

**ESHB 2254 - S AMD 508**

By Senators Fraser, Brandland

ADOPTED 04/24/2009

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 28B.15.210 and 1985 c 390 s 20 are each amended to  
4 read as follows:

5 Within thirty-five days from the date of collection thereof, all  
6 building fees at the University of Washington, including building fees  
7 to be charged students registering in the schools of medicine and  
8 dentistry, shall be paid into the state treasury and credited as  
9 follows:

10 One-half or such larger portion as may be necessary to prevent a  
11 default in the payments required to be made out of the bond retirement  
12 fund(~~(, and in no event shall such one half be less than twelve dollars  
13 and fifty cents per each resident student per quarter, and thirty seven  
14 dollars and fifty cents per each nonresident student per quarter))~~) to  
15 the "University of Washington bond retirement fund" and the remainder  
16 thereof to the "University of Washington building account." The sum so  
17 credited to the University of Washington building account shall be used  
18 exclusively for the purpose of erecting, altering, maintaining,  
19 equipping, or furnishing buildings, and for certificates of  
20 participation under chapter 39.94 RCW, except for any sums transferred  
21 as authorized in RCW 28B.20.725(3). The sum so credited to the  
22 University of Washington bond retirement fund shall be used for the  
23 payment of principal of and interest on bonds outstanding as provided  
24 by chapter 28B.20 RCW except for any sums transferred as authorized in  
25 RCW 28B.20.725(5).

26 **Sec. 2.** RCW 28B.15.310 and 1985 c 390 s 22 are each amended to  
27 read as follows:

28 Within thirty-five days from the date of collection thereof, all  
29 building fees shall be paid (~~(into the state treasury))~~ and credited as

1 follows: To the Washington State University bond retirement fund, one-  
2 half or such larger portion as may be necessary to prevent a default in  
3 the payments required to be made out of such bond retirement fund; and  
4 the remainder thereof to the Washington State University building  
5 account.

6 The sum so credited to the Washington State University building  
7 account shall be expended by the board of regents for buildings,  
8 equipment, or maintenance on the campus of Washington State University  
9 as may be deemed most advisable and for the best interests of the  
10 university, and for certificates of participation under chapter 39.94  
11 RCW, except for any sums transferred as authorized by law.  
12 Expenditures so made shall be accounted for in accordance with existing  
13 law and shall not be expended until appropriated by the legislature.

14 The sum so credited to the Washington State University bond  
15 retirement fund shall be used to pay and secure the payment of the  
16 principal of and interest on building bonds issued by the university,  
17 except for any sums which may be transferred out of such fund as  
18 authorized by law.

19 **Sec. 3.** RCW 28B.20.720 and 1985 c 390 s 39 are each amended to  
20 read as follows:

21 For the purpose of paying and securing the payment of the principal  
22 of and interest on the bonds as the same shall become due, there is  
23 created in the custody of the state treasurer a special trust fund to  
24 be known as the University of Washington bond retirement fund. An  
25 appropriation is not required for expenditures from the fund. There  
26 shall be paid into the (~~(state treasury and credited to a special trust~~  
27 ~~fund to be known as the University of Washington bond retirement))~~  
28 fund, the following:

29 (1) One-half of such building fees as the board may from time to  
30 time determine, or such larger portion as may be necessary to prevent  
31 default in the payments required to be made out of the bond retirement  
32 fund(~~(, and in no event shall such one half be less than twelve dollars~~  
33 ~~and fifty cents per each resident student per quarter and less than~~  
34 ~~thirty seven dollars and fifty cents per each nonresident student per~~  
35 ~~quarter))~~);

36 (2) Any gifts, bequests, or grants which may be made, or may become

1 available, for the purpose of furthering the construction of any  
2 authorized projects, or for the repayment of the costs thereof;

3 (3) Such additional funds as the legislature may provide.

