
SENATE BILL 5901

State of Washington

53rd Legislature

1993 Regular Session

By Senators Rinehart, Snyder, Gaspard, Moore, McDonald and Winsley; by request of Governor Lowry and State Treasurer

Read first time 02/24/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to consolidation of revenue bond-issuing
2 authorities; amending RCW 4.92.040, 28B.07.020, 39.84.200, 42.17.2401,
3 43.160.050, 43.163.005, 43.163.010, 43.180.010, 43.180.020, 43.180.030,
4 43.180.050, 43.180.060, 43.180.070, 43.180.080, 43.180.090, 43.180.100,
5 43.180.110, 43.180.130, 43.180.140, 43.180.150, 43.180.170, 43.180.180,
6 43.180.200, 43.180.310, 43.180.320, 43.180.330, 43.180.340, 82.04.408,
7 84.36.135, 70.37.020, and 70.170.070; adding a new chapter to Title 43
8 RCW; creating new sections; repealing RCW 28B.07.030, 43.163.020,
9 43.180.040, 43.180.160, and 70.37.030; providing an effective date; and
10 declaring an emergency.

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

12 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
13 consolidate certain bonding authority in a single governmental entity
14 to enhance the efficient operation of state government.

15 **PART I**
16 **COMMUNITY INVESTMENT FINANCE AUTHORITY CREATED**
17 **TRANSFER OF FUNCTIONS**

1 NEW SECTION. **Sec. 101.** (1) The community investment finance
2 authority is hereby established as a public body corporate and politic,
3 with perpetual corporate succession constituting an instrumentality of
4 the state of Washington exercising essential government functions, and,
5 for purposes of the code, acts as a constituted authority on behalf of
6 the state when it issues bonds pursuant to this chapter. The authority
7 is a public body within the meaning of RCW 39.53.010.

8 (2) The authority shall consist of the following voting members:

9 (a) One member of the public appointed by the governor, with the
10 consent of the senate, who shall serve on the authority and be chair of
11 the authority at the pleasure of the governor;

12 (b) The state treasurer, ex officio, or the treasurer's designee;

13 (c) The lieutenant governor, ex officio, or the lieutenant
14 governor's designee;

15 (d) A representative of private institutions of higher education,
16 appointed by the governor, with the consent of the senate;

17 (e) A representative of low-income housing interests, appointed by
18 the governor, with the consent of the senate;

19 (f) A representative of health care interests, appointed by the
20 governor, with the consent of the senate;

21 (g) A representative of economic development or business interests,
22 appointed by the governor, with the consent of the senate.

23 (3) The public members shall be residents of the state and
24 appointed by the governor, subject to confirmation by the senate, on
25 the basis of their interest or expertise.

26 (4) The public members of the authority appointed by the governor
27 shall serve for terms of four years from the date of their appointment,
28 except that the initial terms of two of the public members shall be for
29 two years from the date of their appointment. The governor shall
30 designate the appointees who will serve the two-year terms. The
31 governor shall fill any vacancy in an appointed position by appointment
32 for the remainder of the unexpired term. Upon the expiration of the
33 term of any appointed member, the governor shall appoint a successor
34 for a term expiring on the fourth anniversary of the successor's date
35 of appointment. Appointed members of the authority may continue to
36 serve until a successor is appointed by the governor.

37 (5) Any appointed member of the authority may be removed by the
38 governor for cause pursuant to RCW 43.06.070 and 43.06.080.

1 (6) The authority may adopt an official seal and may select from
2 its membership a vice-chair and a secretary. If the chair is absent
3 from a meeting of the authority, the vice-chair or secretary may
4 preside. The authority shall establish rules concerning its exercise
5 of the powers authorized by this chapter. The rules shall be adopted
6 in accordance with chapter 34.05 RCW.

7 (7) Four members of the authority constitute a quorum. Designees
8 shall be appointed in such manner and shall exercise such powers as are
9 specified by the rules of the authority. The authority may act on the
10 basis of a motion except when authorizing the issuance and sale of
11 bonds, in which case the authority shall act by resolution. Bond
12 resolutions and other resolutions shall be adopted upon the affirmative
13 vote of a majority of a quorum of members present at any meeting of the
14 authority and shall be signed by the presiding officer and the
15 secretary. All actions taken by the authority shall take effect
16 immediately without need for publication or other public notice. A
17 vacancy in the membership of the authority does not impair the power of
18 the authority to act under this chapter.

19 (8) The members of the authority shall be compensated in accordance
20 with RCW 43.03.250 and shall be entitled to reimbursement, solely from
21 the funds of the authority, for travel expenses under RCW 43.03.050 and
22 43.03.060 as determined by the authority to be incurred in the
23 discharge of duties under this chapter.

24 NEW SECTION. **Sec. 102.** The community investment finance authority
25 shall establish advisory boards representing the major financing areas
26 in which the authority is active. Members of the advisory boards may
27 be compensated for travel and per diem expenses as provided in RCW
28 43.03.050 and 43.03.060 as determined necessary by the authority. In
29 addition, advisory board members shall be compensated as provided in
30 RCW 43.03.240.

31 NEW SECTION. **Sec. 103.** In addition to the exemptions set forth in
32 RCW 41.06.070, the provisions of this chapter shall not apply in the
33 community investment finance authority to the executive director, the
34 confidential secretary, and the deputy director.

35 NEW SECTION. **Sec. 104.** In June of each year the community
36 investment finance authority shall annually submit to the state finance

1 committee a plan projecting the anticipated bonds to be issued by the
2 authority for the ensuing fiscal year. Before each bond issuance, the
3 authority shall notify the state finance committee of the anticipated
4 date and amount of bonds to be issued.

5 NEW SECTION. **Sec. 105.** In addition to the powers to issue
6 nonrecourse revenue bonds expressed in this chapter, the community
7 investment finance authority may issue any other nonrecourse revenue
8 bonds if the issuance of bonds promotes the public interest, does not
9 pledge the full faith or credit of the state, and does not involve
10 public funds.

11 NEW SECTION. **Sec. 106.** After the effective date of this section,
12 the community investment finance authority possesses the sole authority
13 to expand or create powers to issue nonrecourse revenue bonds exempt
14 from federal taxation at the state or local level. This exclusive
15 authority shall not impair the issuance of state or local bonds for
16 governmental purposes. This limitation does not apply to authorities
17 authorized before the effective date of this section to issue bonds.

18 NEW SECTION. **Sec. 107.** The Washington higher education facilities
19 authority is hereby abolished and its powers, duties, and functions are
20 hereby transferred to the community investment finance authority.

21 NEW SECTION. **Sec. 108.** All reports, documents, surveys, books,
22 records, files, papers, or written material in the possession of the
23 Washington higher education facilities authority shall be delivered to
24 the custody of the community investment finance authority. All
25 cabinets, furniture, office equipment, motor vehicles, and other
26 tangible property employed by the Washington higher education
27 facilities authority shall be made available to the community
28 investment finance authority. All funds, credits, or other assets held
29 by the Washington higher education facilities authority shall be
30 assigned to the community investment finance authority.

31 Whenever any question arises as to the transfer of any personnel,
32 funds, books, documents, records, papers, files, equipment, or other
33 tangible property used or held in the exercise of the powers and the
34 performance of the duties and functions transferred, the director of

1 financial management shall make a determination as to the proper
2 allocation and certify the same to the state agencies concerned.

3 NEW SECTION. **Sec. 109.** All employees of the Washington higher
4 education facilities authority are transferred to the jurisdiction of
5 the community investment finance authority. All employees classified
6 under chapter 41.06 RCW, the state civil service law, are assigned to
7 the community investment finance authority to perform their usual
8 duties upon the same terms as formerly, without any loss of rights,
9 subject to any action that may be appropriate thereafter in accordance
10 with the laws and rules governing state civil service.

11 NEW SECTION. **Sec. 110.** All rules and all pending business before
12 the Washington higher education facilities authority shall be continued
13 and acted upon by the community investment finance authority. All
14 existing contracts and obligations shall remain in full force and shall
15 be performed by the community investment finance authority.

16 NEW SECTION. **Sec. 111.** The transfer of the powers, duties,
17 functions, and personnel of the Washington higher education facilities
18 authority shall not affect the validity of any act performed before the
19 effective date of this section.

20 NEW SECTION. **Sec. 112.** Nothing contained in sections 107 through
21 111 of this act may be construed to alter any existing collective
22 bargaining unit or the provisions of any existing collective bargaining
23 agreement until the agreement has expired or until the bargaining unit
24 has been modified by action of the personnel board as provided by law.

25 NEW SECTION. **Sec. 113.** The Washington economic development
26 finance authority is hereby abolished and its powers, duties, and
27 functions are hereby transferred to the community investment finance
28 authority.

29 NEW SECTION. **Sec. 114.** All reports, documents, surveys, books,
30 records, files, papers, or written material in the possession of the
31 Washington economic development finance authority shall be delivered to
32 the custody of the community investment finance authority. All
33 cabinets, furniture, office equipment, motor vehicles, and other

1 tangible property employed by the Washington economic development
2 finance authority shall be made available to the community investment
3 finance authority. All funds, credits, or other assets held by the
4 Washington economic development finance authority shall be assigned to
5 the community investment finance authority.

6 Whenever any question arises as to the transfer of any personnel,
7 funds, books, documents, records, papers, files, equipment, or other
8 tangible property used or held in the exercise of the powers and the
9 performance of the duties and functions transferred, the director of
10 financial management shall make a determination as to the proper
11 allocation and certify the same to the state agencies concerned.

