

school district. The board of directors of the school district shall determine the extent and type of any nonmonetary award. The value of any nonmonetary award shall not be deemed salary or compensation for the purposes of ((RCW 28A.58.095)) section 205 of this 1987 act or chapter 41.32 RCW.

NEW SECTION. Sec. 211. The following acts or parts of acts are each repealed:

- (1) Section 7, chapter 349, Laws of 1985 and RCW 28A.58.093;
- (2) Section 2, chapter 16, Laws of 1981, section 1, chapter 275, Laws of 1983, section 1, chapter 245, Laws of 1984 and RCW 28A.58.095; and
- (3) Section 4, chapter 16, Laws of 1981 and RCW 41.56.960.

NEW SECTION. Sec. 212. The sum of five million dollars, or as much thereof as may be necessary is appropriated for the biennium ending June 30, 1989, to the superintendent of public instruction for state matching funds pursuant to section 102 of this act. Such sum is found to be equivalent to twenty-three percent of the money for state matching funds under section 102 of this act for the 1987-89 biennium. The superintendent of public instruction shall distribute the funds to districts proportionally to the amount the district would have received if the formula under section 102 of this act were fully funded. Districts shall not receive more than their proportional shares.

NEW SECTION. Sec. 213. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 214. This act shall take effect September 1, 1987.

Passed the House May 21, 1987.

Passed the Senate May 21, 1987.

Approved by the Governor June 9, 1987.

Filed in Office of Secretary of State June 9, 1987.

CHAPTER 3

[Reengrossed Substitute House Bill No. 621]

STATE GENERAL OBLIGATION BONDS

AN ACT Relating to state general obligation bonds; amending RCW 43.83.020, 43.831-.160, 43.99B.010, and 67.40.030; and adding a new chapter to Title 43 RCW.

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

NEW SECTION. Sec. 1. The state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of four hundred twelve million three hundred thousand dollars, or so much thereof as may be required, to finance the projects described and authorized by the

legislature in the capital and operating appropriations acts for the 1987-1989 fiscal biennium and subsequent fiscal biennia, and all costs incidental thereto.

Bonds authorized in this section shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds. The state finance committee may obtain insurance or letters of credit and may authorize the execution and delivery of agreements, promissory notes, and other obligations for the purpose of insuring the payment or enhancing the marketability of bonds authorized in this section. Promissory notes or other obligations issued pursuant to this section shall not constitute a debt or the contracting of indebtedness under any constitutional or statutory indebtedness limitation if their payment is conditioned upon the failure of the state to pay the principal of or interest on the bonds with respect to which the same relate.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

NEW SECTION. Sec. 2. Bonds issued under section 1 of this act are subject to the following conditions and limitations:

(1) General obligation bonds of the state of Washington in the sum of four hundred four million four hundred thousand dollars, or so much thereof as may be required, shall be issued for the purposes described and authorized by the legislature in the capital and operating appropriations acts for the 1987-1989 fiscal biennium and subsequent fiscal biennia, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. Subject to such changes as may be required in the appropriations acts, the proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited as follows:

(a) Thirty million dollars in the common school construction fund created in RCW 28A.40.101;

(b) Three hundred sixty-two million seven hundred thousand dollars in the state building construction account created in RCW 43.83.020.

These proceeds shall be used exclusively for the purposes specified in this subsection, and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by the office of financial management, subject to legislative appropriation.

(2) General obligation bonds of the state of Washington in the sum of three million two hundred thousand dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for Washington State University to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, and lands, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the higher education construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by Washington State University, subject to legislative appropriation.

NEW SECTION. Sec. 3. Both principal of and interest on the bonds issued for the purposes specified in section 2(1) of this act shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on such bonds in accordance with the provisions of the bond proceedings. The state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the state general obligation bond retirement fund, or a special account in such fund, such amounts and at such times as are required by the bond proceedings.

