
HOUSE BILL 2513

State of Washington

53rd Legislature

1994 Regular Session

By Representatives Morris, Brumsickle, Holm, Chappell, Springer, Johanson, Pruitt, Foreman and Roland

Read first time 01/17/94. Referred to Committee on Capital Budget.

1 AN ACT Relating to the establishment of a Washington state horse
2 park; reenacting and amending RCW 41.06.070 and 43.19.190; adding a new
3 section to chapter 41.05 RCW; adding a new section to chapter 41.04
4 RCW; adding a new section to chapter 41.40 RCW; adding a new section to
5 chapter 43.01 RCW; and adding a new chapter to Title 67 RCW.

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

7 NEW SECTION. **Sec. 1.** FINDINGS. (1) The legislature finds that:

8 (a) Horses are part of a large, highly diverse and vital industry
9 with significant economic, recreational, and educational contributions
10 to our way of life;

11 (b) Horses contribute approximately fifteen billion dollars
12 annually to the gross national product and four hundred forty-one
13 million dollars to Washington state's economy;

14 (c) Horse-related businesses are a source of full and part-time
15 employment for thousands of state residents;

16 (d) Horses provide recreation for equestrians and spectators alike,
17 through such organized equestrian events as racing, polo, horse shows,
18 draft horse pulls, mule and donkey events, dressage, jumping, gymkhana,

1 competitive trail riding, barrel racing, rodeo, driving, stock horse
2 classes with cattle, and steeplechase;

3 (e) Horses provide recreation and personal development for youth
4 and therapeutic service and treatment to disabled citizens of all ages
5 with varied physical and mental disabilities;

6 (f) There is no facility in the Pacific Northwest with the acreage,
7 services, and capacity to host large regional horse shows, national
8 championships, or Olympics-quality events;

9 (g) Establishment of a first-class horse park facility can meet
10 important needs of the state's horse industry, attract investment, and
11 bring thousands of new exhibitors and tourists to the state from
12 throughout the region and beyond; and

13 (h) The feasibility of a major horse park has been examined
14 positively in a study prepared for the Lewis county economic
15 development council.

16 (2) It is therefore the purpose of this chapter to support and
17 advance the public and private partnerships necessary for the
18 establishment, development, and operation of a Washington state horse
19 park as being in the public interest and contributing to the public
20 welfare.

21 NEW SECTION. **Sec. 2.** DEFINITIONS. Unless the context clearly
22 indicates otherwise, the definitions in this section apply throughout
23 this chapter.

24 (1) "Horses" means and includes all domesticated members of the
25 taxonomic family Equidae, including, but not limited to, horses,
26 donkeys, and mules.

27 (2) "Center" means the Mount St. Helens equestrian center facility,
28 established pursuant to this chapter.

29 (3) "Authority" means the Washington state horse park authority, a
30 public nonprofit corporation authorized to be established pursuant to
31 this chapter.

32 (4) "Foundation" means the Mount St. Helens equestrian center
33 foundation, a private nonprofit corporation authorized to be
34 established pursuant to this chapter.

35 (5) "Master plan" means the Mount St. Helens equestrian center
36 development plan and associated design documents produced under the
37 contract to the Washington state parks and recreation commission, or

1 subsequent versions or alternatives, if any, as might be adopted by the
2 authority board.

3 (6) "Authority fund" means the Washington state horse park
4 authority fund, which shall consist of all moneys under the control of
5 a treasurer or custodian responsible to the board of directors of the
6 Washington state horse park authority.

7 (7) "Authority board" means the board of directors of the
8 Washington state horse park authority.

9 (8) "Foundation board" means the board of directors of the Mount
10 St. Helens equestrian center foundation.

11 NEW SECTION. **Sec. 3.** CENTER ESTABLISHMENT. The Mount St. Helens
12 equestrian center is hereby established and shall be located at a site
13 in Lewis county approved by the Washington state parks and recreation
14 commission. The center shall be owned and operated by the authority.

15 NEW SECTION. **Sec. 4.** AUTHORITY FORMATION. (1) The governor is
16 authorized to form a public nonprofit corporation in the same manner as
17 a private nonprofit corporation is formed under chapter 24.03 RCW,
18 which corporation shall be designated the Washington state horse park
19 authority. The authority shall be an instrumentality of the state and
20 have all the powers and be subject to the same restrictions as are
21 private nonprofit corporations, but shall exercise those powers only
22 for carrying out the purposes of this chapter and those purposes
23 necessarily implied therefrom.