12 NEW SECTION. **Sec. 115.** All rules and all pending business before
13 the Washington economic development finance authority shall be
14 continued and acted upon by the community investment finance authority.
15 All existing contracts and obligations shall remain in full force and
16 shall be performed by the community investment finance authority.

17 NEW SECTION. **Sec. 116.** The transfer of the powers, duties,
18 functions, and personnel of the Washington economic development finance
19 authority shall not affect the validity of any act performed before the
20 effective date of this section.

21 NEW SECTION. **Sec. 117.** Nothing contained in sections 113 through
22 116 of this act may be construed to alter any existing collective
23 bargaining unit or the provisions of any existing collective bargaining
24 agreement until the agreement has expired or until the bargaining unit
25 has been modified by action of the personnel board as provided by law.

26 NEW SECTION. **Sec. 118.** The housing finance commission is hereby
27 abolished and its powers, duties, and functions are hereby transferred
28 to the community investment finance authority.

29 NEW SECTION. **Sec. 119.** All reports, documents, surveys, books,
30 records, files, papers, or written material in the possession of the
31 housing finance commission shall be delivered to the custody of the
32 community investment finance authority. All cabinets, furniture,
33 office equipment, motor vehicles, and other tangible property employed
34 by the housing finance commission shall be made available to the

1 community investment finance authority. All funds, credits, or other
2 assets held by the housing finance commission shall be assigned to the
3 community investment finance authority.

4 Whenever any question arises as to the transfer of any personnel,
5 funds, books, documents, records, papers, files, equipment, or other
6 tangible property used or held in the exercise of the powers and the
7 performance of the duties and functions transferred, the director of
8 financial management shall make a determination as to the proper
9 allocation and certify the same to the state agencies concerned.

10 NEW SECTION. **Sec. 120.** All employees of the housing finance
11 commission are transferred to the jurisdiction of the community
12 investment finance authority. All employees classified under chapter
13 41.06 RCW, the state civil service law, are assigned to the community
14 investment finance authority to perform their usual duties upon the
15 same terms as formerly, without any loss of rights, subject to any
16 action that may be appropriate thereafter in accordance with the laws
17 and rules governing state civil service.

18 NEW SECTION. **Sec. 121.** All rules and all pending business before
19 the housing finance commission shall be continued and acted upon by the
20 community investment finance authority. All existing contracts and
21 obligations shall remain in full force and shall be performed by the
22 community investment finance authority.

23 NEW SECTION. **Sec. 122.** The transfer of the powers, duties,
24 functions, and personnel of the housing finance commission shall not
25 affect the validity of any act performed before the effective date of
26 this section.

27 NEW SECTION. **Sec. 123.** Nothing contained in sections 118 through
28 122 of this act may be construed to alter any existing collective
29 bargaining unit or the provisions of any existing collective bargaining
30 agreement until the agreement has expired or until the bargaining unit
31 has been modified by action of the personnel board as provided by law.

32 NEW SECTION. **Sec. 124.** The Washington health care facilities
33 authority is hereby abolished and its powers, duties, and functions are
34 hereby transferred to the community investment finance authority.

1 NEW SECTION. **Sec. 125.** All reports, documents, surveys, books,
2 records, files, papers, or written material in the possession of the
3 Washington health care facilities authority shall be delivered to the
4 custody of the community investment finance authority. All cabinets,
5 furniture, office equipment, motor vehicles, and other tangible
6 property employed by the Washington health care facilities authority
7 shall be made available to the community investment finance authority.
8 All funds, credits, or other assets held by the Washington health care
9 facilities authority shall be assigned to the community investment
10 finance authority.

11 Whenever any question arises as to the transfer of any personnel,
12 funds, books, documents, records, papers, files, equipment, or other
13 tangible property used or held in the exercise of the powers and the
14 performance of the duties and functions transferred, the director of
15 financial management shall make a determination as to the proper
16 allocation and certify the same to the state agencies concerned.

17 NEW SECTION. **Sec. 126.** All employees of the Washington health
18 care facilities authority are transferred to the jurisdiction of the
19 community investment finance authority. All employees classified under
20 chapter 41.06 RCW, the state civil service law, are assigned to the
21 community investment finance authority to perform their usual duties
22 upon the same terms as formerly, without any loss of rights, subject to
23 any action that may be appropriate thereafter in accordance with the
24 laws and rules governing state civil service.

25 NEW SECTION. **Sec. 127.** All rules and all pending business before
26 the Washington health care facilities authority shall be continued and
27 acted upon by the community investment finance authority. All existing
28 contracts and obligations shall remain in full force and shall be
29 performed by the community investment finance authority.

30 NEW SECTION. **Sec. 128.** The transfer of the powers, duties,
31 functions, and personnel of the Washington health care facilities
32 authority shall not affect the validity of any act performed before the
33 effective date of this section.

34 NEW SECTION. **Sec. 129.** Nothing contained in sections 124 through
35 128 of this act may be construed to alter any existing collective

1 bargaining unit or the provisions of any existing collective bargaining
2 agreement until the agreement has expired or until the bargaining unit
3 has been modified by action of the personnel board as provided by law.

4 NEW SECTION. **Sec. 130.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 28B.07.030 and 1985 c 370 s 48, 1984 c 287 s 62, & 1983 c
7 169 s 3;

8 (2) RCW 43.163.020 and 1990 c 53 s 2 & 1989 c 279 s 3;

9 (3) RCW 43.180.040 and 1985 c 6 s 14, 1984 c 287 s 90, & 1983 c 161
10 s 4;

11 (4) RCW 43.180.160 and 1986 c 264 s 2 & 1983 c 161 s 16; and

12 (5) RCW 70.37.030 and 1989 1st ex.s. c 9 s 261, 1984 c 287 s 103,
13 1983 c 210 s 1, 1975-'76 2nd ex.s. c 34 s 157, & 1974 ex.s. c 147 s 3.

14 **PART II**

15 **CHANGING AGENCY NOMENCLATURE**

16 **Sec. 201.** RCW 4.92.040 and 1986 c 126 s 4 are each amended to read
17 as follows:

18 (1) No execution shall issue against the state on any judgment.

19 (2) Whenever a final judgment against the state is obtained in an
20 action on a claim arising out of tortious conduct, the claim shall be
21 paid from the tort claims revolving fund.

22 (3) Whenever a final judgment against the state shall have been
23 obtained in any other action, the clerk of the court shall make and
24 furnish to the risk management office a duly certified copy of such
25 judgment; the risk management office shall thereupon audit the amount
26 of damages and costs therein awarded, and the same shall be paid from
27 appropriations specifically provided for such purposes by law.

28 (4) Final judgments for which there are no provisions in state law
29 for payment shall be transmitted by the risk management office to the
30 senate and house of representatives committees on ways and means as
31 follows:

32 (a) On the first day of each session of the legislature, the risk
33 management office shall transmit judgments received and audited since
34 the adjournment of the previous session of the legislature.

35 (b) During each session of legislature, the risk management office
36 shall transmit judgments immediately upon completion of audit.

1 (5) All claims, other than judgments, made to the legislature
2 against the state of Washington for money or property, shall be
3 accompanied by a statement of the facts on which such claim is based
4 and such evidence as the claimant intends to offer in support of the
5 claim and shall be filed with the risk management office, which shall
6 retain the same as a record. All claims of two thousand dollars or
7 less shall be approved or rejected by the risk management office, and
8 if approved shall be paid from appropriations specifically provided for
9 such purpose by law. Such decision, if adverse to the claimant in
10 whole or part, shall not preclude the claimant from seeking relief from
11 the legislature. If the claimant accepts any part of his or her claim
12 which is approved for payment by the risk management office, such
13 acceptance shall constitute a waiver and release of the state from any
14 further claims relating to the damage or injury asserted in the claim
15 so accepted. The risk management office shall submit to the house and
16 senate committees on ways and means, at the beginning of each regular
17 session, a comprehensive list of all claims paid pursuant to this
18 subsection during the preceding year. For all claims not approved by
19 the risk management office, the risk management office shall recommend
20 to the legislature whether such claims should be approved or rejected.

21 Recommendations shall be submitted to the senate and house of
22 representatives committees on ways and means not later than the
23 thirtieth day of each regular session of the legislature. Claims which
24 cannot be processed for timely submission of recommendations shall be
25 held for submission during the following regular session of the
26 legislature. The recommendations shall include, but not be limited to:

27 (a) A summary of the facts alleged in the claim, and a statement as
28 to whether these facts can be verified by the risk management office;

29 (b) An estimate by the risk management office of the value of the
30 loss or damage which was alleged to have occurred;

31 (c) An analysis of the legal liability, if any, of the state for
32 the alleged loss or damage; and

33 (d) A summary of equitable or public policy arguments which might
34 be helpful in resolving the claim.

35 (5) The legislative committees to whom such claims are referred
36 shall make a transcript, recording, or statement of the substance of
37 the evidence given in support of such a claim. If the legislature
38 approves a claim the same shall be paid from appropriations
39 specifically provided for such purpose by law.

1 (6) Subsections (3) through (5) of this section do not apply to
2 judgments or claims against the (~~state housing finance commission~~
3 ~~created~~) community investment finance authority in conjunction with
4 its functions under chapter 43.180 RCW.

5 **Sec. 202.** RCW 28B.07.020 and 1985 c 370 s 47 are each amended to
6 read as follows:

7 As used in this chapter, the following words and terms shall have
8 the following meanings, unless the context otherwise requires:

9 (1) "Authority" means the (~~Washington higher education~~
10 ~~facilities~~) community investment finance authority created under (~~RCW~~
11 ~~28B.07.030~~) section 101 of this act or any board, body, commission,
12 department or officer succeeding to the principal functions of the
13 authority or to whom the powers conferred upon the authority shall be
14 given by law.