4 (~~(Said bond retirement fund shall be kept segregated from all~~  
5 ~~moneys in the state treasury and shall,)) While any (~~(of such))~~ bonds  
6 issued in accordance with the provisions of this chapter or any  
7 interest thereon remain(~~(s))~~ unpaid, the bond retirement fund shall be  
8 available solely for the payment thereof except as provided in RCW  
9 28B.20.725(5). As a part of the contract of sale of such bonds, the  
10 board undertakes to charge and collect building fees and to deposit the  
11 portion of such fees in the bond retirement fund in amounts which will  
12 be sufficient to pay the principal of, and interest on all such bonds  
13 outstanding.~~

14 **Sec. 4.** RCW 28B.30.740 and 1985 c 390 s 44 are each amended to  
15 read as follows:

16 For the purpose of paying and securing the payment of the principal  
17 of and interest on the bonds as the same shall become due, there is  
18 created in the custody of the state treasurer a special trust fund to  
19 be known as the Washington State University bond retirement fund. An  
20 appropriation is not required for expenditures from the fund. There  
21 shall be paid into the (~~(state treasury and credited to a special trust~~  
22 ~~fund to be known as the Washington State University bond retirement~~  
23 ~~fund, which fund is hereby created in the state treasury)) fund, the  
24 following:~~

25 (1) One-half of such building fees as the board may from time to  
26 time determine, or such larger portion as may be necessary to prevent  
27 default in the payments required to be made out of the bond retirement  
28 fund;

29 (2) Any grants which may be made, or may become available, for the  
30 purpose of furthering the construction of any authorized projects, or  
31 for the repayment of the costs thereof;

32 (3) Such additional funds as the legislature may provide.

33 (~~(Said bond retirement fund shall be kept segregated from all~~  
34 ~~moneys in the state treasury and shall,)) While any (~~(of such))~~ bonds  
35 issued in accordance with the provisions of this chapter or any  
36 interest thereon remain unpaid, the bond retirement fund shall be  
37 available solely for the payment thereof except as provided in~~

1 ((~~subdivision (5) of~~)) RCW 28B.30.750(5). As a part of the contract of  
2 sale of such bonds, the board shall undertake to charge and collect  
3 building fees and to deposit the portion of such fees in the bond  
4 retirement fund in amounts which will be sufficient to pay the  
5 principal of, and interest on all such bonds outstanding.

6 **Sec. 5.** RCW 28B.35.370 and 1991 sp.s. c 13 s 49 are each amended  
7 to read as follows:

8 Within thirty-five days from the date of collection thereof all  
9 building fees of each regional university and The Evergreen State  
10 College shall be paid into the state treasury and these together with  
11 such normal school fund revenues as provided in RCW 28B.35.751 as are  
12 received by the state treasury shall be credited as follows:

13 (1) On or before June 30th of each year the board of trustees of  
14 each regional university and The Evergreen State College, if issuing  
15 bonds payable out of its building fees and above described normal  
16 school fund revenues, shall certify to the state treasurer the amounts  
17 required in the ensuing twelve months to pay and secure the payment of  
18 the principal of and interest on such bonds. The amounts so certified  
19 by each regional university and The Evergreen State College shall be a  
20 prior lien and charge against all building fees and above described  
21 normal school fund revenues of such institution. The state treasurer  
22 shall thereupon deposit the amounts so certified in the Eastern  
23 Washington University capital projects account, the Central Washington  
24 University capital projects account, the Western Washington University  
25 capital projects account, or The Evergreen State College capital  
26 projects account respectively, which accounts are hereby created in the  
27 state treasury. The amounts deposited in the respective capital  
28 projects accounts shall be used ((~~exclusively~~)) to pay and secure the  
29 payment of the principal of and interest on the building bonds issued  
30 by such regional universities and The Evergreen State College as  
31 authorized by law. If in any twelve month period it shall appear that  
32 the amount certified by any such board of trustees is insufficient to  
33 pay and secure the payment of the principal of and interest on the  
34 outstanding building and above described normal school fund revenue  
35 bonds of its institution, the state treasurer shall notify the board of  
36 trustees and such board shall adjust its certificate so that all

1 requirements of moneys to pay and secure the payment of the principal  
2 of and interest on all such bonds then outstanding shall be fully met  
3 at all times.