24 (2) The purpose of the authority shall be to oversee and direct the
25 planning, development, marketing, and operation of the center,
26 consistent with the master plan for center development, and to work in
27 creative partnership with the foundation to coordinate the development,
28 operation, and maintenance of the center with the fund-raising,
29 financial management, and other functions of the foundation.

30 (3) The authority shall be governed by an eleven-member board of
31 directors composed as follows:

32 (a) The director of the Washington state parks and recreation
33 commission, ex officio;

34 (b) The director of the department of community, trade, and
35 economic development, ex officio;

36 (c) The dean of the college of veterinary medicine, Washington
37 State University, ex officio;

1 (d) One member to be appointed to a three-year term by the county
2 commissioners of Lewis county;

3 (e) One member to be appointed to a three-year term by the
4 foundation board;

5 (f) Six members who shall be appointed by the governor to three-
6 year terms, except that two of these original appointees shall serve
7 for one year, two for two years, and two for three years.

8 (4) The governor shall solicit nominations of candidates for
9 appointment from the Washington state horse council, the back country
10 horsemen of Washington, the Washington state horsemen, the equestrians
11 institute, and such other active horse organizations as will contribute
12 to the identification, nomination, and appointment of individuals
13 knowledgeable about horses and the organized Washington equestrian
14 community. The governor shall make appointments with a view to fairly
15 represent the geographic and sports discipline diversity of the state's
16 equestrians. At least one of the gubernatorial appointees shall have
17 business experience relevant to the organization of horse shows or
18 operation of a horse show facility.

19 (5) Authority board members shall serve without compensation,
20 except they shall be reimbursed for travel expenses under RCW 43.03.050
21 and 43.03.060.

22 (6) The authority board shall elect from among its members a
23 chairperson and a vice-chairperson, and such other officers as it deems
24 appropriate. The authority shall be authorized to make and alter
25 bylaws, not inconsistent with its articles of incorporation or the laws
26 of this state, providing for the call of its meetings, which shall be
27 held at least quarterly, and for its operating procedures. A majority
28 of members serving at any one time shall constitute a quorum for the
29 transaction of business.

30 NEW SECTION. **Sec. 5.** POWERS. In order to carry out its purposes,
31 the authority is empowered to:

32 (1) Maintain an office or offices;

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

34 (3) Engage consultants, agents, attorneys (subject to approval by
35 the attorney general), bond underwriters, financing experts, and other
36 advisers, contract with federal, state, and local governmental entities
37 for services, and employ and discharge at its discretion such

1 employees, agents, and other personnel as the authority deems
2 necessary, useful, or convenient to accomplish its purposes;

3 (4) Make and execute all manner of contracts, agreements,
4 instruments and financing documents with public and private parties as
5 the authority deems necessary, useful, or convenient to accomplish its
6 purposes: PROVIDED, That such contracts or other obligations shall not
7 be undertaken in the name of the state of Washington but only in the
8 name of the authority;

9 (5) Acquire, accept, hold, administer, and receive gifts and
10 bequests of money, services, securities, real estate, or other property
11 from whatever source derived, absolutely or in trust; sell, assign,
12 lease, encumber, mortgage, or otherwise dispose of the same in such a
13 manner as the authority deems necessary, useful, or convenient to
14 accomplish its purposes;

15 (6) Place, hold, and administer the authority fund, into which such
16 moneys and liquidated properties as the authority acquires shall be
17 deposited, through operating capital, or other accounts as it deems
18 advisable;

19 (7) Open and maintain accounts in public depositories qualified
20 under chapter 39.58 RCW, and otherwise provide for the investment of
21 any funds not required for immediate disbursement, and provide for the
22 selection of investments;

23 (8) Borrow money and pledge the assets of the authority as security
24 for any indebtedness: PROVIDED, That the full faith and credit of the
25 state of Washington shall not be pledged to pay any indebtedness;

26 (9) Apply for and accept subventions, grants, loans, advances, and
27 contributions from any source of money, property, labor, or other
28 things of value, to be held, used, and applied as the authority deems
29 necessary, useful, or convenient to accomplish its purposes;

30 (10) Issue tax-exempt, nonrecourse revenue bonds in the name of the
31 authority, which bonds shall be obligations only of the authority, and
32 shall be payable only from the special fund or funds created by the
33 authority for their payment;

34 (11) Appear in its own behalf before boards, commissions,
35 departments, or agencies of federal, state, or local government;

36 (12) Establish, revise, and collect such fees and charges as the
37 authority deems necessary, useful, or convenient to accomplish its
38 purposes;