15 (2) "Bonds" means bonds, notes, commercial paper, certificates of
16 indebtedness, or other evidences of indebtedness of the authority
17 issued under this chapter.

18 (3) "Bond resolution" means any resolution of the authority,
19 adopted under this chapter, authorizing the issuance and sale of bonds.

20 (4) "Higher education institution" means a private, nonprofit
21 educational institution, the main campus of which is permanently
22 situated in the state, which is open to residents of the state, which
23 neither restricts entry on racial or religious grounds, which provides
24 programs of education beyond high school leading at least to the
25 baccalaureate degree, and which is accredited by the Northwest
26 Association of Schools and Colleges or by an accrediting association
27 recognized by the higher education coordinating board.

28 (5) "Participant" means a higher education institution which, under
29 this chapter, undertakes the financing of a project or projects or
30 undertakes the refunding or refinancing of obligations, mortgages, or
31 advances previously incurred for a project or projects.

32 (6) "Project" means any land or any improvement, including, but not
33 limited to, buildings, structures, fixtures, utilities, machinery,
34 excavations, paving, and landscaping, and any interest in such land or
35 improvements, and any personal property pertaining or useful to such
36 land and improvements, which are necessary, useful, or convenient for
37 the operation of a higher education institution, including but not
38 limited to, the following: Dormitories or other multi-unit housing

1 facilities for students, faculty, officers, or employees; dining halls;
2 student unions; administration buildings; academic buildings;
3 libraries; laboratories; research facilities; computer facilities;
4 classrooms; athletic facilities; health care facilities; maintenance,
5 storage, or utility facilities; parking facilities; or any combination
6 thereof, or any other structures, facilities, or equipment so related.

7 (7) "Project cost" means any cost related to the acquisition,
8 construction, improvement, alteration, or rehabilitation by a
9 participant or the authority of any project and the financing of the
10 project through the authority, including, but not limited to, the
11 following costs paid or incurred: Costs of acquisition of land or
12 interests in land and any improvement; costs of contractors, builders,
13 laborers, materialmen, and suppliers of tools and equipment; costs of
14 surety and performance bonds; fees and disbursements of architects,
15 surveyors, engineers, feasibility consultants, accountants, attorneys,
16 financial consultants, and other professionals; interest on bonds
17 issued by the authority during any period of construction; principal of
18 and interest on interim financing of any project; debt service reserve
19 funds; depreciation funds, costs of the initial start-up operation of
20 any project; fees for title insurance, document recording, or filing;
21 fees of trustees and the authority; taxes and other governmental
22 charges levied or assessed on any project; and any other similar costs.
23 Except as specifically set forth in this definition, the term "project
24 cost" does not include books, fuel, supplies, and similar items which
25 are required to be treated as a current expense under generally
26 accepted accounting principles.

27 (8) "Trust indenture" means any agreement, trust indenture, or
28 other similar instrument by and between the authority and one or more
29 corporate trustees.

30 **Sec. 203.** RCW 39.84.200 and 1984 c 257 s 11 are each amended to
31 read as follows:

32 The community (~~(economic revitalization board)~~) investment finance
33 authority under (~~(chapter 43.160 RCW)~~) chapter 43.-- RCW (sections 101
34 through 106 of this act) shall have all the powers of a public
35 corporation under this chapter. To the extent applicable, all duties
36 of a public corporation apply to the community (~~(economic~~
37 ~~revitalization board)~~) investment finance authority in exercising its
38 powers under this chapter.

1 **Sec. 204.** RCW 42.17.2401 and 1991 c 200 s 404 are each amended to
2 read as follows:

3 For the purposes of RCW 42.17.240, the term "executive state
4 officer" includes:

5 (1) The chief administrative law judge, the director of
6 agriculture, the administrator of the office of marine safety, the
7 administrator of the Washington basic health plan, the director of the
8 department of services for the blind, the director of the state system
9 of community and technical colleges, the director of community
10 development, the secretary of corrections, the director of ecology, the
11 commissioner of employment security, the chairman of the energy
12 facility site evaluation council, the director of the energy office,
13 the secretary of the state finance committee, the director of financial
14 management, the director of fisheries, the executive secretary of the
15 forest practices appeals board, the director of the gambling
16 commission, the director of general administration, the secretary of
17 health, the administrator of the Washington state health care
18 authority, (~~the executive secretary of the health care facilities~~
19 ~~authority, the executive secretary of the higher education facilities~~
20 ~~authority,~~) the director of the higher education personnel board, the
21 executive secretary of the horse racing commission, the executive
22 secretary of the human rights commission, the executive secretary of
23 the indeterminate sentence review board, the director of the department
24 of information services, the director of the interagency committee for
25 outdoor recreation, the executive director of the state investment
26 board, the director of labor and industries, the director of licensing,
27 the director of the lottery commission, the director of the office of
28 minority and women's business enterprises, the director of parks and
29 recreation, the director of personnel, the executive director of the
30 public disclosure commission, the director of retirement systems, the
31 director of revenue, the secretary of social and health services, the
32 chief of the Washington state patrol, the executive secretary of the
33 board of tax appeals, the director of trade and economic development,
34 the secretary of transportation, the secretary of the utilities and
35 transportation commission, the director of veterans affairs, the
36 director of wildlife, the president of each of the regional and state
37 universities and the president of The Evergreen State College, each
38 district and each campus president of each state community college;

39 (2) Each professional staff member of the office of the governor;

1 (3) Each professional staff member of the legislature; and
2 (4) Central Washington University board of trustees, board of
3 trustees of each community college, each member of the state board for
4 community and technical colleges (~~(education)~~), state convention and
5 trade center board of directors, committee for deferred compensation,
6 Eastern Washington University board of trustees, (~~(Washington economic~~
7 ~~development finance authority,~~) The Evergreen State College board of
8 trustees, community investment finance authority, forest practices
9 appeals board, forest practices board, gambling commission,
10 (~~(Washington health care facilities authority,~~) higher education
11 coordinating board, (~~(higher education facilities authority,~~) higher
12 education personnel board, horse racing commission, (~~(state housing~~
13 ~~finance commission,~~) human rights commission, indeterminate sentence
14 review board, board of industrial insurance appeals, information
15 services board, interagency committee for outdoor recreation, state
16 investment board, liquor control board, lottery commission, marine
17 oversight board, oil and gas conservation committee, Pacific Northwest
18 electric power and conservation planning council, parks and recreation
19 commission, personnel appeals board, personnel board, board of pilotage
20 (~~(commissioners)~~) commissioners, pollution control hearings board,
21 public disclosure commission, public pension commission, shorelines
22 hearing board, state employees' benefits board, board of tax appeals,
23 transportation commission, University of Washington board of regents,
24 utilities and transportation commission, Washington state maritime
25 commission, Washington public power supply system executive board,
26 Washington State University board of regents, Western Washington
27 University board of trustees, and wildlife commission.

28 **Sec. 205.** RCW 43.160.050 and 1987 c 422 s 4 are each amended to
29 read as follows:

30 The board may:

31 (1) Adopt bylaws for the regulation of its affairs and the conduct
32 of its business.

33 (2) Adopt an official seal and alter the seal at its pleasure.

34 (3) Contract with any consultants as may be necessary or desirable
35 for its purposes and to fix the compensation of the consultants.

36 (4) Utilize the services of other governmental agencies.

1 (5) Accept from any federal agency loans or grants for the planning
2 or financing of any project and enter into an agreement with the agency
3 respecting the loans or grants.

4 (6) Conduct examinations and investigations and take testimony at
5 public or private hearings of any matter material for its information
6 that will assist in determinations related to the exercise of the
7 board's lawful powers.

8 (7) Accept any gifts, grants, or loans of funds, property, or
9 financial or other aid in any form from any other source on any terms
10 and conditions which are not in conflict with this chapter.

11 (8) Exercise all the powers of a public corporation under chapter
12 39.84 RCW.

13 (9) Invest any funds received in connection with industrial
14 development revenue bond financing not required for immediate use, as
15 the board considers appropriate, subject to any agreements with owners
16 of bonds.

17 (10) Arrange for lines of credit for industrial development revenue
18 bonds from and enter into participation agreements with any financial
19 institution.

20 ~~(11) ((Issue industrial development revenue bonds in one or more
21 series for the purpose of defraying the cost of acquiring or improving
22 any industrial development facility or facilities and securing the
23 payment of the bonds as provided in this chapter.~~

24 ~~(12))~~ Enter into agreements or other transactions with and accept
25 grants and the cooperation of any governmental agency in furtherance of
26 this chapter.

27 ~~((13))~~ (12) Sell, purchase, or insure loans to finance the costs
28 of industrial development facilities.

29 ~~((14))~~ (13) Service, contract, and pay for the servicing of loans
30 for industrial development facilities.

31 ~~((15))~~ (14) Provide financial analysis and technical assistance
32 for industrial development facilities when the board reasonably
33 considers it appropriate.

34 ~~((16) Collect, with respect to industrial development revenue
35 bonds, reasonable interest, fees, and charges for making and servicing
36 its lease agreements, loan agreements, mortgage loans, notes, bonds,
37 commitments, and other evidences of indebtedness. Interest, fees, and
38 charges are limited to the amounts required to pay the costs of the~~

1 board, including operating and administrative expenses and reasonable
2 allowances for losses that may be incurred.

3 ~~((17))~~ (15) Procure insurance or guarantees from any party as
4 allowable under law, including a governmental agency, against any loss
5 in connection with its lease agreements, loan agreements, mortgage
6 loans, and other assets or property.

