient to meet interest accruals (~~(--Moneys-derived-from-the-sale-of-bonds,-not-immediately-required-for-current-expenditure,-may-be-invested-in-bonds-or-obligations-of-a-nature-eligible-for-the-investment-of-surplus-state-moneys)~~) and the funding of debt service reserves. Any surplus proceeds may be used to abate project lease rentals or for bond retirement.

Sec. 10. Section 14, chapter 162, Laws of 1967 and RCW 43.75-.140 are each amended to read as follows:

The authority may agree with the purchaser of the bonds upon any conditions or limitations restricting the disbursement of such

funds as may be deemed advisable for the purpose of assuring the proper application of such funds. (~~(Any surplus from the proceeds of the bond sales above the amounts required for the purposes of the project shall be used for bond retirement.)~~)

Sec. 11. Section 16, chapter 162, Laws of 1967 and RCW 43.75-.160 are each amended to read as follows:

The authority may, as security for bonds or funds otherwise borrowed, pledge its rental and other revenues ((~~ex~~)) and mortgage its leaseholds. In the event of default, any such pledge or mortgage may be foreclosed by action brought in the superior court for Thurston county or the obligations of the authority may be enforced by mandamus or other appropriate action. In such foreclosure, the obligee may upon establishment of a default be entitled to the appointment of a receiver to take charge of the mortgaged property or to collect the pledged rental or revenues the same as the authority might do pending completion of foreclosure.

NEW SECTION. Sec. 12. 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 February 6, 1970
Passed the Senate February 11, 1970
Approved by the Governor February 20, 1970
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