

CERTIFICATION OF ENROLLMENT  
ENGROSSED SUBSTITUTE HOUSE BILL 1991

56th Legislature  
1999 Regular Session

Passed by the House April 1, 1999  
Yeas 95 Nays 0

\_\_\_\_\_  
Speaker of the House of Representatives

\_\_\_\_\_  
Speaker of the House of Representatives

Passed by the Senate April 14, 1999  
Yeas 49 Nays 0

\_\_\_\_\_  
President of the Senate

Approved

\_\_\_\_\_  
Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1991** as passed by the House of Representatives and the Senate on the dates hereon set forth.

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
Chief Clerk

FILED

Secretary of State  
State of Washington

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**ENGROSSED SUBSTITUTE HOUSE BILL 1991**

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AS AMENDED BY THE SENATE

Passed Legislature - 1999 Regular Session

**State of Washington                      56th Legislature                      1999 Regular Session**

**By** House Committee on Capital Budget (originally sponsored by  
Representatives Murray and Mitchell)

Read first time 03/08/1999.

1            AN ACT Relating to the university tract; amending RCW 28B.20.382,  
2 28B.20.394, 28B.20.396, and 28B.20.398; adding new sections to chapter  
3 28B.20 RCW; creating a new section; repealing RCW 28B.20.390,  
4 28B.20.392, and 43.79.090; and declaring an emergency.

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

6            NEW SECTION.    **Sec. 1.** The purpose of this act is to consolidate  
7 the statutes authorizing the board of regents of the University of  
8 Washington to control the property of the university. Nothing in this  
9 act may be construed to diminish in any way the powers of the board of  
10 regents to control its property including, but not limited to, the  
11 powers now or previously set forth in RCW 28B.20.392 through  
12 28B.20.398.

13            NEW SECTION.    **Sec. 2.** A new section is added to chapter 28B.20 RCW  
14 to read as follows:

15            For the purposes of this chapter, "university tract" means the  
16 tract of land in the city of Seattle, consisting of approximately ten  
17 acres, originally known as the "old university grounds," and more

1 recently referred to as the "metropolitan tract," together with all  
2 buildings, improvements, facilities, and appurtenances thereon.

3 **Sec. 3.** RCW 28B.20.382 and 1998 c 245 s 17 are each amended to  
4 read as follows:

5 (1) Until authorized (~~((and empowered to do so))~~) by statute of the  
6 legislature, the board of regents of the university, with respect to  
7 (~~((that certain tract of land in the city of Seattle originally known as~~  
8 ~~the "old university grounds" and more recently known as the~~  
9 ~~"metropolitan tract" and any land contiguous thereto))~~) the university  
10 tract, shall not sell the land or any part thereof or any improvement  
11 thereon, or lease the land or any part thereof or any improvement  
12 thereon or renew or extend any lease thereof for a term (~~((ending more~~  
13 ~~than sixty years beyond midnight, December 31, 1980))~~) of more than  
14 eighty years. Any sale of the land or any part thereof or any  
15 improvement thereon, or any lease or renewal or extension of any lease  
16 of the land or any part thereof or any improvement thereon for a term  
17 (~~((ending more than sixty years after midnight, December 31, 1980,))~~) of  
18 more than eighty years made or attempted to be made by the board of  
19 regents shall be null and void (~~((unless and))~~) until the same has been  
20 approved or ratified and confirmed by legislative act.

21 (2) The board of regents shall have power from time to time to  
22 lease the land, or any part thereof or any improvement thereon for a  
23 term (~~((ending not more than sixty years beyond midnight, December 31,~~  
24 ~~1980: PROVIDED, That))~~) of not more than eighty years. Any and all  
25 records, books, accounts, and agreements of any lessee or sublessee  
26 under this section, pertaining to compliance with the terms and  
27 conditions of such lease or sublease, shall be open to inspection by  
28 the board of regents, the ways and means committee of the senate, the  
29 appropriations committee of the house of representatives, and the joint  
30 legislative audit and review committee or any successor committees. It  
31 is not intended (~~((by this proviso))~~) that unrelated records, books,  
32 accounts, and agreements of lessees, sublessees, or related companies  
33 be open to such inspection. The board of regents shall make a full,  
34 detailed report of all leases and transactions pertaining to the land  
35 or any part thereof or any improvement thereon to the joint legislative  
36 audit and review committee, including one copy to the staff of the  
37 committee, during odd-numbered years.