7 ~~((18))~~ (16) Adopt rules under chapter 34.05 RCW as necessary to
8 carry out the purposes of this chapter.

9 ~~((19))~~ (17) Do all acts and things necessary or convenient to
10 carry out the powers expressly granted or implied under this chapter.

11 **Sec. 206.** RCW 43.163.005 and 1990 c 53 s 1 are each amended to
12 read as follows:

13 Economic development is essential to the health, safety, and
14 welfare of all Washington citizens by broadening and strengthening
15 state and local tax bases, providing meaningful employment
16 opportunities and thereby enhancing the quality of life. Economic
17 development increasingly is dependent upon the ability of small-sized
18 and medium-sized businesses and farms to finance growth and trade
19 activities. Many of these businesses face an unmet need for capital
20 that limits their growth. These unmet capital needs are a problem in
21 both urban and rural areas which cannot be solved by the private sector
22 alone. There presently exist some federal programs, private credit
23 enhancements and other financial tools to complement the private
24 banking industry in providing this needed capital. More research is
25 needed to develop effective strategies to enhance access to capital and
26 thereby stimulate economic development.

27 ~~((It is the purpose of this chapter to establish a state economic
28 development finance authority to act as a financial conduit that,
29 without using state funds or lending the credit of the state or local
30 governments, can issue nonrecourse revenue bonds, and participate in
31 federal, state, and local economic development programs to help
32 facilitate access to needed capital by Washington businesses that
33 cannot otherwise readily obtain needed capital on terms and rates
34 comparable to large corporations, and can help local governments obtain
35 capital more efficiently.)) It is ~~((also))~~ a primary purpose of this
36 chapter to encourage the employment and retention of Washington workers
37 at meaningful wages and to develop innovative approaches to the problem
38 of unmet capital needs. This chapter is enacted to accomplish these~~

1 and related purposes and shall be construed liberally to carry out its
2 purposes and objectives.

3 **Sec. 207.** RCW 43.163.010 and 1989 c 279 s 2 are each amended to
4 read as follows:

5 As used in this chapter, the following words and terms have the
6 following meanings, unless the context requires otherwise:

7 (1) "Authority" means the Washington ~~((economic development))~~
8 community investment finance authority created ((under RCW 43.163.020
9 or any board, body, commission, department or officer succeeding to the
10 principal functions of the authority or to whom the powers conferred
11 upon the authority shall be given by law)) in section 101 of this act;

12 (2) "Bonds" means any bonds, notes, debentures, interim
13 certificates, conditional sales or lease financing agreements, lines of
14 credit, forward purchase agreements, investment agreements, and other
15 banking or financial arrangements, guaranties, or other obligations
16 issued by or entered into by the authority. Such bonds may be issued
17 on either a tax-exempt or taxable basis;

18 (3) "Borrower" means one or more public or private persons or
19 entities acting as lessee, purchaser, mortgagor, or borrower who has
20 obtained or is seeking to obtain financing either from the authority or
21 from an eligible banking organization that has obtained or is seeking
22 to obtain funds from the authority to finance a project. A borrower
23 may include a party who transfers the right of use and occupancy to
24 another party by lease, sublease or otherwise, or a party who is
25 seeking or has obtained a financial guaranty from the authority;

26 (4) "Eligible banking organization" means any organization subject
27 to regulation by the state supervisor of banking or the state
28 supervisor of savings and loans, any national bank, federal savings and
29 loan association, and federal credit union located within this state;

30 (5) "Eligible export transaction" means any preexport or export
31 activity by a person or entity located in the state of Washington
32 involving a sale for export and product sale which, in the judgment of
33 the authority: (a) Will create or maintain employment in the state of
34 Washington, (b) will obtain a material percent of its value from
35 manufactured goods or services made, processed or occurring in
36 Washington, and (c) could not otherwise obtain financing on reasonable
37 terms from an eligible banking organization;

1 (6) "Eligible farmer" means any person who is a resident of the
2 state of Washington and whose specific acreage qualifying for receipts
3 from the federal department of agriculture under its conservation
4 reserve program is within the state of Washington;

5 (7) "Financing document" means an instrument executed by the
6 authority and one or more persons or entities pertaining to the
7 issuance of or security for bonds, or the application of the proceeds
8 of bonds or other funds of, or payable to, the authority. A financing
9 document may include, but need not be limited to, a lease, installment
10 sale agreement, conditional sale agreement, mortgage, loan agreement,
11 trust agreement or indenture, security agreement, letter or line of
12 credit, reimbursement agreement, insurance policy, guaranty agreement,
13 or currency or interest rate swap agreement. A financing document also
14 may be an agreement between the authority and an eligible banking
15 organization which has agreed to make a loan to a borrower;

16 (8) "Plan" means the general plan of economic development finance
17 objectives developed and adopted by the authority, and updated from
18 time to time, as required under RCW 43.163.090.

19 **Sec. 208.** RCW 43.180.010 and 1983 c 161 s 1 are each amended to
20 read as follows:

21 It is declared to be the public policy of the state and a
22 recognized governmental function to assist in making affordable and
23 decent housing available throughout the state and by so doing to
24 contribute to the general welfare. Decent housing for the people of
25 our state is a most important public concern. Interest rates and
26 construction costs have made it impossible for many Washington citizens
27 to purchase their own homes. Older people, disabled persons, and low
28 and moderate income families often cannot afford to rent decent
29 housing. There exists throughout the state a serious shortage of safe,
30 sanitary and energy efficient housing available at prices within the
31 financial means of our citizens. General economic development within
32 the state is also impeded by a lack of affordable housing. The state's
33 economy, which is dependent on the timber, wood products, and
34 construction industries, has been damaged by inadequate investment in
35 housing construction and rehabilitation. The result has been high
36 unemployment and economic hardship affecting the prosperity of all the
37 people of the state, particularly those in the wood products industry.

1 It is the purpose of this chapter to (~~establish a state housing~~
2 ~~finance commission~~) authorize the community investment finance
3 authority to act as a financial conduit which, without using public
4 funds or lending the credit of the state or local government, can issue
5 nonrecourse revenue bonds and participate in federal, state, and local
6 housing programs and thereby make additional funds available at
7 affordable rates to help provide housing throughout the state. It is
8 also a primary purpose of this chapter to encourage the use of
9 Washington state forest products in residential construction. This
10 chapter is enacted to accomplish these and related purposes and shall
11 be liberally construed to carry out its purposes and objectives.

12 **Sec. 209.** RCW 43.180.020 and 1990 c 167 s 1 are each amended to
13 read as follows:

14 Unless the context clearly requires otherwise, the definitions in
15 this section apply throughout this chapter.

16 (1) "Authority" means the community investment finance authority or
17 any board, body, commission, department, or officer succeeding to the
18 principal functions thereof or to whom the powers conferred upon the
19 authority shall be given by law.

20 (2) "Bonds" means the bonds, notes, or other evidences of
21 indebtedness of the (~~commission~~) authority, the interest paid on
22 which may or may not qualify for tax exemption.

23 (~~(2)~~) (3) "Code" means the federal internal revenue code of 1954,
24 as now or hereafter amended, and the regulations and rulings
25 promulgated thereunder.

26 (~~(3) "Commission" means the Washington state housing finance~~
27 ~~commission or any board, body, commission, department, or officer~~
28 ~~succeeding to the principal functions thereof or to whom the powers~~
29 ~~conferred upon the commission shall be given by law.))~~

30 (4) "Costs of housing" means all costs related to the development,
31 design, acquisition, construction, reconstruction, leasing,
32 rehabilitation, and other improvements of housing, as determined by the
33 (~~commission~~) authority.

34 (5) "Eligible person" means a person or family eligible in
35 accordance with standards (~~promulgated~~) adopted by the (~~commission~~)
36 authority. Such persons shall include those persons whose income is
37 insufficient to obtain at a reasonable cost, without financial
38 assistance, decent, safe, and sanitary housing in the area in which the

1 person or family resides, and may include such other persons whom the
2 ((~~commission~~)) authority determines to be eligible.

3 (6) "Housing" means specific new, existing, or improved residential
4 dwellings within this state or dwellings to be constructed within this
5 state. The term includes land, buildings, and manufactured dwellings,
6 and improvements, furnishings, and equipment, and such other nonhousing
7 facilities, furnishings, equipment, and costs as may be incidental or
8 appurtenant thereto if in the judgment of the ((~~commission~~)) authority
9 the facilities, furnishings, equipment and costs are an integral part
10 of the project. Housing may consist of single-family or multifamily
11 dwellings in one or more structures located on contiguous or
12 noncontiguous parcels or any combination thereof. Improvements may
13 include such equipment and materials as are appropriate to accomplish
14 energy efficiency within a dwelling. The term also includes a dwelling
15 constructed by a person who occupies and owns the dwelling, and nursing
16 homes licensed under chapter 18.51 RCW.

17 (7) "Mortgage" means a mortgage, mortgage deed, deed of trust,
18 security agreement, or other instrument securing a mortgage loan and
19 constituting a lien on or security interest in housing. The property
20 may be held in fee simple or on a leasehold under a lease having a
21 remaining term, at the time the mortgage is acquired, of not less than
22 the term of repayment of the mortgage loan secured by the mortgage.
23 The property may also be housing which is evidenced by an interest in
24 a cooperative association or corporation if ownership of the interest
25 entitles the owner of the interest to occupancy of a dwelling owned by
26 the association or corporation.

27 (8) "Mortgage lender" means any of the following entities which
28 customarily provide service or otherwise aid in the financing of
29 housing and which are approved as a mortgage lender by the
30 ((~~commission~~)) authority: A bank, trust company, savings bank,
31 national banking association, savings and loan association, building
32 and loan association, mortgage banker, mortgage company, credit union,
33 life insurance company, or any other financial institution,
34 governmental agency, municipal corporation, or any holding company for
35 any of the entities specified in this subsection.

