

CHAPTER 3.

[H. B. 8.]

EMERGENCY SCHOOL CONSTRUCTION FUNDS—
APPROPRIATION.

AN ACT providing funds for the construction of public school plant facilities; authorizing the issuance and sale of limited obligation bonds of the state and providing ways and means to pay said bonds; imposing taxes; prescribing the powers and duties of certain officers; amending section 1, chapter 108, Laws of 1949 and RCW 28.47.070; making an appropriation; and declaring an emergency.

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

SECTION 1. For the purpose of furnishing funds for state assistance in providing public school plant facilities under the provisions of RCW 28.47.050 through 28.47.120 there shall be issued and sold, at any time prior to April 1, 1959, limited obligation bonds of the state of Washington in the sum of thirty million dollars to be paid and discharged not more than thirty 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.

Limited obligation bonds to be issued and sold.

Supervision of state finance committee.

The state finance committee is authorized to prescribe the form 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, nor shall they bear interest at a rate in excess of four percent per annum. Such bonds shall state distinctly that they shall not be a general obligation of the state of Washington, but shall be payable in the manner prescribed in this act and from the proceeds of taxes provided for in section 5 of this act. As a part of the contract of sale of the aforesaid bonds, the state undertakes to continue to levy the taxes referred to herein and to fix

Bonds; requirements and limitations on.

and maintain said taxes in such amounts as will provide sufficient funds to pay said bonds and interest thereon until all such obligations have been paid in full.

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

Proceeds deposited.

SEC. 2. The proceeds from the sale of the bonds authorized herein shall be deposited in the public school building construction fund.

Appropriation from public school building construction fund.

SEC. 3. The sum of thirty million dollars, or so much thereof as may be necessary, is appropriated from the public school building construction fund to the state finance committee to be expended by the committee for the payment of expenses incident to the sale and issuance of the bonds authorized herein and through allotments made to the state board of education at the direction of the school emergency construction commission for the purpose of carrying out the provisions of this act: *Provided*, That no part of the aforesaid thirty million dollars shall be allotted 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 plus such further amount as may be required by the school emergency construction commission: *Provided, further*, That the school emergency construction commission shall prescribe and make effective such rules and regulations as are necessary to equate insofar as possible the

Limitation on allotment to school district.

School emergency construction commission prescribes rules and regulations.

efforts made by school districts to provide capital funds by the means aforesaid.

SEC. 4. If a school district which has qualified for an allotment of state funds for school building construction in conformity with the requirements of section 3 of this act is found by the school emergency construction commission to have a school housing emergency requiring an allotment of state funds in excess of the amount allocable under RCW 28.47.070, an additional allotment may be made to such district: *Provided*, That the total amount allotted shall not exceed ninety percent of the total cost of the project including the cost of the site and equipment. At any time thereafter when the school emergency construction commission finds that the financial position of such school district has improved through an increase in its taxable valuation or through retirement of bonded indebtedness or through a reduction in school housing requirements or for any of these reasons, the amount of such additional allotment, or any part of such amount as the school emergency construction commission determines, shall be deducted, under terms and conditions prescribed by the commission, from any state school building construction funds which might otherwise be provided to such district.

Additional allotment for school housing emergency.

Limitation on amount.

Deduction of allotment possible.

SEC. 5. In addition to the taxes levied by RCW 73.32.130 and 82.24.020, there is levied and shall be collected by the tax commission from the persons mentioned in and in the manner provided by chapter 82.24 RCW, as now or hereafter amended, an excise tax upon the sale, use, consumption, handling or distribution of cigarettes in an amount equal to one-half cent upon each ten cents or fraction of the intended retail selling price thereof, but the provisions of RCW 82.24.070 allowing dealers' compensation for affixing stamps shall not apply to this additional tax. Instead, wholesalers and retailers subject to the

Excise tax upon sale, use, consumption, handling or distribution of cigarettes.

Compensation for affixing stamps.

provisions of chapter 82.24 RCW shall be allowed as compensation for their services in affixing the stamps for the additional tax required by this section a sum equal to one-half of one percent of the value of the stamps for such additional tax purchased or affixed by them. Wholesalers and retailers subject to the payment of this tax may, if they wish, absorb such additional tax and not pass it on to purchasers without being in violation of this or any other act relating to the sale or taxation of cigarettes.

Tax may be absorbed.

Revenues transmitted.

Revenues derived from the tax imposed by this section shall be transmitted by the tax commission to the state treasurer in accordance with the provisions of RCW 82.32.320, to the credit of the public schools building bond redemption fund. The amount so deposited in the aforesaid fund shall be devoted exclusively to payment of interest on and to retirement of the bonds authorized by this act.

Additional security for the payment of bonds herein authorized.

As additional security for the payment of the bonds herein authorized, all revenues derived from the tax imposed by RCW 82.24.020 over and above the amount required by RCW 73.32.130 to be paid into and retained in the war veterans' compensation bond retirement fund shall be paid into the public schools building bond redemption fund and shall be devoted exclusively to the payment of interest on and to retirement of the bonds authorized by this act: *Provided*, That whenever the receipts into the public schools building bond redemption fund from all sources during any one year exceed two million two hundred and fifty thousand dollars, all sums received above that amount shall be transferred by the state treasurer to the state general fund.