1 (13) Make such expenditures as are appropriate for paying the
2 administrative costs and expenses of the authority in carrying out the
3 provisions of this chapter;

4 (14) Establish such reserves and special funds, and controls on
5 deposits to and disbursements from them, as the authority deems
6 necessary, useful, or convenient to accomplish its purposes;

7 (15) Enact such procedures governing the operation, maintenance, or
8 use of property under its custody and control as it deems necessary,
9 useful, or convenient to accomplish its purposes;

10 (16) Authorize use of the center facilities by the general public
11 and by and for compatible nonequestrian events as the authority board
12 determines reasonable, so long as the primacy of the center for equine-
13 related purposes is not compromised;

14 (17) Insure its obligations and potential liability through the
15 mechanism of the self-insurance fund provided by chapter 4.92 RCW, and
16 if the authority determines it economically or otherwise advantageous,
17 procure such insurance in such amounts and from such insurers as the
18 authority deems desirable, including, but not limited to, insurance
19 against any loss or damage to its property or other assets, public
20 liability insurance for injuries to persons or property, and directors
21 and officers liability insurance for injuries;

22 (18) Delegate any of its powers and duties, if consistent with the
23 purposes of this chapter;

24 (19) Enter into cooperative agreements with and provide for private
25 nonprofit groups to use center facilities and property to raise money
26 to contribute gifts, grants, and support to the authority for the
27 purposes of this chapter, and such gifts may be in the form of
28 volunteer labor and facilities developed or built, in part or in whole,
29 for public use;

30 (20) Grant concessions or leases at the center upon such rentals,
31 fees, or percentage of income or profits and for such terms, in no
32 event longer than twenty-five years, and upon such conditions as shall
33 be approved by the authority;

34 (21) Honor credit cards in payment for food and beverage purchases,
35 rentals of space or facilities, and other goods and services offered by
36 the authority in effecting the purposes for which it is formed; and

37 (22) Generally to do any and all lawful acts necessary or
38 appropriate to carry out the purposes for which the authority and the
39 center are created.

1 NEW SECTION. **Sec. 6.** LIABILITY OF STATE, ETC. Obligations
2 incurred by the authority and any other liabilities or claims against
3 the authority shall be enforced only against the assets of such
4 authority and no liability for the debts or actions of the authority
5 shall exist against either the state of Washington, the Washington
6 state parks and recreation commission, or any other subdivision or
7 instrumentality of the state, or against any board member, officer,
8 employee, or agent of the authority in his or her individual capacity.
9 The members of the authority board and employees of the authority shall
10 not be held responsible individually in any way whatsoever to any
11 person for errors in judgment, mistakes, or other acts, either of
12 commission or omission, as principal, agent, person, or employee,
13 except for their own individual acts of dishonesty or crime. No such
14 person or employee shall be held responsible individually for any act
15 or omission of any other member of the authority board, or of any
16 employee of the authority. The liability of such members and employees
17 shall be several and not joint and no such member or employee shall be
18 liable for the default of any other member or employee. However,
19 nothing in this section shall prevent the authority from insuring its
20 obligations and potential liability through the mechanism of the self-
21 insurance fund provided by chapter 4.92 RCW.

22 NEW SECTION. **Sec. 7.** REVENUE BONDS--INSURANCE. (1) The authority
23 may issue nonrecourse revenue bonds in order to obtain the funds to
24 carry out the purposes authorized in this chapter. The bonds shall be
25 special obligations of the authority, payable solely out of the special
26 fund or funds established by the authority for their repayment.

27 (2) Any bonds issued under this chapter may be secured by a
28 financing document between the authority and the purchasers or owners
29 of such bonds or between the authority and a corporate trustee, which
30 may be any trust company or bank having the powers of a trust company
31 within or without the state.

32 (a) The financing document may pledge or assign, in whole or in
33 part, the revenues and funds held or to be received by the authority,
34 any present or future contract or other rights to receive the same, and
35 the proceeds thereof.

36 (b) The financing document may contain such provisions for
37 protecting and enforcing the rights, security, and remedies of bond
38 owners as may be reasonable and proper, including, without limiting the

1 generality of the foregoing, provisions defining defaults and providing
2 for remedies in the event of default which may include the acceleration
3 of maturities, restrictions on the individual rights of action by bond
4 owners, and covenants setting forth duties of and limitations on the
5 authority in the conduct of its programs and the management of its
6 property.