36 (9) "Mortgage loan" means an interest-bearing loan or a
37 participation therein, made to a borrower, for the purpose of financing
38 the costs of housing, evidenced by a promissory note, and which may or
39 may not be secured (a) under a mortgage agreement, (b) under any other

1 security agreement, regardless of whether the collateral is personal or
2 real property, or (c) by insurance or a loan guarantee of a third
3 party. However, an unsecured loan shall not be considered a mortgage
4 loan under this definition unless the amount of the loan is under two
5 thousand five hundred dollars.

6 **Sec. 210.** RCW 43.180.030 and 1983 c 161 s 3 are each amended to
7 read as follows:

8 Bonds issued under this chapter shall be issued in the name of the
9 ~~((commission))~~ authority. The bonds shall not be obligations of the
10 state of Washington and shall be obligations only of the ~~((commission))~~
11 authority payable from the special fund or funds created by the
12 ~~((commission))~~ authority for their payment. Such funds shall not be or
13 constitute public moneys or funds of the state of Washington but at all
14 times shall be kept segregated and set apart from other funds.

15 Bonds issued under this chapter shall contain a recital on their
16 face to the effect that payment of the principal of, interest on, and
17 prepayment premium, if any, on the bonds, shall be a valid claim only
18 as against the special fund or funds relating thereto, that neither the
19 faith and credit nor the taxing power of the state or any municipal
20 corporation, subdivision, or agency of the state, other than the
21 ~~((commission))~~ authority as set forth in this chapter, is pledged to
22 the payment of the principal of, interest on, and prepayment premium,
23 if any, on the bonds.

24 Contracts entered into by the ~~((commission))~~ authority shall be
25 entered into in the name of the ~~((commission))~~ authority and not in the
26 name of the state of Washington. The obligations of the ~~((commission))~~
27 authority under the contracts shall be obligations only of the
28 ~~((commission))~~ authority and are not in any way obligations of the
29 state of Washington.

30 **Sec. 211.** RCW 43.180.050 and 1986 c 264 s 1 are each amended to
31 read as follows:

32 (1) In addition to other powers and duties prescribed in this
33 chapter, and in furtherance of the purposes of this chapter to provide
34 decent, safe, sanitary, and affordable housing for eligible persons,
35 the ~~((commission))~~ authority is empowered to:

36 (a) Issue bonds in accordance with this chapter;

1 (b) Invest in, purchase, or make commitments to purchase or take
2 assignments from mortgage lenders of mortgages or mortgage loans;

3 (c) Make loans to or deposits with mortgage lenders for the purpose
4 of making mortgage loans; ((and))

5 (d) Make loans or grants to public or nonprofit developers of
6 housing; and

7 (e) Participate fully in federal and other governmental programs
8 and to take such actions as are necessary and consistent with this
9 chapter to secure to itself and the people of the state the benefits of
10 those programs and to meet their requirements, including such actions
11 as the ((~~commission~~)) authority considers appropriate in order to have
12 the interest payments on its bonds and other obligations treated as tax
13 exempt under the code.

14 (2) The ((~~commission~~)) authority shall establish eligibility
15 standards for eligible persons, considering at least the following
16 factors:

17 (a) Income;

18 (b) Family size;

19 (c) Cost, condition and energy efficiency of available residential
20 housing;

21 (d) Availability of decent, safe, and sanitary housing;

22 (e) Age or infirmity; and

23 (f) Applicable federal, state, and local requirements.

24 The state auditor shall audit the books, records, and affairs of
25 the ((~~commission~~)) authority annually to determine, among other things,
26 if the use of bond proceeds complies with the general plan of housing
27 finance objectives including compliance with the objective for the use
28 of financing assistance for implementation of cost-effective energy
29 efficiency measures in dwellings.

30 **Sec. 212.** RCW 43.180.060 and 1983 c 161 s 6 are each amended to
31 read as follows:

32 The ((~~commission~~)) authority does not have the power of eminent
33 domain and the ((~~commission~~)) authority does not have the power to levy
34 any taxes of any kind.

35 **Sec. 213.** RCW 43.180.070 and 1983 c 161 s 7 are each amended to
36 read as follows:

1 The housing finance commission shall adopt a general plan of
2 housing finance objectives to be implemented by the ((~~commission~~))
3 authority during the period of the plan. ((~~The commission shall adopt~~
4 ~~a plan no later than December 15, 1983. The commission may exercise~~
5 ~~the powers authorized under this chapter prior to the adoption of the~~
6 ~~initial plan.~~)) In developing the plan, the housing finance commission
7 shall consider and set objectives for:

- 8 (1) The use of funds for single-family and multifamily housing;
- 9 (2) The use of funds for new construction, rehabilitation,
10 including refinancing of existing debt, and home purchases;
- 11 (3) The housing needs of low-income and moderate-income persons and
12 families, and of elderly or mentally or physically handicapped persons;
- 13 (4) The use of funds in coordination with federal, state, and local
14 housing programs for low-income persons;
- 15 (5) The use of funds in urban, rural, suburban, and special areas
16 of the state;
- 17 (6) The use of financing assistance to stabilize and upgrade
18 declining urban neighborhoods;
- 19 (7) The use of financing assistance for economically depressed
20 areas, areas of minority concentration, reservations, and in mortgage-
21 deficient areas;
- 22 (8) The geographical distribution of bond proceeds so that the
23 benefits of the housing programs provided under this chapter will be
24 available to address demand on a fair basis throughout the state;
- 25 (9) The use of financing assistance for implementation of cost-
26 effective energy efficiency measures in dwellings.

27 The plan shall include an estimate of the amount of bonds the
28 ((~~commission~~)) authority will issue during the term of the plan and how
29 bond proceeds will be expended.

30 The plan shall be adopted by resolution of the ((~~commission~~))
31 authority following at least one public hearing thereon, notice of
32 which shall be made by mailing to the clerk of the governing body of
33 each county and by publication in the Washington State Register no more
34 than forty and no less than twenty days prior to the hearing. A draft
35 of the plan shall be made available not less than thirty days prior to
36 any such public hearing. At least every two years, the ((~~commission~~))
37 authority shall report to the legislature regarding implementation of
38 the plan.

1 ((Prior to December 31, 1983, the commission shall submit the plan
2 to the chief clerk of the house and secretary of the senate for
3 transmittal to and review by the appropriate standing committees.))
4 The ((commission)) authority may periodically update the plan.
5 Proposed changes of the plan shall be submitted to the chief clerk of
6 the house and secretary of the senate for transmittal to and review by
7 the appropriate standing committees. This submittal of proposed
8 changes shall occur at least fourteen days before final adoption of the
9 changes by the ((commission)) authority.

10 ((The commission shall adopt rules designed to result in the use of
11 bond proceeds in a manner consistent with the plan. These rules shall
12 be adopted and in full force and effect by February 1, 1984. The
13 commission may periodically update its rules.

14 The commission is not required to adopt a plan or rules for the use
15 of the proceeds of bonds issued prior to February, 1984.)) This
16 section is designed to deal only with the use of bond proceeds ((and)).
17 Nothing in this section shall be construed as a limitation on the
18 ((commission's)) authority's authority to issue bonds.

19 **Sec. 214.** RCW 43.180.080 and 1983 c 161 s 8 are each amended to
20 read as follows:

21 In addition to other powers and duties specified in this chapter
22 and section 101 of this act, the ((commission)) authority may:

23 (1) Establish in resolutions relating to any issuance of bonds, or
24 in any financing documents relating to such issuance, such standards
25 and requirements applicable to the purchase of mortgages and mortgage
26 loans or the making of loans to mortgage lenders as the ((commission))
27 authority deems necessary or desirable, including but not limited to:
28 (a) The time within which mortgage lenders must make commitments and
29 disbursements for mortgages or mortgage loans; (b) the location and
30 other characteristics of single-family housing or multifamily housing
31 to be financed by mortgages and mortgage loans; (c) the terms and
32 conditions of mortgages and mortgage loans to be acquired; (d) the
33 amounts and types of insurance coverage required on mortgages, mortgage
34 loans, and bonds; (e) the representations and warranties of mortgage
35 lenders confirming compliance with such standards and requirements; (f)
36 restrictions as to interest rate and other terms of mortgages or
37 mortgage loans or the return realized therefrom by mortgage lenders;
38 (g) the type and amount of collateral security to be provided to assure

1 repayment of any loans from the ((~~commission~~)) authority and to assure
2 repayment of bonds; and (h) any other matters related to the purchase
3 of mortgages or mortgage loans or the making of loans to lending
4 institutions as shall be deemed relevant by the ((~~commission~~))
5 authority;

6 (2) Sue and be sued in its own name;

7 (3) Make and execute contracts and all other instruments necessary
8 or convenient for the exercise of its purposes or powers, including but
9 not limited to contracts or agreements for the origination, servicing,
10 and administration of mortgages or mortgage loans, and the borrowing of
11 money;

12 (4) Procure such insurance, including but not limited to insurance:
13 (a) Against any loss in connection with its property and other assets,
14 including but not limited to mortgages or mortgage loans, in such
15 amounts and from such insurers as the ((~~commission~~)) authority deems
16 desirable, and (b) to indemnify members of the ((~~commission~~)) authority
17 for acts done in the course of their duties;

18 (5) Provide for the investment of any funds, including funds held
19 in reserve, not required for immediate disbursement, and provide for
20 the selection of investments;

