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ENGROSSED SUBSTITUTE HOUSE BILL 2486

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State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Housing (originally sponsored by Representatives Leonard, Mitchell, Nelson, Ogden, Franklin, Winsley and Wineberry)

Read first time 01/24/92.

1 AN ACT Relating to the Washington housing finance commission;  
2 amending RCW 43.180.300; and adding a new section to chapter 43.180  
3 RCW.

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

5 **Sec. 1.** RCW 43.180.300 and 1990 c 167 s 2 are each amended to read  
6 as follows:

7 As used in RCW 43.180.310 through 43.180.360, the following terms  
8 have the meanings indicated unless the context clearly requires  
9 otherwise.

10 (1) "Construction" or "construct" means construction and  
11 acquisition, whether by device, purchase, gift, lease, or otherwise.

12 (2) "Facilities" means land, rights in land, buildings, structures,  
13 equipment, landscaping, utilities, approaches, roadways and parking,  
14 handling and storage areas, and similar ancillary facilities.

1 (3) "Financing document" means a lease, sublease, installment sale  
2 agreement, conditional sale agreement, loan agreement, mortgage, deed  
3 of trust guaranty agreement, or other agreement for the purpose of  
4 providing funds to pay or secure debt service on revenue bonds.

5 (4) "Improvement" means reconstruction, remodeling, rehabilitation,  
6 extension, and enlargement. "To improve" means to reconstruct, to  
7 remodel, to rehabilitate, to extend, and to enlarge.

8 (5) "Nonprofit corporation" means a nonprofit corporation described  
9 under section 501(c)(3) of the Internal Revenue Code, or similar  
10 successor provisions.

11 (6)(a) "Nonprofit facilities" means, except as modified by (b) of  
12 this subsection, facilities owned or used by a nonprofit corporation  
13 for any nonprofit activity described under section 501(c)(3) of the  
14 Internal Revenue Code that qualifies such a corporation for an  
15 exemption from federal income taxes under section 501(a) of the  
16 Internal Revenue Code, or similar successor provisions ((provided  
17 that)).

18 ~~(b) Nonprofit facilities shall not include:~~

19 ~~(i) Facilities ((which)) that may be ((funded pursuant to))~~  
20 ~~financed by the Washington higher education facilities authority under~~  
21 ~~chapter 28B.07((, 35.82, 43.180, or)) RCW, except for specified~~  
22 ~~facilities with respect to which the authority has declared that it~~  
23 ~~does not want to be the exclusive financing authority.~~

24 ~~(ii) Facilities that may be financed by the Washington health care~~  
25 ~~facilities authority under chapter 70.37 RCW ((shall not be included in~~  
26 ~~this definition)), except for facilities for persons with mental~~  
27 ~~illness and/or developmental disabilities that are not hospital-based~~  
28 ~~evaluation-and-treatment facilities, and except for specified~~  
29 ~~facilities with respect to which the authority has declared that it~~  
30 ~~does not want to be the exclusive financing authority.~~

1           (7) "Project costs" means costs of (a) acquisition, construction,  
2 and improvement of any facilities included in a nonprofit facility; (b)  
3 architectural, engineering, consulting, accounting, and legal costs  
4 related directly to the development, financing, and construction of a  
5 nonprofit facility, including costs of studies assessing the  
6 feasibility of a nonprofit facility; (c) finance costs, including  
7 discounts, if any, the costs of issuing revenue bonds, and costs  
8 incurred in carrying out any trust agreement; (d) interest during  
9 construction and during the six months after estimated completion of  
10 construction, and capitalized debt service or repair and replacement or  
11 other appropriate reserves; (e) the refunding of any outstanding  
12 obligations incurred for any of the costs outlined in this subsection;  
13 and (f) other costs incidental to any of the costs listed in this  
14 section.

15           (8) "Revenue bond" means a taxable or tax-exempt nonrecourse  
16 revenue bond, nonrecourse revenue note, or other nonrecourse revenue  
17 obligation issued for the purpose of providing financing to a nonprofit  
18 corporation on an interim or permanent basis.

19           (9) "User" means one or more persons acting as lessee, purchaser,  
20 mortgagor, or borrower under a financing document and may include a  
21 party who transfers the right of use and occupancy to another party by  
22 lease, sublease, or otherwise.

23           NEW SECTION. **Sec. 2.** A new section is added to chapter 43.180 RCW  
24 to read as follows:

25           With respect to any nonprofit corporation receiving financing under  
26 RCW 43.180.300 through 43.180.360 which also receives payments pursuant  
27 to a contract with the state, the issuance of bonds by the commission  
28 shall not imply any expectation or obligation of the state to continue  
29 such payments beyond the terms of then-existing contracts.