1       (3) The net proceeds from the sale or lease of land in the  
2 university tract, or any part thereof or any improvement thereon, shall  
3 be deposited into the University of Washington facilities bond  
4 retirement account hereby established outside the state treasury as a  
5 nonappropriated local fund to be used exclusively for the purpose of  
6 erecting, altering, maintaining, equipping, or furnishing buildings at  
7 the University of Washington. The board of regents shall transfer from  
8 the University of Washington facilities bond retirement account to the  
9 University of Washington building account under RCW 43.79.080 any funds  
10 in excess of amounts reasonably necessary for payment of debt service  
11 in combination with other nonappropriated local funds related to  
12 capital projects for which debt service is required under section 4,  
13 chapter . . . (Substitute House Bill No. 1166), Laws of 1999.

14       **Sec. 4.** RCW 28B.20.394 and 1973 1st ex.s. c 195 s 10 are each  
15 amended to read as follows:

16       In addition to the powers conferred upon the board of regents of  
17 the University of Washington by (~~RCW 28B.20.392 and 28B.20.380, said~~)  
18 section 5 of this act, the board of regents is authorized and shall  
19 have the power to enter into an agreement or agreements with the city  
20 of Seattle and the county of King, Washington, to pay to (~~said~~) the  
21 city and (~~said~~) the county such sums as shall be mutually agreed upon  
22 for governmental services rendered to (~~said~~) the university tract,  
23 (~~as defined in RCW 28B.20.390~~) which sums shall not exceed the  
24 amounts that would be received pursuant to limitations imposed by RCW  
25 84.52.043 by the (~~said~~) city of Seattle and county of King  
26 respectively from real and personal property taxes paid on the  
27 university tract or any leaseholds thereon if such taxes could lawfully  
28 be levied(~~; and any such sums so agreed upon shall be paid from the~~  
29 ~~proceeds and other income from said tract as an item of expense of~~  
30 ~~operation and upkeep thereof: PROVIDED, That in the event that it is~~  
31 ~~determined by a court of final jurisdiction that the provisions of~~  
32 ~~chapter 43, Laws of 1971 first ex. sess., insofar as they affect taxes~~  
33 ~~due and payable in 1972 and 1973 by any lessee of the university tract,~~  
34 ~~are held unconstitutional, the sums paid pursuant to this section in~~  
35 ~~such years shall be refunded in accordance with the provisions of~~  
36 ~~chapter 84.69 RCW; and any provision of RCW 28B.20.392 in conflict~~  
37 ~~herewith is superseded)).~~

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 28B.20 RCW  
2 to read as follows:

3        In addition to the powers conferred under the original deeds of  
4 conveyance to the state of Washington and under existing law, and  
5 subject to RCW 28B.20.382, the board of regents has full control of the  
6 university tract as provided in this chapter including, but not limited  
7 to:

8        (1) With regard to the whole or portions of the land, the authority  
9 to manage, to improve, to alter, to operate, to lease, to contract  
10 indebtedness, to borrow funds, to issue bonds, notes, and warrants, to  
11 provide for the amortization of and to pay the bonds, notes, warrants,  
12 and other evidences of indebtedness, at or prior to maturity, to use  
13 and pledge the income derived from operating, managing, and leasing the  
14 university tract for such purpose, and to otherwise own, operate, and  
15 control the university tract to the same extent as any other property  
16 of the university;

17        (2) With regard to the whole or portions of any building or  
18 buildings or other improvements thereon or appurtenances thereto, the  
19 authority to sell, subject to the terms of any underlying lease on the  
20 land, to manage, to improve, to alter, to operate, to lease, to grant  
21 a deed of trust or a mortgage lien, to contract indebtedness, to borrow  
22 funds, to issue bonds, notes, and warrants, to provide for the  
23 amortization thereof and to pay the bonds, notes, warrants, and other  
24 evidences of indebtedness, at or prior to maturity, to use and pledge  
25 the income derived from operating, managing, and leasing the university  
26 tract for such purpose, and to otherwise own, operate, and control the  
27 university tract to the same extent as any other property of the  
28 university consistent with the purpose of the donors of the  
29 metropolitan tract.

