
ENGROSSED SUBSTITUTE HOUSE BILL 1991

State of Washington

56th Legislature

1999 Regular Session

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

Read first time 03/08/1999.

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

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

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

13 **Sec. 2.** RCW 28B.20.382 and 1998 c 245 s 17 are each amended to
14 read as follows:

15 ~~((Until authorized and empowered to do so by statute of the~~
16 ~~legislature, the board of regents of the university, with respect to~~
17 ~~that certain tract of land in the city of Seattle originally known as~~
18 ~~the "old university grounds" and more recently known as the~~

1 ~~"metropolitan tract" and any land contiguous thereto, shall not sell~~
2 ~~the land or any part thereof or any improvement thereon, or lease the~~
3 ~~land or any part thereof or any improvement thereon or renew or extend~~
4 ~~any lease thereof for a term ending more than sixty years beyond~~
5 ~~midnight, December 31, 1980. Any sale of the land or any part thereof~~
6 ~~or any improvement thereon, or any lease or renewal or extension of any~~
7 ~~lease of the land or any part thereof or any improvement thereon for a~~
8 ~~term ending more than sixty years after midnight, December 31, 1980,~~
9 ~~made or attempted to be made by the board of regents shall be null and~~
10 ~~void unless and until the same has been approved or ratified and~~
11 ~~confirmed by legislative act.~~

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

29 NEW SECTION. Sec. 3. A new section is added to chapter 28B.20 RCW
30 to read as follows:

31 For the purposes of section 5 of this act, RCW 28B.20.394,
32 28B.20.396, and 28B.20.398, "university tract" means the tract of land
33 in the city of Seattle, consisting of approximately ten acres,
34 originally known as the "old university grounds," and more recently
35 referred to as the "metropolitan tract," together with all buildings,
36 improvements, facilities, and appurtenances thereon.

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

3 In addition to the powers conferred upon the board of regents of
4 the University of Washington by (~~RCW 28B.20.392 and 28B.20.380, said~~)
5 section 5(2) of this act, the board of regents is authorized and shall
6 have the power to enter into an agreement or agreements with the city
7 of Seattle and the county of King, Washington, to pay to (~~said~~) the
8 city and (~~said~~) the county such sums as shall be mutually agreed upon
9 for governmental services rendered to (~~said~~) the university tract,
10 (~~as defined in RCW 28B.20.390~~) which sums shall not exceed the
11 amounts that would be received pursuant to limitations imposed by RCW
12 84.52.043 by the (~~said~~) city of Seattle and county of King
13 respectively from real and personal property taxes paid on the
14 university tract or any leaseholds thereon if such taxes could lawfully
15 be levied(~~; and any such sums so agreed upon shall be paid from the~~
16 ~~proceeds and other income from said tract as an item of expense of~~
17 ~~operation and upkeep thereof: PROVIDED, That in the event that it is~~
18 ~~determined by a court of final jurisdiction that the provisions of~~
19 ~~chapter 43, Laws of 1971 first ex. sess., insofar as they affect taxes~~
20 ~~due and payable in 1972 and 1973 by any lessee of the university tract,~~
21 ~~are held unconstitutional, the sums paid pursuant to this section in~~
22 ~~such years shall be refunded in accordance with the provisions of~~
23 ~~chapter 84.69 RCW; and any provision of RCW 28B.20.392 in conflict~~
24 ~~herewith is superseded)).~~

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

27 (1) Title to the university tract shall be transferred to the board
28 of regents of the University of Washington from the state of Washington
29 within thirty days of the effective date of this act, under sufficient
30 deed, and the governor is authorized and directed to execute, and the
31 secretary of state is authorized and directed to attest, such deed.