4 (2) All normal school fund revenue pursuant to RCW 28B.35.751 shall  
5 be deposited in the Eastern Washington University capital projects  
6 account, the Central Washington University capital projects account,  
7 the Western Washington University capital projects account, or The  
8 Evergreen State College capital projects account respectively, which  
9 accounts are hereby created in the state treasury. The sums deposited  
10 in the respective capital projects accounts shall be appropriated and  
11 expended ((~~exclusively~~)) to pay and secure the payment of the principal  
12 of and interest on bonds payable out of the building fees and normal  
13 school revenue and for the construction, reconstruction, erection,  
14 equipping, maintenance, demolition and major alteration of buildings  
15 and other capital assets, and the acquisition of sites, rights-of-way,  
16 easements, improvements or appurtenances in relation thereto except for  
17 any sums transferred therefrom as authorized by law.

18 (3) Funds available in the respective capital projects accounts may  
19 also be used for certificates of participation under chapter 39.94 RCW.

20 **Sec. 6.** RCW 28B.50.360 and 2005 c 488 s 922 are each amended to  
21 read as follows:

22 Within thirty-five days from the date of start of each quarter all  
23 collected building fees of each such community and technical college  
24 shall be paid into the state treasury, and shall be credited as  
25 follows:

26 (1) On or before June 30th of each year the college board if  
27 issuing bonds payable out of building fees shall certify to the state  
28 treasurer the amounts required in the ensuing twelve-month period to  
29 pay and secure the payment of the principal of and interest on such  
30 bonds. The state treasurer shall thereupon deposit the amounts so  
31 certified in the community and technical college capital projects  
32 account. Such amounts of the funds deposited in the community and  
33 technical college capital projects account as are necessary to pay and  
34 secure the payment of the principal of and interest on the building  
35 bonds issued by the college board as authorized by this chapter shall  
36 be ((~~exclusively~~)) devoted to that purpose. If in any twelve-month  
37 period it shall appear that the amount certified by the college board

1 is insufficient to pay and secure the payment of the principal of and  
2 interest on the outstanding building bonds, the state treasurer shall  
3 notify the college board and such board shall adjust its certificate so  
4 that all requirements of moneys to pay and secure the payment of the  
5 principal and interest on all such bonds then outstanding shall be  
6 fully met at all times.

7 (2) The community and technical college capital projects account is  
8 hereby created in the state treasury. The sums deposited in the  
9 capital projects account shall be appropriated and expended  
10 (~~exclusively~~) to pay and secure the payment of the principal of and  
11 interest on bonds payable out of the building fees and for the  
12 construction, reconstruction, erection, equipping, maintenance,  
13 demolition and major alteration of buildings and other capital assets  
14 owned by the state board for community and technical colleges in the  
15 name of the state of Washington, and the acquisition of sites, rights-  
16 of-way, easements, improvements or appurtenances in relation thereto,  
17 engineering and architectural services provided by the department of  
18 general administration, and for the payment of principal of and  
19 interest on any bonds issued for such purposes.

20 (3) Funds available in the community and technical college capital  
21 projects account may also be used for certificates of participation  
22 under chapter 39.94 RCW.

23 **Sec. 7.** RCW 28B.20.715 and 1985 c 390 s 38 are each amended to  
24 read as follows:

25 For the purpose of financing the cost of any projects, the board is  
26 hereby authorized to adopt the resolution or resolutions and prepare  
27 all other documents necessary for the issuance, sale and delivery of  
28 the bonds or any part thereof at such time or times as it shall deem  
29 necessary and advisable. Said bonds:

- 30 (1) Shall not constitute
  - 31 (a) An obligation, either general or special, of the state; or
  - 32 (b) A general obligation of the University of Washington or of the  
33 board;
- 34 (2) Shall be
  - 35 (a) Either registered or in coupon form; and
  - 36 (b) Issued in denominations of not less than one hundred dollars;
- 37 and

1 (c) Fully negotiable instruments under the laws of this state; and  
2 (d) Signed on behalf of the university by the president of the  
3 board, attested by the secretary of the board, have the seal of the  
4 university impressed thereon or a facsimile of such seal printed or  
5 lithographed in the bottom border thereof, and the coupons attached  
6 thereto shall be signed with the facsimile signatures of such president  
7 and secretary;

8 (3) Shall state  
9 (a) The date of issue; and  
10 (b) The series of the issue and be consecutively numbered within  
11 the series; and