7 (c) In addition to other security provided in this chapter or
8 otherwise by law, bonds issued by the authority may be secured, in
9 whole or in part, by financial guaranties, by insurance or by letters
10 of credit issued to the authority or a trustee or any other person, by
11 any bank, trust company, insurance or surety company, or other
12 financial institution, within or without the state. The authority may
13 pledge or assign, in whole or in part, the revenues and funds held or
14 to be received by the authority, any present or future contract or
15 other rights to receive the same, and the proceeds thereof, as security
16 for such guaranties or insurance or for the reimbursement by the
17 authority to any issuer of such letter of credit of any payments made
18 under such letter of credit.

19 (3) Without limiting the powers of the authority contained in this
20 chapter, in connection with each issue of its bonds, the authority
21 shall create and establish one or more special funds, including, but
22 not limited to, debt service and sinking funds, reserve funds, project
23 funds, and such other special funds as the authority deems necessary,
24 useful, or convenient.

25 (4) Any security interest created against the unexpected bond
26 proceeds and against the special funds created by the authority shall
27 be immediately valid and binding against the money and any securities
28 in which the money may be invested without authority or trustee
29 possession. The security interest shall be prior to any securities,
30 without filing or recording under article 9 of the uniform commercial
31 code, Title 62A RCW, and regardless of whether the party has notice of
32 the security interest.

33 (5) The bonds may be issued as serial bonds, term bonds, or any
34 other type of bond instrument consistent with the provisions of this
35 chapter. The bonds shall bear such date or dates; mature at such time
36 or times; bear interest at such rate or rates, either fixed or
37 variable; be payable at such time or times; be in such denominations;
38 be in such form; bear such privileges of transferability,
39 exchangeability, and interchangeability; be subject to such terms of

1 redemption; and be sold at public or private sale, in such manner, at
2 such time or times, and at such price or prices as the authority shall
3 determine. The bonds shall be executed by the manual or facsimile
4 signatures of the authority's chairperson and either its secretary or
5 executive director, if any, and may be authenticated by the trustee (if
6 the authority determines to use a trustee) or any registrar which may
7 be designated for the bonds by the authority.

8 (6) Bonds may be issued by the authority to refund other
9 outstanding authority bonds, at or prior to maturity of, and to pay any
10 redemption premium on, the outstanding bonds. Bonds issued for
11 refunding purposes may be combined with bonds issued for the financing
12 or refinancing of new projects. Pending the application of the
13 proceeds of the refunding bonds to the redemption of the bonds to be
14 redeemed, the authority may enter into an agreement or agreements with
15 a corporate trustee regarding the interim investment of the proceeds
16 and the application of the proceeds and the earnings on the proceeds to
17 the payment of the principal and interest on, and the redemption of,
18 the bonds to be redeemed.

19 (7) The bonds of the authority may be negotiable instruments under
20 Title 62A RCW.

21 (8) Neither the members of the authority board, nor the authority's
22 employees or agents, nor any person executing the bonds shall be
23 personally liable on the bonds or be subject to any personal liability
24 or accountability by reason of the issuance of the bonds.

25 (9) The authority may purchase its bonds with any of its funds
26 available for the purchase. The authority may hold, pledge, cancel, or
27 resell the bonds subject to and in accordance with agreements with bond
28 owners.

29 (10) The authority shall not exceed fifty million dollars in total
30 outstanding debt at any time.

31 (11) The state finance committee shall be notified in advance of
32 the issuance of bonds by the authority in order to promote the orderly
33 offering of obligations in the financial markets.

34 NEW SECTION. **Sec. 8.** REVENUE BONDS--CONTRACTS--RESTRICTIONS. (1)
35 Bonds issued by the authority under this chapter shall not be deemed to
36 constitute obligations, either general, special, or moral, of the state
37 or of any political subdivision of the state, or pledge of the faith
38 and credit of the state or of any political subdivision, or general

1 obligations of the authority. The bonds shall be special obligations
2 of the authority and shall be payable solely from the special fund or
3 funds created by the authority for their repayment. The issuance of
4 bonds under this chapter shall not obligate, directly, indirectly, or
5 contingently, the state or any political subdivision of the state to
6 levy any taxes or appropriate or expend any funds for the payment of
7 the principal or interest on the bonds. The substance of the
8 limitations included in this subsection shall be plainly printed,
9 written, engraved, or reproduced on each bond and in any disclosure
10 document prepared in conjunction with the offer of or sale of bonds.

11 (2) Neither the proceeds or bonds issued under this chapter nor any
12 money used or to be used to pay the principal of, premium, if any, or
13 interest on the bonds shall constitute public money or property. All
14 of such money shall be kept segregated and set apart from funds of the
15 state and any political subdivision of the state and shall not be
16 subject to appropriation or allotment by the state or subject to the
17 provisions of chapter 43.88 RCW.