32 (2) In addition to the powers conferred under the original deeds of
33 conveyance to the state of Washington and under existing law, the board
34 of regents has full control of the university tract as provided in this
35 chapter including, but not limited to:

36 (a) With regard to the whole or portions of the land, the authority
37 to manage, to improve, to alter, to operate, to lease, to contract
38 indebtedness, to borrow funds, to issue bonds, notes, and warrants, to

1 provide for the amortization of and to pay the bonds, notes, warrants,
2 and other evidences of indebtedness, at or prior to maturity, to use
3 and pledge the income derived from operating, managing, and leasing the
4 university tract for such purpose, and to otherwise own, operate, and
5 control the university tract to the same extent as any other property
6 of the university. However, any sale of the land or of any part of the
7 land is null and void unless and until approved or ratified and
8 confirmed by the legislature;

9 (b) With regard to the whole or portions of any building or
10 buildings or other improvements thereon or appurtenances thereto, the
11 authority to sell, subject to the terms of any underlying lease on the
12 land, to manage, to improve, to alter, to operate, to lease, to grant
13 a deed of trust or a mortgage lien, to contract indebtedness, to borrow
14 funds, to issue bonds, notes, and warrants, to provide for the
15 amortization thereof and to pay the bonds, notes, warrants, and other
16 evidences of indebtedness, at or prior to maturity, to use and pledge
17 the income derived from operating, managing, and leasing the university
18 tract for such purpose, and to otherwise own, operate, and control the
19 university tract to the same extent as any other property of the
20 university consistent with the purpose of the donors of the
21 metropolitan tract. Any proceeds derived from the conveyance of a
22 building, buildings, or improvements or appurtenances thereto, shall be
23 used and invested in such manner as the board may prescribe in the
24 support and maintenance of the University of Washington.

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

27 Bonds issued pursuant to the authority granted under (~~subdivision~~
28 ~~(4) of RCW 28B.20.392~~) section 5(2) of this act:

29 (1) Shall not constitute (a) an obligation, either general or
30 special, of the state or (b) a general obligation of the University of
31 Washington or of the board of regents;

32 (2) Shall be(~~---~~):

33 (a) Either in bearer form or in registered form as provided in RCW
34 39.46.030, and

35 (b) Issued in denominations of not less than one hundred dollars;

36 (3) Shall state(~~---~~):

37 (a) The date of issue, and

1 (b) The series of the issue and be consecutively numbered within
2 the series, and

3 (c) That the bond is payable only out of a special fund established
4 for the purpose, and designate the fund;

5 (4) Shall bear interest, payable either annually, or semiannually
6 as the board of regents may determine;

7 (5) Shall be payable solely out of((—)):

8 (a) Revenue derived from operating, managing and leasing the
9 university tract, and

10 (b) A special fund, created by the board of regents for the
11 purpose, consisting either of (i) a fixed proportion, or (ii) a fixed
12 amount out of and not exceeding a fixed proportion, or (iii) a fixed
13 amount without regard to any fixed proportion, of the revenue so
14 derived;

15 (6) May contain covenants by the board of regents in conformity
16 with the provisions of RCW 28B.20.398(2);

17 (7) Shall be payable at such times over a period of not to exceed
18 thirty years, in such manner and at such place or places as the board
19 of regents determines;

20 (8) Shall be executed in such manner as the board of regents by
21 resolution determines;

22 (9) Shall be sold in such manner as the board of regents deems for
23 the best interest of the University of Washington;

24 (10) May be issued under chapter 39.46 RCW.

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

27 (1) Any resolution of the board of regents pursuant to the
28 provisions of ((subdivision (4) of RCW 28B.20.392)) section 5(2) of
29 this act shall provide for the creation of a special fund, in
30 conformity with the provisions of ((subdivision (5)(b) of)) RCW
31 28B.20.396(5)(b).

32 (2) Any resolution authorizing the issuance of bonds pursuant to
33 the provisions of section 5(2) of this act, RCW ((28B.20.390,
34 28B.20.392,)) 28B.20.396, and 28B.20.398 may contain covenants of the
35 board of regents to protect and safeguard the security and rights of
36 the owners of any such bonds such as are then customary in connection
37 with similar bonds and considered advisable in order to assure the
38 maximum marketability for said bonds. Without limiting the generality

1 of the foregoing, any such resolution may contain covenants as
2 to((—)):

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

8 (b) Maintaining rental and leasehold rates and other charges at a
9 level sufficient at all times to provide revenue (i) to pay the
10 interest on and principal of all bonds and other obligations payable
11 from said revenue, (ii) to make all other payments from said revenues
12 required under the provisions of any resolution adopted in connection
13 with the issuance of warrants or bonds under section 5(2) of this act,
14 RCW ((~~28B.20.390, 28B.20.392,~~) 28B.20.396, and 28B.20.398 and (iii) to
15 pay the operating, management, maintenance, repair and upkeep costs of
16 the university tract;

