

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5908

Chapter 18, Laws of 2003

58th Legislature
2003 1st Special Session

HIGHER EDUCATION FACILITIES--CONSTRUCTION--BONDS

EFFECTIVE DATE: 9/9/03

Passed by the Senate June 5, 2003
YEAS 44 NAYS 2

BRAD OWEN

President of the Senate

Passed by the House June 6, 2003
YEAS 86 NAYS 8

FRANK CHOPP

Speaker of the House of Representatives

Approved June 20, 2003.

CERTIFICATE

I, Milton H. Doumit, Jr., Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5908** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MILTON H. DOUMIT JR.

Secretary

FILED

June 20, 2003 - 2:25 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5908

Passed Legislature - 2003 1st Special Session

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Rossi, Carlson, Kohl-Welles, Fairley, B. Sheldon, Keiser, McAuliffe, West and Winsley)

READ FIRST TIME 04/17/03.

AN ACT Relating to capital construction of and bonding for facilities for institutions of higher education; and adding a new chapter to Title 28B RCW.

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

NEW SECTION. **Sec. 1** SHORT TITLE. This act shall be known as the building Washington's future act.

NEW SECTION. **Sec. 2** INTENT. The state's institutions of higher education are a vital component of the future economic prosperity of our state. In order to ensure that Washington continues to be able to provide a highly qualified work force that can attract businesses and support the economic vitality of the state, it is the intent of this bond act to provide new money for capital projects to help fulfill higher education needs across the state.

This new source of funding for the critical capital needs of the state's institutions of higher education furthers the mission of higher education and is intended to enhance the abilities of those institutions, over the next six years, to fulfill their critical roles in maintaining and stimulating the state's economy.

It is the intent of the legislature that this new source of funding not displace funding levels for the capital and operating budgets of the institutions of higher education. It is instead intended that the new funding will allow the institutions, over the next three biennia, to use the current level of capital funding to provide for many of those urgent preservation, replacement, and maintenance needs that have been deferred. This approach is designed to maintain or improve the current infrastructure of our institutions of higher education, and simultaneously to provide new instruction and research capacity to serve the increasing number of traditional college-aged students and those adults returning to college to update skills or retrain so that they can meet the demands of Washington's changing work force. This new source of funding may also be used for major preservation projects that renovate, replace, or modernize facilities to enhance capacity/access by maintaining or improving the usefulness of existing space for important instruction and research programs.

NEW SECTION. **Sec. 3** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Bonds" means bonds, notes, commercial paper, certificates of indebtedness, or other evidences of indebtedness of the state issued under this chapter.
- (2) "Institutions of higher education" means the University of Washington and Washington State University, Western Washington University at Bellingham, Central Washington University at Ellensburg, Eastern Washington University at Cheney, The Evergreen State College, and the community colleges and technical colleges as defined by RCW 28B.50.030.
- (3) "Washington's future bonds" means all or any portion of the general obligation bonds authorized in section 4 of this act.

NEW SECTION. Sec. 4 WASHINGTON'S FUTURE BONDS AUTHORIZED. (1) For the purpose of providing needed capital improvements consisting of the predesign, design, acquisition, construction, modification, renovation, expansion, equipping, and other improvement of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of seven hundred seventy-two million five hundred thousand dollars, or so much thereof as may be required, to finance all or a part of the cost of these projects and all costs incidental thereto. The bonds issued under the authority of this section shall be known as Washington's future bonds.

- (2) Bonds authorized in this section shall be sold in the manner, at the time or times, in amounts, and at such prices as the state finance committee shall determine.
- (3) No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. Sec. 5 BOND ISSUANCE--INTENT. It is the intent of the legislature that the proceeds of new bonds authorized in this chapter will be appropriated in phases over three biennia, beginning with the 2003-2005 biennium, to provide additional funding for capital projects and facilities of the institutions of higher education above historical levels of funding. This chapter is not intended to limit the legislature's ability to appropriate bond proceeds if the full amount authorized in this chapter has not been appropriated after three biennia, and the authorization to issue bonds contained in this chapter does not expire until the full authorization has been appropriated and issued.