21 (6) Fix, revise, and collect fees and charges in connection with
22 the investigation and financing of housing or in connection with
23 assignments, contracts, purchases of mortgages or mortgage loans, or
24 any other actions permitted under this chapter or by the ((~~commission~~))
25 authority; and receive grants and contributions;

26 (7) Make such expenditures as are appropriate for paying the
27 administrative costs of the ((~~commission~~)) authority and for carrying
28 out the provisions of this chapter. These expenditures may be made
29 only from funds consisting of the ((~~commission's~~)) authority's receipts
30 from fees and charges, grants and contributions, the proceeds of bonds
31 issued by the ((~~commission~~)) authority, and other revenues; these
32 expenditures shall not be made from funds of the state of Washington;

33 (8) Establish such special funds, and controls on deposits to and
34 disbursements from them, as it finds convenient for the implementation
35 of this chapter;

36 (9) Conduct such investigations and feasibility studies as it deems
37 appropriate;

38 (10) Proceed with foreclosure actions or accept deeds in lieu of
39 foreclosure together with the assignments of leases and rentals

1 incidental thereto. Any properties acquired by the ((~~commission~~))
2 authority through such actions shall be sold as soon as practicable
3 through persons licensed under chapter 18.85 RCW or at public auction,
4 or by transfer to a public agency. In preparation for the disposition
5 of the properties, the ((~~commission~~)) authority may own, lease, clear,
6 construct, reconstruct, rehabilitate, repair, maintain, manage,
7 operate, assign, or encumber the properties;

8 (11) Take assignments of leases and rentals;

9 (12) Subject to any provisions of the ((~~commission's~~)) authority's
10 contracts with the holders of obligations of the ((~~commission~~))
11 authority, consent to any modification with respect to rate of
12 interest, time, and payment of any installment of principal or interest
13 or any other term of any contract, mortgage, mortgage loan, mortgage
14 loan commitment, contract, or agreement of any kind;

15 (13) Subject to provisions of the ((~~commission's~~)) authority's
16 contracts with the holders of bonds, permit the reduction of rental or
17 carrying charges to persons unable to pay the regular rent or schedule
18 of charges if, by reason of other income of the ((~~commission~~))
19 authority or by reason of payment by any department, agency, or
20 instrumentality of the United States or of this state, the reduction
21 can be made without jeopardizing the economic stability of the housing
22 being financed;

23 (14) Sell, at public or private sale, with or without public
24 bidding, any mortgage, mortgage loan, or other instrument or asset held
25 by the ((~~commission~~)) authority;

26 (15) Employ, contract with, or engage engineers, architects,
27 attorneys, financial advisors, bond underwriters, mortgage lenders,
28 mortgage administrators, housing construction or financing experts,
29 other technical or professional assistants, and such other personnel as
30 are necessary. The ((~~commission~~)) authority may delegate to the
31 appropriate persons the power to execute legal instruments on its
32 behalf;

33 (16) Receive contributions or grants from any source unless
34 otherwise prohibited;

35 (17) Delegate any of its powers and duties if consistent with the
36 purposes of this chapter;

37 (18) Exercise any other power reasonably required to implement the
38 purposes of this chapter.

1 **Sec. 215.** RCW 43.180.090 and 1983 c 161 s 9 are each amended to
2 read as follows:

3 (1) The ((~~commission~~)) authority shall adopt written policies to
4 provide for the selection of bond counsel. The policies shall provide
5 for the creation and maintenance of a roster of attorneys whom the
6 ((~~commission~~)) authority believes possess the requisite special
7 expertise and professional standing to provide bond counsel opinions
8 which would be accepted by the underwriters, bondholders, and other
9 members of the financial community, and which would be in furtherance
10 of the public interest in obtaining the lowest possible interest rates
11 on the bonds issued by the ((~~commission~~)) authority. Any attorney may
12 apply to have his or her name placed on the roster, but may not be
13 placed on the roster unless the attorney demonstrates to the
14 ((~~commission's~~)) authority's satisfaction that the attorney would issue
15 the kind of opinions required by this section.

16 (2) Prior to selecting an attorney or attorneys to provide bond
17 counsel services, the ((~~commission~~)) authority shall provide all
18 attorneys on the roster with a notice of its intentions to select bond
19 counsel and shall invite each of them to submit to the ((~~commission~~))
20 authority his or her fee schedule for providing bond counsel services.
21 The ((~~commission~~)) authority shall have wide discretion in selecting
22 the attorney or attorneys it considers to be most appropriate to
23 provide the services, but in the exercise of this discretion the
24 ((~~commission~~)) authority shall consider all submitted fee schedules and
25 the public interest in achieving both savings in bond counsel fees and
26 issuance of bonds on terms most favorable to the ((~~commission~~))
27 authority. At least once every two calendar years, the ((~~commission~~))
28 authority shall select anew an attorney or attorneys to serve as bond
29 counsel. However, the ((~~commission~~)) authority may retain an attorney
30 for longer than two years when necessary to complete work on a
31 particular bond issue. An attorney previously retained may be selected
32 again but only after the ((~~commission~~)) authority has provided other
33 attorneys on the roster with an opportunity to be selected and has made
34 the fee schedule review required under this subsection. In addition to
35 or as an alternative to retaining counsel for a period of time, the
36 ((~~commission~~)) authority may appoint an attorney to serve as counsel in
37 respect to only a particular bond issue.

1 **Sec. 216.** RCW 43.180.100 and 1983 c 161 s 10 are each amended to
2 read as follows:

3 (1) The ((~~commission~~)) authority shall adopt written policies to
4 provide for the selection of underwriters. The policies shall provide
5 for the creation of a roster of underwriters whom the ((~~commission~~))
6 authority believes possess the requisite special expertise and
7 professional standing to provide bond marketing services which would be
8 accepted by bondholders and other members of the financial community,
9 and which would be in furtherance of the public interest in marketing
10 the ((~~commission's~~)) authority's bonds at the lowest possible costs.
11 Any underwriter may apply to have its name placed on the roster, but
12 may not be placed on the roster unless it demonstrates to the
13 ((~~commission's~~)) authority's satisfaction that it meets the
14 requirements of this section.

15 (2) Whenever the ((~~commission~~)) authority decides that it needs the
16 services of an underwriter, it shall provide all underwriters on the
17 roster with a notice of its intentions and shall invite each of them to
18 submit to the ((~~commission~~)) authority an itemization of its fees and
19 other charges for providing underwriting services on the issue. The
20 itemization shall be by categories designed by the ((~~commission~~))
21 authority. The ((~~commission~~)) authority shall have wide discretion in
22 selecting the underwriter it considers to be most appropriate to
23 provide the services, but in the exercise of this discretion the
24 ((~~commission~~)) authority shall consider the underwriter's fees and
25 other charges and the public interest in achieving both savings in the
26 total costs of underwriting services and issuance of bonds on terms
27 most favorable to the ((~~commission~~)) authority.

28 **Sec. 217.** RCW 43.180.110 and 1983 c 161 s 11 are each amended to
29 read as follows:

30 ~~The ((~~commission~~ shall submit the initial policies adopted under~~
31 ~~RCW 43.180.090 and 43.180.100 to the chief clerk of the house and the~~
32 ~~secretary of the senate for transmittal to and review by the~~
33 ~~appropriate standing committees and the joint administrative rules~~
34 ~~review committee. By January 1, 1984 the commission shall have adopted~~
35 ~~policies in the form of)) authority shall adopt rules ((and~~
36 ~~regulations)) under chapter 34.05 RCW. Such rules ((and regulations))
37 may only be changed or revised in accordance with chapter 34.05 RCW.~~

1 **Sec. 218.** RCW 43.180.130 and 1983 c 161 s 13 are each amended to
2 read as follows:

3 The ((~~commission~~)) authority is encouraged to adopt policies which
4 will assure that bondholders will be protected against the failure to
5 make mortgage payments financed under this chapter. Such policies may
6 require, among other things, mortgage insurance.

7 **Sec. 219.** RCW 43.180.140 and 1983 c 161 s 14 are each amended to
8 read as follows:

9 The ((~~commission~~)) authority shall adopt rules providing for
10 financing assistance to implement cost-effective energy efficiency
11 improvements.

12 **Sec. 220.** RCW 43.180.150 and 1983 c 161 s 15 are each amended to
13 read as follows:

14 (1) The ((~~commission's~~)) authority's bonds shall bear such date or
15 dates, mature at such time or times, be in such denominations, be in
16 such form, be registered or registrable in such manner, be made
17 transferable, exchangeable, and interchangeable, be payable in such
18 medium of payment, at such place or places, be subject to such terms of
19 redemption, bear such fixed or variable rate or rates of interest, be
20 payable at such time or times, and be sold in such manner and at such
21 price or prices, as the ((~~commission~~)) authority determines. The bonds
22 shall be executed by the chair, by either its duly elected secretary or
23 its treasurer, and by the trustee or paying agent if the ((~~commission~~))
24 authority determines to use a trustee or paying agent for the bonds.
25 Execution of the bonds may be by manual or facsimile signature.

26 (2) The bonds of the ((~~commission~~)) authority shall be subject to
27 such terms, conditions, covenants, and protective provisions as are
28 found necessary or desirable by the ((~~commission~~)) authority,
29 including, but not limited to, pledges of the ((~~commission's~~))
30 authority's assets, setting aside of reserves, limitations on
31 additional forms of indebtedness, and the mortgaging of all or any part
32 of the ((~~commission's~~)) authority's real or personal property, then
33 owned or thereafter acquired, and other provisions the ((~~commission~~))
34 authority finds are necessary or desirable for the security of bond
35 holders.