17 (c) Collection, deposit, custody and disbursement of the revenues
18 from the university tract or any portions thereof including (i) a
19 specification of the depositaries to be designated, and (ii)
20 authorization of such depositaries, or other banks or trust companies,
21 to act as fiscal agent of the board of regents for the custody of the
22 proceeds of bonds and the moneys held in any funds created pursuant to
23 section 5(2) of this act, RCW ((~~28B.20.390, 28B.20.392,~~) 28B.20.396,
24 and 28B.20.398, or any resolution authorizing such bonds, and to
25 represent bond owners in the event of a default on such bonds or in the
26 event of a default in the performance of any duty or obligation of the
27 board of regents in connection therewith, with such power and duty as
28 such resolution may provide;

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

36 (e) Deposit of collateral security or indemnity bonds to secure the
37 proceeds (i) of bonds issued pursuant to the provisions of such
38 resolution and (ii) of all revenues which are pledged to secure the
39 repayment of bonds issued pursuant to the provisions of such resolution

1 and (iii) of all moneys deposited in any special fund created under the
2 authority of section 5(2) of this act, RCW ((28B.20.390, 28B.20.392,))
3 28B.20.396, and 28B.20.398 or any covenant thereunder;

4 (f) The obligation of the board of regents to maintain the building
5 or buildings in good condition and to operate and manage the same in an
6 economical and efficient manner;

7 (g) The amount and kind of insurance to be carried by the board of
8 regents in connection with the building or buildings, the companies in
9 which such insurance shall be carried, the term thereof, the
10 application of the proceeds of any such insurance, and adjustments of
11 losses under any such policy of insurance;

12 (h) Limitations upon the amount of additional bonds, warrants and
13 other obligations payable out of the revenues from the building or
14 buildings which may be thereafter issued and the terms and conditions
15 upon which such additional bonds, warrants or other obligations may be
16 issued;

17 (i) Limitations upon the creation of additional liens or
18 encumbrances on the building or buildings or the personal property used
19 in connection therewith;

20 (j) The terms and conditions upon which the building or buildings,
21 or any part thereof, may be sold, mortgaged, leased or otherwise
22 disposed of, and the use or other disposition of the proceeds of any
23 such sale, mortgage or lease;

24 (k) The methods of operation, management and maintenance of the
25 building or buildings;

26 (l) Accounting and auditing and the keeping of records, reports and
27 audits with respect to the building or buildings;

28 (m) The amendment or modification of any resolution authorizing the
29 issuance of bonds pursuant to the provisions of section 5(2) of this
30 act, RCW ((28B.20.390, 28B.20.392,)) 28B.20.396, and 28B.20.398,
31 including the terms and conditions upon which such amendment or
32 modification may be effected and the number, amount or percentage of
33 assenting bonds necessary to effectuate the same;

34 (n) Limitations upon the use of space or facilities in the building
35 or buildings without payment therefor; and

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

38 (3) The term "building or buildings" as used in (~~subdivision~~)
39 subsection (2) of this section means the building or buildings or

1 improvements upon the university tract with respect to which the
2 revenues are pledged, under the terms of the resolution, to secure the
3 payment of bonds issued under such resolution.

4 (4) The provisions of section 5(2) of this act, RCW (~~(28B.20.390,~~
5 ~~28B.20.392,)~~) 28B.20.396, and 28B.20.398 and of any resolution adopted
6 in conformity with the provisions of this section shall constitute a
7 contract with the owners of warrants or bonds issued pursuant thereto,
8 and the provisions thereof shall be enforceable in any court of
9 competent jurisdiction by any owner of such warrants or bonds by
10 mandamus or any other appropriate suit, action or proceeding at law or
11 in equity.

12 (5) Bonds issued pursuant to the provisions of section 5(2) of this
13 act, RCW (~~(28B.20.390, 28B.20.392,)~~) 28B.20.396, and 28B.20.398 may be
14 redeemed, at the option of the board of regents, at such time or times,
15 upon such terms and conditions, and at such premiums as the board of
16 regents specifies in the resolution.

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

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

26 NEW SECTION. Sec. 8. The following acts or parts of acts are each
27 repealed:

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

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

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

35 NEW SECTION. Sec. 9. This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of the

- 1 state government and its existing public institutions, and takes effect
- 2 immediately.

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