NEW SECTION. Sec. 6 TERMS AND COVENANTS. (1) The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds provided for in this chapter, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

(2) Bonds issued under this chapter 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.

NEW SECTION. Sec. 7 PROCEEDS. (1) The proceeds from the sale of the bonds authorized in section 4 of this act shall be deposited in the Gardner-Evans higher education construction account created in section 13 of this act.

(2) The proceeds shall be used exclusively for the purposes in section 4 of this act and for the payment of the expenses incurred in connection with the sale and issuance of the bonds.

NEW SECTION. Sec. 8 The legislature intends to use the proceeds from the sale of bonds issued under this chapter for the following projects during the 2005-07 and 2007-09 biennia:

- (1) For the University of Washington:
 - (a) Life sciences I building;
 - (b) Bothell branch campus phase 2B;
- (2) For Washington State University:
 - (a) Spokane Riverpoint campus - academic center building;
 - (b) Pullman campus - Holland Library renovation;
 - (c) Pullman campus - biotechnology/life sciences 1;
 - (d) TriCities campus - bioproducts and sciences building; and
 - (e) Intercollegiate College of Nursing, Spokane - nursing building at Riverpoint;
- (3) For Eastern Washington University: Hargreaves Hall;
- (4) For Central Washington University: Hogue technology;
- (5) For The Evergreen State College:
 - (a) Daniel J. Evans building;
 - (b) Communications building and theater expansion;
- (6) For Western Washington University:
 - (a) Academic instructional center;
 - (b) Parks Hall;
 - (c) Performing Arts Center renovation;
- (7) For the community and technical college system:
 - (a) Green River Community College science building;
 - (b) Walla Walla Community College basic skills/computer lab;
 - (c) Pierce College Puyallup, communication arts and allied health; or
- (8) For other projects that maintain or increase access to institutions of higher education.

NEW SECTION. Sec. 9 PAYMENT PROCEDURES. (1) The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in this chapter.

(2) The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements on the bonds authorized in this chapter.

(3) On each date on which any interest or principal and interest payment is due on bonds issued under this chapter, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

(4) 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. 10 BONDS--LEGAL INVESTMENT FOR PUBLIC FUNDS.

The bonds authorized by this chapter shall constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

NEW SECTION. Sec. 11 ADDITIONAL METHODS OF PAYING DEBT SERVICE AUTHORIZED. The legislature may provide additional means for raising moneys for the

payment of the principal of and interest on the bonds authorized under this chapter, and section 9 of this act shall not be deemed to provide an exclusive method for payment.

NEW SECTION. Sec. 12 CHAPTER SUPPLEMENTAL. This chapter provides a complete, additional, and alternative method for accomplishing the purposes of this chapter and is supplemental and additional to powers conferred by other laws. The issuance of bonds under this chapter shall not be deemed to be the only method to fund projects under this chapter.

NEW SECTION. Sec. 13 CREATION OF THE GARDNER-EVANS HIGHER EDUCATION CONSTRUCTION ACCOUNT. The Gardner-Evans higher education construction account is created in the state treasury. Proceeds from the bonds issued under section 4 of this act shall be deposited in the account. The account shall be used for purposes of section 4 of this act. Moneys in the account may be spent only after appropriation.

NEW SECTION. Sec. 14 CAPTIONS NOT LAW. Captions used in this act are not any part of the law.

NEW SECTION. Sec. 15 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. 16 Sections 1 through 15 of this act constitute a new chapter in Title 28B RCW.

Passed by the Senate June 5, 2003.

Passed by the House June 6, 2003.

Approved by the Governor June 20, 2003.

Filed in Office of Secretary of State June 20, 2003.