36 (3) Any security interest created in the unexpended bond proceeds
37 and in the special funds created by the ((~~commission~~)) authority shall

1 be immediately valid and binding against such moneys and any securities
2 in which such moneys may be invested without ((~~commission~~)) authority
3 or trustee possession thereof, and the security interest shall be prior
4 to any party having any competing claim in such moneys or securities,
5 without filing or recording pursuant to chapter 62A.9 RCW and
6 regardless of whether the party has notice of the security interest.

7 (4) When issuing bonds, the ((~~commission~~)) authority may provide
8 for the future issuance of additional bonds or parity debt on a parity
9 with outstanding bonds, and the terms and conditions of their issuance.
10 The ((~~commission~~)) authority may refund or advance refund any bond of
11 the ((~~commission~~)) authority in accordance with chapter 39.53 RCW or
12 issue bonds with a subordinate lien against the fund or funds securing
13 outstanding bonds.

14 (5) The chair of the state finance committee or the chair's
15 designee shall be notified in advance of the issuance of bonds by the
16 ((~~commission~~)) authority in order to promote the orderly offering of
17 obligations in the financial markets.

18 (6) The members of the ((~~commission~~)) authority and any person
19 executing the bonds are not liable personally on the indebtedness or
20 subject to any personal liability or accountability by reason of the
21 issuance thereof.

22 (7) The ((~~commission~~)) authority may, out of any fund available
23 therefor, purchase its bonds in the open market.

24 **Sec. 221.** RCW 43.180.170 and 1983 c 161 s 17 are each amended to
25 read as follows:

26 Proceeds from the sale of all bonds issued under this chapter
27 received by the ((~~commission~~)) authority shall be deposited forthwith
28 by the ((~~commission~~)) authority in any trust company, savings bank,
29 savings and loan association, or bank having the powers of a trust
30 company within or without the state, in a special fund or funds
31 established for the particular purposes for which the bonds were issued
32 and sold, which money shall not be funds of the state of Washington.
33 Such fund or funds shall at all times be segregated and set apart from
34 all other funds and held in trust for the purposes for which such bonds
35 were issued as determined by the ((~~commission~~)) authority. Money other
36 than bond sale proceeds received by the ((~~commission~~)) authority for
37 these same purposes, such as private contributions or grants from the
38 federal government, may be deposited in such fund or funds. Proceeds

1 received from the sale of the bonds may also be used to defray the
2 expenses of the ((~~commission~~)) authority in connection with and
3 incidental to the issuance and sale of bonds, as well as expenses for
4 studies, surveys, estimates, plans, inspections, and examinations of or
5 incidental to the purposes for which the bonds were issued, and other
6 costs advanced therefor by third parties or by the ((~~commission~~))
7 authority. In lieu of the ((~~commission~~)) authority receiving and
8 handling these moneys in the manner outlined in this section, the
9 ((~~commission~~)) authority may appoint trustees, depositaries, paying
10 agents, and other financial institutions within or without the state to
11 perform the functions outlined and to receive, hold, disburse, invest,
12 and reinvest such funds on its behalf and for the protection of the
13 bondholders.

14 **Sec. 222.** RCW 43.180.180 and 1983 c 161 s 18 are each amended to
15 read as follows:

16 All revenues received by the ((~~commission~~)) authority including
17 funds received from contributions or grants or in any other form to pay
18 principal of and interest on bonds or for other bond requirements such
19 as reserves shall be deposited by the ((~~commission~~)) authority in any
20 trust company, savings bank, savings and loan association, or bank
21 having the powers of a trust company within or without the state, to
22 the credit of a special trust fund or funds. The ((~~commission~~))
23 authority may establish a bond fund or funds, and a reserve, sinking
24 fund and other accounts therein, for payment of principal and interest
25 and for other special requirements of the bonds as determined by the
26 ((~~commission~~)) authority. In lieu of the ((~~commission~~)) authority
27 receiving and handling these moneys as outlined in this section, the
28 ((~~commission~~)) authority may appoint trustees, depositaries, paying
29 agents, and other financial institutions to perform the functions
30 outlined and to receive, hold, disburse, invest, and reinvest such
31 funds on its behalf and for the protection of the bondholders. Such
32 revenues and funds, whether received and held by the ((~~commission~~))
33 authority or by others on its behalf, shall not be or constitute public
34 funds of the state of Washington but at all times shall be kept
35 segregated and apart from all other funds.

36 **Sec. 223.** RCW 43.180.200 and 1986 c 264 s 3 are each amended to
37 read as follows:

1 For purposes of the code:

2 (1) The legislature reserves the right at any time to alter or
3 change the structure, organization, programs, or activities of the
4 ((~~commission~~)) authority and to terminate the ((~~commission~~)) authority,
5 so long as the action does not impair any outstanding contracts entered
6 into by the ((~~commission~~)) authority;

7 (2) Any net earnings of the ((~~commission~~)) authority beyond that
8 necessary to retire its bonds and to carry out the purposes of this
9 chapter shall not inure to the benefit of any person other than the
10 state;

11 (3) Upon dissolution of the ((~~commission~~)) authority, title to all
12 of its remaining property shall vest in the state;

13 (4) The ((~~commission~~)) authority constitutes the only housing
14 finance agency of the state of Washington; and

15 (5) In order to take advantage of the maximum amount of tax exempt
16 bonds for housing financing available pursuant to the code, any state
17 ceiling with respect to housing shall be allocated in accordance with
18 the following formula:

19 (a) Eighty percent of the state ceiling shall be allocated to the
20 ((~~commission~~)) authority and twenty percent shall be allocated to the
21 other issuing authorities in the state.

22 (b) The allocation to the issuing authorities other than the
23 ((~~commission~~)) authority shall be distributed to such issuing
24 authorities in amounts as determined following public notice by the
25 department of community development pursuant to rules promulgated by
26 it. The distribution shall be in response to applications received
27 from such issuing authorities and shall be based on the following
28 factors: (i) The amount of housing to be made available by such
29 applicant; (ii) the population within the jurisdiction of the
30 applicant; (iii) coordination with other applicable federal and state
31 housing programs; (iv) the likelihood of implementing the proposed
32 financing during that year; and (v) consistency with the plan of the
33 ((~~commission~~)) authority. On or before February 1 of each year, the
34 department of community development shall distribute the state ceiling
35 allocation among such issuing authorities and any unused portion shall
36 be added to the allocation of the ((~~commission~~)) authority. Each
37 issuing authority other than the ((~~commission~~)) authority shall confirm
38 its allocation distribution by providing to the department of community
39 development no later than June 1 a copy of an executed bond purchase

1 contract or alternative documentation deemed sufficient by the
2 ((~~commission~~)) authority to evidence the reasonable likelihood of the
3 allocation distribution being fully used. Any portion of such
4 allocation not so confirmed shall be added to the allocation of the
5 ((~~commission~~)) authority on July 1. Prior to July 1, the
6 ((~~commission~~)) authority shall provide written notice of the allocation
7 decrease to the affected issuing authority. The reallocation shall not
8 limit the authority of the ((~~commission~~)) authority to assign a portion
9 of its allocation pursuant to subsection (5)(c) of this section.

10 (c) The ((~~commission~~)) authority may assign a portion of its
11 allocation to another issuing agency.

12 **Sec. 224.** RCW 43.180.310 and 1990 c 167 s 3 are each amended to
13 read as follows:

14 The ((~~commission~~)) authority has the following powers with respect
15 to nonprofit facilities together with all powers incidental thereto or
16 necessary for the performance thereof:

17 (1) To make secured loans or grants to nonprofit corporations for
18 the purpose of providing temporary or permanent financing or
19 refinancing of all or part of the project cost of any nonprofit
20 facility, including the refunding of any outstanding obligations,
21 mortgages, or advances issued, made, or given by any person for the
22 project costs of a nonprofit corporation; and to charge and collect
23 interest on the loans for the loan payments upon such terms and
24 conditions as ((~~its commissioners~~)) the members of the authority
25 consider advisable which are not in conflict with this subchapter;

26 (2) To issue revenue bonds for the purpose of financing all or part
27 of the project cost of any nonprofit facility and to secure the payment
28 of the revenue bonds as provided in this subchapter;

29 (3) To collect fees or charges from users or prospective users of
30 nonprofit facilities to recover actual or anticipated administrative
31 costs;

32 (4) To execute financing documents incidental to the powers
33 enumerated in this section;

34 (5) To accept grants and gifts;

35 (6) To establish such special funds with any financial institution
36 providing fiduciary services within or without the state as it deems
37 necessary and appropriate and invest money therein.

1 **Sec. 225.** RCW 43.180.320 and 1990 c 167 s 4 are each amended to
2 read as follows:

3 (1) The proceeds of the revenue bonds of each issue shall be used
4 solely for the purposes set forth in this subchapter and shall be
5 disbursed in such manner and under such restrictions, if any, provided
6 in the resolution authorizing the issuance of the revenue bonds or in
7 the trust agreement securing the bonds. If the proceeds of the revenue
8 bonds of any series issued with respect to the cost of any nonprofit
9 facility exceeds the cost of the nonprofit facility for which issued,
10 the surplus shall be deposited to the credit of the debt service fund
11 for the revenue bonds or used to purchase the revenue bonds in the open
12 market.

13 (2) The ~~((commission))~~ authority may issue interim notes in the
14 manner provided for the issuance of revenue bonds to fund nonprofit
15 facilities prior to issuing other revenue bonds to fund such
16 facilities. The ~~((commission))~~ authority may issue revenue bonds to
17 fund nonprofit facilities that are exchangeable for other revenue
18 bonds, when these other revenue bonds are executed and available for
19 delivery.