12 (c) That, except as otherwise provided in subsection (8)(e) of this  
13 section, the bond is payable both principal and interest solely out of  
14 the bond retirement fund;

15 (4) Each series of bonds shall bear interest, payable either  
16 annually or semiannually, as the board may determine;

17 (5) Shall be payable both principal and interest out of the bond  
18 retirement fund;

19 (6) Shall be payable at such times over a period of not to exceed  
20 forty years from date of issuance, at such place or places, and with  
21 such reserved rights of prior redemption, as the board may prescribe;

22 (7) Shall be sold in such manner and at such price as the board may  
23 prescribe;

24 (8) Shall be issued under and subject to such terms, conditions and  
25 covenants providing for the payment of the principal thereof and  
26 interest thereon and such other terms, conditions, covenants and  
27 protective provisions safeguarding such payment, not inconsistent with  
28 this chapter, and as found to be necessary by the board for the most  
29 advantageous sale thereof, which may include but not be limited to:

30 (a) A covenant that the building fees shall be established,  
31 maintained and collected in such amounts that will provide money  
32 sufficient to pay the principal of and interest on all bonds payable  
33 out of the bond retirement fund, to set aside and maintain the reserves  
34 required to secure the payment of such principal and interest, and to  
35 maintain any coverage which may be required over such principal and  
36 interest;

37 (b) A covenant that a reserve account shall be created in the bond

1 retirement fund to secure the payment of the principal of and interest  
2 on all bonds issued and a provision made that certain amounts be set  
3 aside and maintained therein;

4 (c) A covenant that sufficient moneys may be transferred from the  
5 University of Washington building account to the bond retirement fund  
6 when ordered by the board of regents in the event there is ever an  
7 insufficient amount of money in the bond retirement fund to pay any  
8 installment of interest or principal and interest coming due on the  
9 bonds or any of them;

10 (d) A covenant fixing conditions under which bonds on a parity with  
11 any bonds outstanding may be issued;

12 (e) A covenant to obligate, to pay the principal of or interest on  
13 the bonds, all or a component of the fees and revenues of the  
14 University of Washington that are not subject to appropriation by the  
15 legislature and that do not constitute general state revenues as  
16 defined in Article VIII, section 1 of the state Constitution or general  
17 state revenues for the purpose of calculating statutory limits on state  
18 indebtedness pursuant to RCW 39.42.060.

19 The proceeds of the sale of all bonds(~~(, exclusive of accrued~~  
20 ~~interest which shall be deposited in the bond retirement fund, shall be~~  
21 ~~deposited in the state treasury to the credit of the University of~~  
22 ~~Washington building account and)) issued in accordance with this  
23 chapter shall be used solely for paying the costs of the projects,  
24 including costs of issuance and other financing costs.~~

25 **Sec. 8.** RCW 28B.20.735 and 1985 c 390 s 40 are each amended to  
26 read as follows:

27 The bonds authorized to be issued pursuant to the provisions of RCW  
28 28B.20.700 through 28B.20.740 shall not be general obligations of the  
29 state of Washington, but shall be limited obligation bonds payable only  
30 from the special fund created for their payment (~~(derived from the~~  
31 ~~building fees)) as herein provided. The legislature may provide  
32 additional means for raising money for the payment of interest and  
33 principal of said bonds. RCW 28B.20.700 through 28B.20.740 shall not  
34 be deemed to provide an exclusive method for such payment. The power  
35 given to the legislature by this section to provide additional means  
36 for raising money is permissive, and shall not in any way be construed  
37 as a pledge of the general credit of the state of Washington.~~



1       **Sec. 9.** RCW 28B.30.730 and 2002 c 238 s 302 are each amended to  
2 read as follows:

3       For the purpose of financing the cost of any projects, the board is  
4 hereby authorized to adopt the resolution or resolutions and prepare  
5 all other documents necessary for the issuance, sale and delivery of  
6 the bonds or any part thereof at such time or times as it shall deem  
7 necessary and advisable. Said bonds:

8       (1) Shall not constitute

9       (a) An obligation, either general or special, of the state; or

10       (b) A general obligation of Washington State University or of the  
11 board;

12       (2) Shall be

13       (a) Either registered or in coupon form; and

14       (b) Issued in denominations of not less than one hundred dollars;  
15 and