18 (3) Contracts entered into by the authority shall be entered into
19 in the name of the authority and not in the name of the state. The
20 obligations of the authority under such contracts shall be obligations
21 only of the authority and shall not, in any way, constitute obligations
22 of the state.

23 NEW SECTION. **Sec. 9.** REVENUE BONDS--MONEY RECEIVED--TRUST FUND.
24 All money received by or on behalf of the authority with respect to
25 this issuance of its bonds shall be trust funds to be held and applied
26 solely as provided in this chapter. The authority, in lieu of
27 receiving and applying the moneys itself, may enter into trust
28 agreement or indenture with one or more banks or trust companies having
29 the power and authority to conduct trust business in the state to:

30 (1) Perform all or any part of the obligations of the authority
31 with respect to:

32 (a) Bonds issued by it;

33 (b) The receipt, investment, and application of the proceeds of the
34 bonds and money available from other sources for the payment of the
35 bonds; and

36 (c) Other matters relating to the exercise of the authority's
37 powers under this chapter;

1 (2) Receive, hold, preserve, and enforce any security interest or
2 evidence of security interest granted by a participant for purposes of
3 securing the payment of the bonds; and

4 (3) Act on behalf of the authority for purposes of assuring or
5 enforcing the payment of the bonds, when due.

6 NEW SECTION. **Sec. 10.** REVENUE BONDS--OWNER AND TRUSTEE--
7 ENFORCEMENT OF RIGHTS. Any owner of bonds of the authority issued
8 under this chapter, and the trustee under any trust agreement or
9 indenture, may, either at law or in equity, by suit, action, mandamus,
10 or other proceeding, protect and enforce any of their respective
11 rights, and may become the purchaser at any foreclosure sale if the
12 person is the highest bidder, except to the extent the rights given are
13 restricted by the authority in any bond resolution or trust agreement
14 or indenture authorizing the issuance of the bonds.

15 NEW SECTION. **Sec. 11.** REVENUE BONDS--BONDS AS LEGAL INVESTMENT.
16 The bonds of the authority are securities in which all public officers
17 and bodies of this state and all counties, cities, municipal
18 corporations, and political subdivisions, all banks, eligible banking
19 organizations, bankers, trust companies, savings banks and
20 institutions, building and loan associations, savings and loan
21 associations, investment companies, insurance companies and
22 associations, all executors, administrators, guardians, trustees, and
23 other fiduciaries may legally invest any sinking funds, moneys, or
24 other funds belonging to them or within their control.

25 NEW SECTION. **Sec. 12.** REVENUE BONDS--CHAPTER AS AN ALTERNATIVE
26 BOND ISSUANCE METHOD. This chapter provides a complete, additional and
27 alternative method for accomplishing the purposes of this chapter and
28 shall be regarded as supplemental and additional to powers conferred by
29 other laws. The issuance of bonds and refunding bonds under this
30 chapter need not comply with the requirements of any other law
31 applicable to the issuance of bonds.

32 NEW SECTION. **Sec. 13.** REVENUE BONDS--CONSTRUCTION. The
33 provisions of this chapter should be construed liberally to effectuate
34 its purpose. Insofar as the provisions of this chapter are

1 inconsistent with the provisions of any general or special law, or
2 parts thereof, the provisions of this chapter are controlling.

3 NEW SECTION. **Sec. 14.** AUTHORITY FUND A TRUST FUND. All moneys
4 received by the authority from any and all sources for, and in support
5 of, the purposes for which the authority and center are established
6 under this chapter, including those derived from center operations,
7 shall be trust funds to be held and applied solely as provided in this
8 chapter.

9 NEW SECTION. **Sec. 15.** OTHER FUNCTIONS AUTHORIZED. The following
10 additional purposes and functions are explicitly recognized as
11 appropriate for the center in achieving the purposes for which it is
12 established, whenever the authority board determines such functions to
13 be economically and otherwise feasible and desirable:

14 (1) Developing and leasing administrative and other office space,
15 or other compatible facilities, for organizations served by the center
16 or compatible with the purposes for which it is established;

17 (2) Providing space and facilities for Washington State
18 University's veterinary medicine and animal science programs as they
19 relate to animal research, education, and extension; and

20 (3) Providing opportunity for the center to further the
21 responsibility of the horse racing commission under RCW 67.16.101 to
22 encourage the training and development of the equine industry in the
23 state of Washington whether the result of this training and development
24 results in legalized horse racing or in the recreational use of horses.
25 The center shall be a qualifying facility for financial assistance
26 under RCW 67.16.101(4).