20 (3) The principal of and interest on any revenue bonds issued by
21 the ~~((commission))~~ authority shall be secured by a pledge of unexpended
22 bond proceeds and the revenues and receipts derived from the nonprofit
23 facilities funded by the revenue bonds pursuant to financing documents.
24 The resolution under which the revenue bonds are authorized to be
25 issued and any financing document may contain agreements and provisions
26 respecting the maintenance or use of the nonprofit facility covered
27 thereby, the fixing and collection of rents, purchase price payments or
28 loan payments, the creation and maintenance of special funds from such
29 revenues or from revenue bond proceeds, the rights and remedies
30 available in the event of default, and other provisions relating to the
31 security for the bonds, all as the ~~((commission))~~ authority considers
32 advisable which are not in conflict with this subchapter.

33 (4) All revenue bonds issued under this subchapter and any interest
34 coupons applicable thereto are negotiable instruments within the
35 meaning of Article 8 of the uniform commercial code, Title 62A RCW,
36 regardless of form or character.

37 (5) Notwithstanding subsection (1) of this section, such bonds and
38 interim notes may be issued and sold in accordance with chapter 39.46
39 RCW.

1 **Sec. 226.** RCW 43.180.330 and 1990 c 167 s 5 are each amended to
2 read as follows:

3 The (~~commission~~) authority may provide by resolution for the
4 issuance of revenue refunding bonds for the purpose of refunding any
5 obligations issued for a nonprofit facility, including the payment of
6 any redemption premium thereon and any interest accrued or to accrue to
7 the date of redemption or maturity of the revenue bonds and, if
8 considered advisable by the (~~commission~~) authority, for the
9 additional purpose of financing improvements, extensions, or
10 enlargements to the nonprofit facility for another nonprofit facility.
11 The issuance of the revenue refunding bonds, the maturities and other
12 details thereof, the rights of the owners thereof, and the rights,
13 duties, and obligations of the (~~commission~~) authority in respect to
14 the same shall be governed by this chapter insofar as applicable.

15 **Sec. 227.** RCW 43.180.340 and 1990 c 167 s 6 are each amended to
16 read as follows:

17 Any bonds issued under this subchapter may be secured by a trust
18 agreement between the (~~commission~~) authority and a corporate trustee,
19 which may be any trust company or bank having the powers of a trust
20 company within or without the state. The trust agreement may evidence
21 a pledge or assignment of the financing documents and lease, sale, or
22 loan revenues to be received from a lessee or purchaser of or borrower
23 with respect to a nonprofit facility for the payment of principal of
24 and interest and any premium on the bonds as the same shall become due
25 and payable and may provide for creation and maintenance of reserves
26 for these purposes. A trust agreement or resolution providing for the
27 issuance of the revenue bonds may contain such provisions for
28 protecting and enforcing the rights and remedies of the bondowners as
29 may be reasonable and proper and not in violation of law, including
30 covenants setting forth the duties in relation to the acquisition of
31 property and the construction, improvement, maintenance, use, repair,
32 operation, and insurance of the nonprofit facility for which the bonds
33 are authorized, and the custody, safeguarding, and application of all
34 money. Any bank or trust company incorporated under the laws of the
35 state which may act as depository of the proceeds of revenue bonds or
36 of revenues may furnish such indemnifying bonds or pledge such
37 securities as may be required by the (~~commission~~) authority. A trust
38 agreement may set forth the rights and remedies of the bondowners and

1 of the trustee and may restrict the individual right of action by
2 bondowners as is customary in trust agreements or trust indentures
3 securing bonds and debentures of private corporations. In addition, a
4 trust agreement may contain such provisions as the (~~commission~~)
5 authority considers reasonable and proper for the security of the
6 bondowners which are not in conflict with this subchapter.

7 **Sec. 228.** RCW 82.04.408 and 1983 c 161 s 25 are each amended to
8 read as follows:

9 This chapter does not apply to income received by the (~~state~~
10 ~~housing finance commission~~) community investment finance authority
11 under chapter 43.180 RCW.

12 **Sec. 229.** RCW 84.36.135 and 1983 c 161 s 26 are each amended to
13 read as follows:

14 The real and personal property of the Washington state (~~housing~~
15 ~~finance commission~~) community investment finance authority established
16 by chapter 43.180 RCW are exempt from taxation.

17 **Sec. 230.** RCW 70.37.020 and 1989 c 65 s 1 are each amended to read
18 as follows:

19 As used in this chapter, the following words and terms have the
20 following meanings, unless the context indicates or requires another or
21 different meaning or intent and the singular of any term shall
22 encompass the plural and the plural the singular unless the context
23 indicates otherwise:

24 (1) "Authority" means the Washington (~~health care facilities~~)
25 community investment finance authority created (~~by RCW 70.37.030~~) in
26 section 101 of this act or any board, body, commission, department or
27 officer succeeding to the principal functions thereof or to whom the
28 powers conferred upon the authority shall be given by law.

29 (2) "Bonds" mean bonds, notes or other evidences of indebtedness of
30 the authority issued pursuant hereto.

31 (3) "Health care facility" means any land, structure, system,
32 machinery, equipment or other real or personal property or
33 appurtenances useful for or associated with delivery of inpatient or
34 outpatient health care service or support for such care or any
35 combination thereof which is operated or undertaken in connection with
36 hospital, clinic, health maintenance organization, diagnostic or

1 treatment center, extended care facility, or any facility providing or
2 designed to provide therapeutic, convalescent or preventive health care
3 services, and shall include research and support facilities of a
4 comprehensive cancer center, but excluding, however, any facility which
5 is maintained by a participant primarily for rental or lease to self-
6 employed health care professionals or as an independent nursing home or
7 other facility primarily offering domiciliary care.

8 (4) "Participant" means any city, county or other municipal
9 corporation or agency or political subdivision of the state or any
10 corporation, hospital, comprehensive cancer center, or health
11 maintenance organization authorized by law to operate nonprofit health
12 care facilities, or any affiliate, as defined by regulations
13 promulgated by the director of the department of licensing pursuant to
14 RCW 21.20.450, which is a nonprofit corporation acting for the benefit
15 of any entity described in this subsection.

16 (5) "Project" means a specific health care facility or any
17 combination of health care facilities, constructed, purchased,
18 acquired, leased, used, owned or operated by a participant, and
19 alterations, additions to, renovations, enlargements, betterments and
20 reconstructions thereof.

21 **Sec. 231.** RCW 70.170.070 and 1989 1st ex.s. c 9 s 507 are each
22 amended to read as follows:

23 (1) Every person who shall violate or knowingly aid and abet the
24 violation of RCW 70.170.060 (5) or (6), 70.170.080, or 70.170.100, or
25 any valid orders or rules adopted pursuant to these sections, or who
26 fails to perform any act which it is herein made his or her duty to
27 perform, shall be guilty of a misdemeanor. Following official notice
28 to the accused by the department of the existence of an alleged
29 violation, each day of noncompliance upon which a violation occurs
30 shall constitute a separate violation. Any person violating the
31 provisions of this chapter may be enjoined from continuing such
32 violation. The department has authority to levy civil penalties not
33 exceeding one thousand dollars for violations of this chapter and
34 determined pursuant to this section.

35 (2) Every person who shall violate or knowingly aid and abet the
36 violation of RCW 70.170.060 (1) or (2), or any valid orders or rules
37 adopted pursuant to such section, or who fails to perform any act which

1 it is herein made his or her duty to perform, shall be subject to the
2 following criminal and civil penalties:

3 (a) For any initial violations: The violating person shall be
4 guilty of a misdemeanor, and the department may impose a civil penalty
5 not to exceed one thousand dollars as determined pursuant to this
6 section.

7 (b) For a subsequent violation of RCW 70.170.060 (1) or (2) within
8 five years following a conviction: The violating person shall be
9 guilty of a misdemeanor, and the department may impose a penalty not to
10 exceed three thousand dollars as determined pursuant to this section.

11 (c) For a subsequent violation with intent to violate RCW
12 70.170.060 (1) or (2) within five years following a conviction: The
13 criminal and civil penalties enumerated in (a) of this subsection; plus
14 up to a three-year prohibition against the issuance of tax exempt bonds
15 under the authority of the Washington health care facilities authority
16 or the community investment finance authority; and up to a three-year
17 prohibition from applying for and receiving a certificate of need.

18 (d) For a violation of RCW 70.170.060 (1) or (2) within five years
19 of a conviction under (c) of this subsection: The criminal and civil
20 penalties and prohibition enumerated in (a) and (b) of this subsection;
21 plus up to a one-year prohibition from participation in the state
22 medical assistance or medical care services authorized under chapter
23 74.09 RCW.

24 (3) The provisions of chapter 34.05 RCW shall apply to all
25 noncriminal actions undertaken by the department of health, the
26 department of social and health services, and the Washington (~~health
27 care facilities~~) community investment finance authority pursuant to
28 this act.

29 **PART III**

30 **MISCELLANEOUS**

31 NEW SECTION. **Sec. 301.** Part headings used in this act do not
32 constitute any part of the law.

33 NEW SECTION. **Sec. 302.** Sections 101 through 106 of this act shall
34 constitute a new chapter in Title 43 RCW.

1 NEW SECTION. **Sec. 303.** Chapter . . . , Laws of 1993 (this act)
2 shall not be construed as affecting any existing right acquired or
3 liability or obligation incurred under the sections amended or repealed
4 in chapter . . . , Laws of 1993 (this act) or under any rule or order
5 adopted under those sections, nor as affecting any proceeding
6 instituted under those sections.

7 NEW SECTION. **Sec. 304.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and shall take
10 effect June 1, 1993.

--- END ---