NEW SECTION. Sec. 4. Both principal of and interest on the bonds issued for the purposes of section 2(2) of this act shall be payable from the higher education bond retirement fund of 1979. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on such bonds in accordance with the provisions of the bond proceedings. The state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the higher education bond retirement fund of 1979, or a special account in such fund, such amounts and at such times as are required by the bond proceedings.

NEW SECTION. Sec. 5. Bonds issued under section 1 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal

thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

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

NEW SECTION. Sec. 6. On or before June 30th of each year and in accordance with the provisions of the bond proceedings the state finance committee shall determine the relative shares of the principal and interest payments determined pursuant to section 4 of this act, exclusive of deposit interest credit, attributable to each of the institutions of higher education in proportion to the principal amount of bonds issued for the purposes of section 2(2) of this act for projects for each institution. On each date on which any interest or principal and interest payment is due, the board of regents or the board of trustees of each institution of higher education shall cause the amount so computed to be paid out of the appropriate building account or capital projects account to the state treasurer for deposit into the general fund of the state treasury.

NEW SECTION. Sec. 7. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 3 and 4 of this act shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. Sec. 8. The bonds authorized in section 1 of this act shall be a legal investment for all state funds or funds under state control and for all funds of any other public body.

Sec. 9. Section 43.83.020, chapter 8, Laws of 1965 as amended by section 43, chapter 57, Laws of 1985 and RCW 43.83.020 are each amended to read as follows:

The proceeds from the sale of the bonds authorized herein shall be deposited in the state building construction account which is hereby established in the state treasury and shall be used exclusively for the purposes of carrying out the provisions of the capital appropriation (~~(act of 1959)~~) acts, and for payment of the expense incurred in the printing, issuance, and sale of such bonds. All earnings of investments of balances in the state building construction account shall be credited to the general fund.

Sec. 10. Section 1, chapter 224, Laws of 1979 ex. sess. and RCW 43.831.160 are each amended to read as follows:

For the purpose of providing needed capital improvements consisting of the acquisition, construction, remodeling, furnishing, and equipping of state buildings and facilities for the department of fisheries, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of (~~(six)~~) five million forty-five thousand dollars, or so much thereof as may be required, to finance these projects, and all costs

incidental thereto. No bonds authorized by RCW 43.831.160 through 43.831.170 and 43.831.912 shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution.

Sec. 11. Section 1, chapter 229, Laws of 1979 ex. sess. and RCW 43.99B.010 are each amended to read as follows:

For the purpose of providing funds for the acquisition and development of outdoor recreational areas and facilities in this state, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of ~~((ten))~~ eight million nine hundred forty-five thousand dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. No bonds authorized by RCW 43.99B.010 through 43.99B.026 shall be offered for sale without prior legislative appropriation, and these bonds shall be paid and discharged within thirty years of the date of issuance.

Sec. 12. Section 3, chapter 34, Laws of 1982 as last amended by section 1, chapter 233, Laws of 1985 and RCW 67.40.030 are each amended to read as follows:

For the purpose of providing funds for the state convention and trade center, the state finance committee is authorized to issue, upon request of the corporation formed under RCW 67.40.020 and in one or more offerings, general obligation bonds of the state of Washington in the sum of ~~((ninety-nine million))~~ one hundred three million, seven hundred sixty-five thousand dollars, or so much thereof as may be required, to finance this project and all costs incidental thereto, to capitalize all or a portion of interest during construction, to provide for expansion, renovation, and contingency costs of the center, and to reimburse the general fund for expenditures in support of the project. The state finance committee may make such bond covenants as it deems necessary to carry out the purposes of this section and this chapter. No bonds authorized in this section may be offered for sale without prior legislative appropriation.

NEW SECTION. Sec. 13. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 14. Sections 1 through 8 of this act shall constitute a new chapter in Title 43 RCW.

Passed the House May 18, 1987.

Passed the Senate May 18, 1987.

Approved by the Governor June 9, 1987.

Filed in Office of Secretary of State June 9, 1987.