16       (c) Fully negotiable instruments under the laws of this state; and

17       (d) Signed on behalf of the university by the president of the  
18 board, attested by the secretary or the treasurer of the board, have  
19 the seal of the university impressed thereon or a facsimile of such  
20 seal printed or lithographed in the bottom border thereof, and the  
21 coupons attached thereto shall be signed with the facsimile signatures  
22 of such president and secretary;

23       (3) Shall state

24       (a) The date of issue; and

25       (b) The series of the issue and be consecutively numbered within  
26 the series; and

27       (c) That, except as otherwise provided in subsection (8)(e) of this  
28 section, the bond is payable both principal and interest solely out of  
29 the bond retirement fund;

30       (4) Each series of bonds shall bear interest, payable either  
31 annually or semiannually, as the board may determine;

32       (5) Shall be payable both principal and interest out of the bond  
33 retirement fund;

34       (6) Shall be payable at such times over a period of not to exceed  
35 forty years from date of issuance, at such place or places, and with  
36 such reserved rights of prior redemption, as the board may prescribe;

37       (7) Shall be sold in such manner and at such price as the board may  
38 prescribe;

1 (8) Shall be issued under and subject to such terms, conditions and  
2 covenants providing for the payment of the principal thereof and  
3 interest thereon and such other terms, conditions, covenants and  
4 protective provisions safeguarding such payment, not inconsistent with  
5 RCW 28B.30.700 through 28B.30.780, and as found to be necessary by the  
6 board for the most advantageous sale thereof, which may include but not  
7 be limited to:

8 (a) A covenant that the building fees shall be established,  
9 maintained and collected in such amounts that will provide money  
10 sufficient to pay the principal of and interest on all bonds payable  
11 out of the bond retirement account, to set aside and maintain the  
12 reserves required to secure the payment of such principal and interest,  
13 and to maintain any coverage which may be required over such principal  
14 and interest;

15 (b) A covenant that a reserve account shall be created in the bond  
16 retirement fund to secure the payment of the principal of and interest  
17 on all bonds issued and a provision made that certain amounts be set  
18 aside and maintained therein;

19 (c) A covenant that sufficient moneys may be transferred from the  
20 Washington State University building account to the bond retirement  
21 account when ordered by the board of regents in the event there is ever  
22 an insufficient amount of money in the bond retirement account to pay  
23 any installment of interest or principal and interest coming due on the  
24 bonds or any of them;

25 (d) A covenant fixing conditions under which bonds on a parity with  
26 any bonds outstanding may be issued;

27 (e) A covenant to obligate, to pay the principal of or interest on  
28 the bonds, all or a component of the fees and revenues of Washington  
29 State University that are not subject to appropriation by the  
30 legislature and that do not constitute general state revenues as  
31 defined in Article VIII, section 1 of the state Constitution or general  
32 state revenues for the purpose of calculating statutory limits on state  
33 indebtedness pursuant to RCW 39.42.060.

34 The proceeds of the sale of all bonds (~~(shall be deposited in the~~  
35 ~~state treasury to the credit of the Washington State University~~  
36 ~~building account and)) issued in accordance with this chapter shall be  
37 used solely for paying the costs of the projects, including costs of  
38 issuance and other financing costs. The Washington State University~~

1 building account shall be credited with the investment income derived  
2 pursuant to RCW 43.84.080 on the investable balances of scientific  
3 permanent fund and agricultural permanent fund, less the allocation to  
4 the state treasurer's service fund pursuant to RCW 43.08.190. (~~During~~  
5 ~~the 2001-2003 fiscal biennium, the legislature may transfer from the~~  
6 ~~Washington State University building account to the state general fund~~  
7 ~~such amounts as reflect the excess fund balance of the account.))"~~

**ESHB 2254** - S AMD

By Senators Fraser, Brandland

**ADOPTED 04/24/2009**

8 On page 1, line 2 of the title, after "universities;" strike the  
9 remainder of the title and insert "and amending RCW 28B.15.210,  
10 28B.15.310, 28B.20.720, 28B.30.740, 28B.35.370, 28B.50.360, 28B.20.715,  
11 28B.20.735, and 28B.30.730."

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