27 NEW SECTION. **Sec. 16.** AGENCY COLLABORATION. The following
28 agencies are directed to explore with the authority, foundation, and
29 appropriate local governments, opportunities for collaboration and
30 cooperation:

31 (1) The department of agriculture to further its responsibilities
32 for the well-being of the equine agricultural industry;

33 (2) The department of community, trade, and economic development
34 with respect to community development block grant assistance, community
35 economic revitalization board projects, local development matching

1 funds, public works trust fund, business development, and tourism
2 development;

3 (3) Washington State University, especially the college of
4 agriculture and home economics, department of animal sciences, and the
5 college of veterinary medicine with respect to opportunities for animal
6 research, education, and extension, possible placement of related
7 university facilities at the center;

8 (4) The state parks and recreation commission with respect to site
9 land acquisition, and other state parks purposes;

10 (5) The department of natural resources with respect to site land
11 acquisition in cooperation with Lewis county and the state parks and
12 recreation commission;

13 (6) The department of ecology, especially the water quality
14 financial assistance and water quality programs, with respect to
15 opportunities for making the center's human and animal waste treatment
16 facilities demonstration models for waste handling to protect water
17 quality;

18 (7) South Puget Sound Community College with respect to
19 opportunities for collaboration with its horseshoeing technology
20 program; and

21 (8) Centralia Community College with respect to opportunities for
22 education and training related to business, tourism, and equine support
23 services.

24 NEW SECTION. **Sec. 17.** FINANCIAL REPORTS/AUDIT. The authority
25 shall keep accurate records of all its receipts and disbursements and
26 shall prepare annual financial statements presenting the financial
27 position and results of operations of the authority fund, and any other
28 funds utilized to account for the operations of the center, as of June
29 30 for each fiscal year. Copies of these statements shall be filed
30 with the office of the secretary of state and with the state auditor,
31 who may conduct audits of the authority as provided in chapter 43.09
32 RCW.

33 NEW SECTION. **Sec. 18.** PERSONNEL EXEMPTIONS. In order to allow
34 the authority flexibility in its personnel policies, the authority is
35 exempt from chapters 41.06, 41.05, 41.04, and 41.40 RCW and RCW
36 43.01.040 through 43.01.044.

1 **Sec. 19.** RCW 41.06.070 and 1993 sp.s. c 2 s 15 and 1993 c 379 s
2 306 are each reenacted and amended to read as follows:

3 (1) The provisions of this chapter do not apply to:

4 (a) The members of the legislature or to any employee of, or
5 position in, the legislative branch of the state government including
6 members, officers, and employees of the legislative council,
7 legislative budget committee, statute law committee, and any interim
8 committee of the legislature;

9 (b) The justices of the supreme court, judges of the court of
10 appeals, judges of the superior courts or of the inferior courts, or to
11 any employee of, or position in the judicial branch of state
12 government;

13 (c) Officers, academic personnel, and employees of technical
14 colleges;

15 (d) The officers of the Washington state patrol;

16 (e) Elective officers of the state;

17 (f) The chief executive officer of each agency;

18 (g) In the departments of employment security, social and health
19 services, the director and the director's confidential secretary; in
20 all other departments, the executive head of which is an individual
21 appointed by the governor, the director, his or her confidential
22 secretary, and his or her statutory assistant directors;

23 (h) In the case of a multimember board, commission, or committee,
24 whether the members thereof are elected, appointed by the governor or
25 other authority, serve ex officio, or are otherwise chosen:

26 (i) All members of such boards, commissions, or committees;

27 (ii) If the members of the board, commission, or committee serve on
28 a part-time basis and there is a statutory executive officer: The
29 secretary of the board, commission, or committee; the chief executive
30 officer of the board, commission, or committee; and the confidential
31 secretary of the chief executive officer of the board, commission, or
32 committee;

33 (iii) If the members of the board, commission, or committee serve
34 on a full-time basis: The chief executive officer or administrative
35 officer as designated by the board, commission, or committee; and a
36 confidential secretary to the chair of the board, commission, or
37 committee;

1 (iv) If all members of the board, commission, or committee serve ex
2 officio: The chief executive officer; and the confidential secretary
3 of such chief executive officer;

4 (i) The confidential secretaries and administrative assistants in
5 the immediate offices of the elective officers of the state;

6 (j) Assistant attorneys general;

7 (k) Commissioned and enlisted personnel in the military service of
8 the state;

