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ENGROSSED SUBSTITUTE SENATE BILL 5908

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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.

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

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

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

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

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

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

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

20       (1) "Bonds" means bonds, notes, commercial paper, certificates of  
21 indebtedness, or other evidences of indebtedness of the state issued  
22 under this chapter.

23       (2) "Institutions of higher education" means the University of  
24 Washington and Washington State University, Western Washington  
25 University at Bellingham, Central Washington University at Ellensburg,  
26 Eastern Washington University at Cheney, The Evergreen State College,  
27 and the community colleges and technical colleges as defined by RCW  
28 28B.50.030.

29       (3) "Washington's future bonds" means all or any portion of the  
30 general obligation bonds authorized in section 4 of this act.

31       NEW SECTION.   **Sec. 4.**   WASHINGTON'S FUTURE BONDS AUTHORIZED.   (1)  
32 For the purpose of providing needed capital improvements consisting of  
33 the predesign, design, acquisition, construction, modification,  
34 renovation, expansion, equipping, and other improvement of state  
35 buildings and facilities for the institutions of higher education, the  
36 state finance committee is authorized to issue general obligation bonds

1 of the state of Washington in the sum of seven hundred seventy-two  
2 million five hundred thousand dollars, or so much thereof as may be  
3 required, to finance all or a part of the cost of these projects and  
4 all costs incidental thereto. The bonds issued under the authority of  
5 this section shall be known as Washington's future bonds.

6 (2) Bonds authorized in this section shall be sold in the manner,  
7 at the time or times, in amounts, and at such prices as the state  
8 finance committee shall determine.

9 (3) No bonds authorized in this section may be offered for sale  
10 without prior legislative appropriation of the net proceeds of the sale  
11 of the bonds.

12 NEW SECTION. **Sec. 5.** BOND ISSUANCE--INTENT. It is the intent of  
13 the legislature that the proceeds of new bonds authorized in this  
14 chapter will be appropriated in phases over three biennia, beginning  
15 with the 2003-2005 biennium, to provide additional funding for capital  
16 projects and facilities of the institutions of higher education above  
17 historical levels of funding.

18 This chapter is not intended to limit the legislature's ability to  
19 appropriate bond proceeds if the full amount authorized in this chapter  
20 has not been appropriated after three biennia, and the authorization to  
21 issue bonds contained in this chapter does not expire until the full  
22 authorization has been appropriated and issued.

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

28 (2) Bonds issued under this chapter shall state that they are a  
29 general obligation of the state of Washington, shall pledge the full  
30 faith and credit of the state to the payment of the principal thereof  
31 and the interest thereon, and shall contain an unconditional promise to  
32 pay the principal and interest as the same shall become due.

33 NEW SECTION. **Sec. 7.** PROCEEDS. (1) The proceeds from the sale of  
34 the bonds authorized in section 4 of this act shall be deposited in the

1 Gardner-Evans higher education construction account created in section  
2 13 of this act.

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

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

9 (1) For the University of Washington:

10 (a) Life sciences I building;

11 (b) Bothell branch campus phase 2B;

12 (2) For Washington State University:

13 (a) Spokane Riverpoint campus - academic center building;

14 (b) Pullman campus - Holland Library renovation;

15 (c) Pullman campus - biotechnology/life sciences 1;

16 (d) TriCities campus - bioproducts and sciences building; and

17 (e) Intercollegiate College of Nursing, Spokane - nursing building  
18 at Riverpoint;

19 (3) For Eastern Washington University: Hargreaves Hall;

20 (4) For Central Washington University: Hogue technology;

21 (5) For The Evergreen State College:

22 (a) Daniel J. Evans building;

23 (b) Communications building and theater expansion;

24 (6) For Western Washington University:

25 (a) Academic instructional center;

26 (b) Parks Hall;

27 (c) Performing Arts Center renovation;

28 (7) For the community and technical college system:

29 (a) Green River Community College science building;

30 (b) Walla Walla Community College basic skills/computer lab;

31 (c) Pierce College Puyallup, communication arts and allied health;

32 or

33 (8) For other projects that maintain or increase access to  
34 institutions of higher education.

35 NEW SECTION. **Sec. 9.** PAYMENT PROCEDURES. (1) The debt-limit

1 general fund bond retirement account shall be used for the payment of  
2 the principal of and interest on the bonds authorized in this chapter.

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

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

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

17 NEW SECTION. **Sec. 10.** BONDS--LEGAL INVESTMENT FOR PUBLIC FUNDS.  
18 The bonds authorized by this chapter shall constitute a legal  
19 investment for all state funds or for funds under state control and all  
20 funds of municipal corporations.

21 NEW SECTION. **Sec. 11.** ADDITIONAL METHODS OF PAYING DEBT SERVICE  
22 AUTHORIZED. The legislature may provide additional means for raising  
23 moneys for the payment of the principal of and interest on the bonds  
24 authorized under this chapter, and section 9 of this act shall not be  
25 deemed to provide an exclusive method for payment.

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

32 NEW SECTION. **Sec. 13.** CREATION OF THE GARDNER-EVANS HIGHER  
33 EDUCATION CONSTRUCTION ACCOUNT. The Gardner-Evans higher education  
34 construction account is created in the state treasury. Proceeds from

1 the bonds issued under section 4 of this act shall be deposited in the  
2 account. The account shall be used for purposes of section 4 of this  
3 act. Moneys in the account may be spent only after appropriation.

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

6 NEW SECTION. **Sec. 15.** If any provision of this act or its  
7 application to any person or circumstance is held invalid, the  
8 remainder of the act or the application of the provision to other  
9 persons or circumstances is not affected.

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

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