Additional means of raising funds may be provided.

SEC. 6. The legislature may provide additional means for raising funds for the payment of the interest and principal of the bonds authorized by this act and this act shall not be deemed to provide an exclusive method for such payment. The power

given to the legislature by this section is permissive and shall not be construed to constitute a pledge of the general credit of the state of Washington.

No pledge of general credit.

SEC. 7. The bonds herein authorized shall be fully negotiable instruments and shall be a 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.

Bonds—negotiable instruments.

SEC. 8. Section 1, chapter 108, Laws of 1949 and RCW 28.47.070 are each amended to read as follows:

Amendment.

The amount of state assistance to a school district in financing a school plant project shall be determined in the following manner:

Amount of state assistance determined.

(1) The board of directors of the district shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architect's fees, and a reasonable amount for contingencies and for other necessary incidental expenses: *Provided*, That the total cost of the project shall be subject to review and approval by the state board of education.

Board of directors of school district determines total cost.

(2) The superintendent of public instruction shall (a) ascertain the assessed valuation of the district adjusted to fifty percent of the true and fair value in money of the taxable property in the district in accordance with the ratio of assessed valuation to actual valuation fixed by the state board of equalization for the county to which the district belongs; and (b) compute the ratio of the aforesaid assessed valuation of the district to the number of educational units approved for allotment to the district of current state school funds: *Provided*, That this number of units may be increased by the aforesaid officer for the use thereof specified in this chapter, upon the finding

Cost subject to review.

Superintendent of public instruction ascertains assessed valuation; computes ratio to number of educational units.

by said officer that completion of the proposed project will provide facilities for additional units and that such additional units will be needed to serve the school population of the district: *Provided further*, That in the case of union high school districts the number of units shall include those of the member grade school districts in addition to the actual number of units in the union high school.

(3) The ratio of the assessed valuation of the district to the number of educational units thereof, computed in the manner hereinabove provided for, shall then be used in determining the percentage of state assistance for the district in accordance with the following table:

Percentage of state assistance determined in accordance with table.

Ratio of assessed valuation to number of educational units	Percentage of state assistance
\$28,570 or less to 1	75.0%
30,000 to 1	73.9
35,000 to 1	70.2
40,000 to 1	66.7
45,000 to 1	63.3
50,000 to 1	60.0
55,000 to 1	56.9
60,000 to 1	53.8
65,000 to 1	50.9
70,000 to 1	48.1
75,000 to 1	45.5
80,000 to 1	42.9
85,000 to 1	40.4
90,000 to 1	37.9
95,000 to 1	35.6
100,000 to 1	33.3
105,000 to 1	31.1
110,000 to 1	29.0
115,000 to 1	27.0
120,000 to 1	25.0
130,000 to 1	21.2
140,000 to 1	17.6

150,000 to 1.....	14.3
160,000 to 1.....	11.1
170,000 to 1.....	8.1
180,000 to 1.....	5.3
190,000 to 1.....	2.6
200,000 to 1.....	...

(4) The approved cost of the project determined in the manner herein prescribed times the percentage of state assistance derived as provided for herein shall be the amount of state assistance to the district for the financing of the project: *Provided*, That need therefor has been established to the satisfaction of the superintendent of public instruction: *Provided further*, That additional state assistance may be allowed if it is found by the superintendent of public instruction that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden and excessive past or clearly foreseeable future increase in school population, and other conditions similarly emergent in nature; or (b) a special school housing burden imposed by virtue of the admission of nonresident students into parental schools or into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1955, and without benefit of the state assistance provided for in RCW 28.47.050 to 28.47.120, inclusive, the construction of a needed school building project or projects approved in conformity with the requirements of chapter 28.47, after having first applied for and been denied state assistance because of the inadequacy of state funds available for the purpose; or (d) conditions similar to those defined under (a), (b), and (c) hereinabove, creating a like emergency.

Final computation of amount of state assistance.

Need established.

Allowance of additional state assistance; conditions warranting.

Invalidity.

SEC. 9. If any section, paragraph, sentence, clause, phrase or word of this act should be held to be invalid or unconstitutional, such shall not affect or impair the validity or constitutionality of any other section, paragraph, sentence, clause, phrase or word of this act. It is hereby declared that had any section, paragraph, sentence, clause, phrase or word as to which this act is declared invalid been eliminated from the act at the time the same was considered, the act would have nevertheless been enacted with such portions eliminated.

Effective date

SEC. 10. This act is necessary for the immediate preservation of the public peace, health and safety, and for the support of state government and its existing public institutions, and shall take effect April 1, 1955.

(Note: Chapter 14, Laws Extraordinary Session, 1955 amends above Sec. 10 and establishes effective date of this act as of May 1, 1955.)

Passed the House March 23, 1955.

Passed the Senate March 23, 1955.

Approved by the Governor April 4, 1955.