9 (l) Inmate, student, part-time, or temporary employees, and part-
10 time professional consultants, as defined by the Washington personnel
11 resources board;

12 (m) The public printer or to any employees of or positions in the
13 state printing plant;

14 (n) Officers and employees of the Washington state fruit
15 commission;

16 (o) Officers and employees of the Washington state apple
17 advertising commission;

18 (p) Officers and employees of the Washington state dairy products
19 commission;

20 (q) Officers and employees of the Washington tree fruit research
21 commission;

22 (r) Officers and employees of the Washington state beef commission;

23 (s) Officers and employees of any commission formed under chapter
24 15.66 RCW;

25 (t) Officers and employees of the state wheat commission formed
26 under chapter 15.63 RCW;

27 (u) Officers and employees of agricultural commissions formed under
28 chapter 15.65 RCW;

29 (v) Officers and employees of the nonprofit corporation formed
30 under chapter 67.40 RCW and chapter 67.-- RCW (sections 1 through 18 of
31 this act);

32 (w) Liquor vendors appointed by the Washington state liquor control
33 board pursuant to RCW 66.08.050: PROVIDED, HOWEVER, That rules adopted
34 by the Washington personnel resources board pursuant to RCW 41.06.150
35 regarding the basis for, and procedures to be followed for, the
36 dismissal, suspension, or demotion of an employee, and appeals
37 therefrom shall be fully applicable to liquor vendors except those part
38 time agency vendors employed by the liquor control board when, in

1 addition to the sale of liquor for the state, they sell goods, wares,
2 merchandise, or services as a self-sustaining private retail business;

3 (x) Executive assistants for personnel administration and labor
4 relations in all state agencies employing such executive assistants
5 including but not limited to all departments, offices, commissions,
6 committees, boards, or other bodies subject to the provisions of this
7 chapter and this subsection shall prevail over any provision of law
8 inconsistent herewith unless specific exception is made in such law;

9 (y) In each agency with fifty or more employees: Deputy agency
10 heads, assistant directors or division directors, and not more than
11 three principal policy assistants who report directly to the agency
12 head or deputy agency heads;

13 (z) All employees of the marine employees' commission;

14 (aa) Up to a total of five senior staff positions of the western
15 library network under chapter 27.26 RCW responsible for formulating
16 policy or for directing program management of a major administrative
17 unit. This subsection shall expire on June 30, 1997.

18 (2) The following classifications, positions, and employees of
19 institutions of higher education and related boards are hereby exempted
20 from coverage of this chapter:

21 (a) Members of the governing board of each institution of higher
22 education and related boards, all presidents, vice-presidents and their
23 confidential secretaries, administrative and personal assistants;
24 deans, directors, and chairs; academic personnel; and executive heads
25 of major administrative or academic divisions employed by institutions
26 of higher education; principal assistants to executive heads of major
27 administrative or academic divisions; other managerial or professional
28 employees in an institution or related board having substantial
29 responsibility for directing or controlling program operations and
30 accountable for allocation of resources and program results, or for the
31 formulation of institutional policy, or for carrying out personnel
32 administration or labor relations functions, legislative relations,
33 public information, development, senior computer systems and network
34 programming, or internal audits and investigations; and any employee of
35 a community college district whose place of work is one which is
36 physically located outside the state of Washington and who is employed
37 pursuant to RCW 28B.50.092 and assigned to an educational program
38 operating outside of the state of Washington;

1 (b) Student, part-time, or temporary employees, and part-time
2 professional consultants, as defined by the Washington personnel
3 resources board, employed by institutions of higher education and
4 related boards;

5 (c) The governing board of each institution, and related boards,
6 may also exempt from this chapter classifications involving research
7 activities, counseling of students, extension or continuing education
8 activities, graphic arts or publications activities requiring
9 prescribed academic preparation or special training as determined by
10 the board: PROVIDED, That no nonacademic employee engaged in office,
11 clerical, maintenance, or food and trade services may be exempted by
12 the board under this provision;

13 (d) Printing craft employees in the department of printing at the
14 University of Washington.