30        **Sec. 6.**    RCW 28B.20.396 and 1983 c 167 s 33 are each amended to  
31 read as follows:

32        Bonds issued pursuant to the authority granted under (~~(subdivision~~  
33 ~~(4) of RCW 28B.20.392~~) section 5 of this act:

34        (1) Shall not constitute (a) an obligation, either general or  
35 special, of the state or (b) a general obligation of the University of  
36 Washington or of the board of regents;

37        (2) Shall be(~~(—)~~):

- 1 (a) Either in bearer form or in registered form as provided in RCW  
2 39.46.030, and
- 3 (b) Issued in denominations of not less than one hundred dollars;  
4 (3) Shall state((—)):
- 5 (a) The date of issue, and  
6 (b) The series of the issue and be consecutively numbered within  
7 the series, and
- 8 (c) That the bond is payable only out of a special fund established  
9 for the purpose, and designate the fund;
- 10 (4) Shall bear interest, payable either annually, or semiannually  
11 as the board of regents may determine;
- 12 (5) Shall be payable solely out of((—)):
- 13 (a) Revenue derived from operating, managing and leasing the  
14 university tract, and
- 15 (b) A special fund, created by the board of regents for the  
16 purpose, consisting either of (i) a fixed proportion, or (ii) a fixed  
17 amount out of and not exceeding a fixed proportion, or (iii) a fixed  
18 amount without regard to any fixed proportion, of the revenue so  
19 derived;
- 20 (6) May contain covenants by the board of regents in conformity  
21 with the provisions of RCW 28B.20.398(2);
- 22 (7) Shall be payable at such times over a period of not to exceed  
23 thirty years, in such manner and at such place or places as the board  
24 of regents determines;
- 25 (8) Shall be executed in such manner as the board of regents by  
26 resolution determines;
- 27 (9) Shall be sold in such manner as the board of regents deems for  
28 the best interest of the University of Washington;
- 29 (10) May be issued under chapter 39.46 RCW.

30 **Sec. 7.** RCW 28B.20.398 and 1983 c 167 s 34 are each amended to  
31 read as follows:

32 (1) Any resolution of the board of regents pursuant to the  
33 provisions of (~~subdivision (4) of RCW 28B.20.392~~) section 5 of this  
34 act shall provide for the creation of a special fund, in conformity  
35 with the provisions of (~~subdivision (5)(b) of~~) RCW 28B.20.396(5)(b).

36 (2) Any resolution authorizing the issuance of bonds pursuant to  
37 the provisions of section 5 of this act, RCW (~~28B.20.390,~~  
38 ~~28B.20.392,~~) 28B.20.396, and 28B.20.398 may contain covenants of the

1 board of regents to protect and safeguard the security and rights of  
2 the owners of any such bonds such as are then customary in connection  
3 with similar bonds and considered advisable in order to assure the  
4 maximum marketability for said bonds. Without limiting the generality  
5 of the foregoing, any such resolution may contain covenants as  
6 to((—)):

7 (a) The creation of a special fund into which the proceeds of all  
8 bonds issued pursuant to the provisions of such resolution shall be  
9 deposited, the terms and conditions upon which payments may be made  
10 from such special fund, and for the payment of interest on bonds issued  
11 pursuant to such resolution from the moneys in said fund;

12 (b) Maintaining rental and leasehold rates and other charges at a  
13 level sufficient at all times to provide revenue (i) to pay the  
14 interest on and principal of all bonds and other obligations payable  
15 from said revenue, (ii) to make all other payments from said revenues  
16 required under the provisions of any resolution adopted in connection  
17 with the issuance of warrants or bonds under section 5 of this act, RCW  
18 ((28B.20.390, 28B.20.392,)) 28B.20.396, and 28B.20.398 and (iii) to pay  
19 the operating, management, maintenance, repair and upkeep costs of the  
20 university tract;

21 (c) Collection, deposit, custody and disbursement of the revenues  
22 from the university tract or any portions thereof including (i) a  
23 specification of the depositaries to be designated, and (ii)  
24 authorization of such depositaries, or other banks or trust companies,  
25 to act as fiscal agent of the board of regents for the custody of the  
26 proceeds of bonds and the moneys held in any funds created pursuant to  
27 section 5 of this act, RCW ((28B.20.390, 28B.20.392,)) 28B.20.396, and  
28 28B.20.398, or any resolution authorizing such bonds, and to represent  
29 bond owners in the event of a default on such bonds or in the event of  
30 a default in the performance of any duty or obligation of the board of  
31 regents in connection therewith, with such power and duty as such  
32 resolution may provide;

33 (d) Creation and administration of reserve and other funds for the  
34 payment, at or prior to maturity, of any indebtedness chargeable  
35 against the revenues from the university tract and for creation of  
36 working funds, depreciation funds, replacement funds, reserves for  
37 extraordinary repairs and any other fund deemed necessary or desirable  
38 to insure the continued profitable operation of the said university  
39 tract;

1 (e) Deposit of collateral security or indemnity bonds to secure the  
2 proceeds (i) of bonds issued pursuant to the provisions of such  
3 resolution and (ii) of all revenues which are pledged to secure the  
4 repayment of bonds issued pursuant to the provisions of such resolution  
5 and (iii) of all moneys deposited in any special fund created under the  
6 authority of section 5 of this act, RCW ((~~28B.20.390, 28B.20.392,~~))  
7 28B.20.396, and 28B.20.398 or any covenant thereunder;  
8 (f) The obligation of the board of regents to maintain the building  
9 or buildings in good condition and to operate and manage the same in an  
10 economical and efficient manner;  
11 (g) The amount and kind of insurance to be carried by the board of  
12 regents in connection with the building or buildings, the companies in  
13 which such insurance shall be carried, the term thereof, the  
14 application of the proceeds of any such insurance, and adjustments of  
15 losses under any such policy of insurance;  
16 (h) Limitations upon the amount of additional bonds, warrants and  
17 other obligations payable out of the revenues from the building or  
18 buildings which may be thereafter issued and the terms and conditions  
19 upon which such additional bonds, warrants or other obligations may be  
20 issued;  
21 (i) Limitations upon the creation of additional liens or  
22 encumbrances on the building or buildings or the personal property used  
23 in connection therewith;  
24 (j) The terms and conditions upon which the building or buildings,  
25 or any part thereof, may be sold, mortgaged, leased or otherwise  
26 disposed of, and the use or other disposition of the proceeds of any  
27 such sale, mortgage or lease;  
28 (k) The methods of operation, management and maintenance of the  
29 building or buildings;  
30 (l) Accounting and auditing and the keeping of records, reports and  
31 audits with respect to the building or buildings;  
32 (m) The amendment or modification of any resolution authorizing the  
33 issuance of bonds pursuant to the provisions of section 5 of this act,  
34 RCW ((~~28B.20.390, 28B.20.392,~~)) 28B.20.396, and 28B.20.398, including  
35 the terms and conditions upon which such amendment or modification may  
36 be effected and the number, amount or percentage of assenting bonds  
37 necessary to effectuate the same;  
38 (n) Limitations upon the use of space or facilities in the building  
39 or buildings without payment therefor; and



1 (o) Such other matters as may be necessary or desirable to insure  
2 a successful and profitable operation of the building or buildings.

3 (3) The term "building or buildings" as used in (~~(subdivision)~~)  
4 subsection (2) of this section means the building or buildings or  
5 improvements upon the university tract with respect to which the  
6 revenues are pledged, under the terms of the resolution, to secure the  
7 payment of bonds issued under such resolution.

8 (4) The provisions of section 5 of this act, RCW (~~(28B.20.390,~~  
9 ~~28B.20.392,)~~) 28B.20.396, and 28B.20.398 and of any resolution adopted  
10 in conformity with the provisions of this section shall constitute a  
11 contract with the owners of warrants or bonds issued pursuant thereto,  
12 and the provisions thereof shall be enforceable in any court of  
13 competent jurisdiction by any owner of such warrants or bonds by  
14 mandamus or any other appropriate suit, action or proceeding at law or  
15 in equity.

16 (5) Bonds issued pursuant to the provisions of section 5 of this  
17 act, RCW (~~(28B.20.390, 28B.20.392,)~~) 28B.20.396, and 28B.20.398 may be  
18 redeemed, at the option of the board of regents, at such time or times,  
19 upon such terms and conditions, and at such premiums as the board of  
20 regents specifies in the resolution.

21 (6) If the board of regents fails to pay the required amounts into  
22 the special fund, established in conformity with (~~(subdivision)~~)  
23 subsection (2) of this section, the owner of any bond or bonds affected  
24 thereby may maintain an action against the board of regents to compel  
25 compliance with the terms of the resolution in this respect.

26 (7) Pending the preparation and execution of any bonds the issuance  
27 of which is authorized under the provisions of (~~(subdivision)~~)  
28 subsection (2) of this section, temporary bonds may be issued in such  
29 form as the board of regents determines.

30 NEW SECTION. Sec. 8. The following acts or parts of acts are each  
31 repealed:

32 (1) RCW 28B.20.390 (Additional powers of regents as to old  
33 university grounds--Definitions) and 1969 ex.s. c 223 s 28B.20.390;

34 (2) RCW 28B.20.392 (Additional powers of regents as to old  
35 university grounds--Enumeration of) and 1969 ex.s. c 223 s 28B.20.392;  
36 and

37 (3) RCW 43.79.090 (Rentals to building fund--Use of fund) and 1965  
38 c 8 s 43.79.090.

1        NEW SECTION.    **Sec. 9.**    This act is necessary for the immediate  
2 preservation of the public peace, health, or safety, or support of the  
3 state government and its existing public institutions, and takes effect  
4 immediately.

--- END ---