15 (3) In addition to the exemptions specifically provided by this
16 chapter, the Washington personnel resources board may provide for
17 further exemptions pursuant to the following procedures. The governor
18 or other appropriate elected official may submit requests for exemption
19 to the Washington personnel resources board stating the reasons for
20 requesting such exemptions. The Washington personnel resources board
21 shall hold a public hearing, after proper notice, on requests submitted
22 pursuant to this subsection. If the board determines that the position
23 for which exemption is requested is one involving substantial
24 responsibility for the formulation of basic agency or executive policy
25 or one involving directing and controlling program operations of an
26 agency or a major administrative division thereof, the Washington
27 personnel resources board shall grant the request and such
28 determination shall be final as to any decision made before July 1,
29 1993. The total number of additional exemptions permitted under this
30 subsection shall not exceed one percent of the number of employees in
31 the classified service not including employees of institutions of
32 higher education and related boards for those agencies not directly
33 under the authority of any elected public official other than the
34 governor, and shall not exceed a total of twenty-five for all agencies
35 under the authority of elected public officials other than the
36 governor. The Washington personnel resources board shall report to
37 each regular session of the legislature during an odd-numbered year all
38 exemptions granted under subsections (1) (x) and (y) and (2) of this
39 section, together with the reasons for such exemptions.

1 The salary and fringe benefits of all positions presently or
2 hereafter exempted except for the chief executive officer of each
3 agency, full-time members of boards and commissions, administrative
4 assistants and confidential secretaries in the immediate office of an
5 elected state official, and the personnel listed in subsections (1) (j)
6 through (v) and (2) of this section, shall be determined by the
7 Washington personnel resources board.

8 Any person holding a classified position subject to the provisions
9 of this chapter shall, when and if such position is subsequently
10 exempted from the application of this chapter, be afforded the
11 following rights: If such person previously held permanent status in
12 another classified position, such person shall have a right of
13 reversion to the highest class of position previously held, or to a
14 position of similar nature and salary.

15 Any classified employee having civil service status in a classified
16 position who accepts an appointment in an exempt position shall have
17 the right of reversion to the highest class of position previously
18 held, or to a position of similar nature and salary.

19 A person occupying an exempt position who is terminated from the
20 position for gross misconduct or malfeasance does not have the right of
21 reversion to a classified position as provided for in this section.

22 NEW SECTION. Sec. 20. A new section is added to chapter 41.05 RCW
23 to read as follows:

24 The provisions of this chapter shall not be applicable to the
25 officers and employees of the nonprofit corporation formed under
26 chapter 67.-- RCW (sections 1 through 18 of this act).

27 NEW SECTION. Sec. 21. A new section is added to chapter 41.04 RCW
28 to read as follows:

29 The provisions of this chapter shall not be applicable to the
30 officers and employees of the nonprofit corporation formed under
31 chapter 67.-- RCW (sections 1 through 18 of this act).

32 NEW SECTION. Sec. 22. A new section is added to chapter 41.40 RCW
33 to read as follows:

34 The provisions of this chapter shall not be applicable to the
35 officers and employees of the nonprofit corporation formed under
36 chapter 67.-- RCW (sections 1 through 18 of this act).

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 43.01 RCW
2 to read as follows:

3 The provisions of RCW 43.01.040 through 43.01.044 shall not be
4 applicable to the officers and employees of the nonprofit corporation
5 formed under chapter 67.-- RCW (sections 1 through 18 of this act).

6 **Sec. 24.** RCW 43.19.190 and 1993 sp.s. c 10 s 2 and 1993 c 379 s
7 102 are each reenacted and amended to read as follows:

8 The director of general administration, through the state
9 purchasing and material control director, shall:

10 (1) Establish and staff such administrative organizational units
11 within the division of purchasing as may be necessary for effective
12 administration of the provisions of RCW 43.19.190 through 43.19.1939;

13 (2) Purchase all material, supplies, services, and equipment needed
14 for the support, maintenance, and use of all state institutions,
15 colleges, community colleges, technical colleges, college districts,
16 and universities, the offices of the elective state officers, the
17 supreme court, the court of appeals, the administrative and other
18 departments of state government, and the offices of all appointive
19 officers of the state: PROVIDED, That the provisions of RCW 43.19.190
20 through 43.19.1937 do not apply in any manner to the operation of the
21 state legislature except as requested by the legislature: PROVIDED,
22 That any agency may purchase material, supplies, services, and
23 equipment for which the agency has notified the purchasing and material
24 control director that it is more cost-effective for the agency to make
25 the purchase directly from the vendor: PROVIDED, That primary
26 authority for the purchase of specialized equipment, instructional, and
27 research material for their own use shall rest with the colleges,
28 community colleges, and universities: PROVIDED FURTHER, That
29 universities operating hospitals and the state purchasing and material
30 control director, as the agent for state hospitals as defined in RCW
31 72.23.010, and for health care programs provided in state correctional
32 institutions as defined in RCW 72.65.010(3) and veterans' institutions
33 as defined in RCW 72.36.010 and 72.36.070, may make purchases for
34 hospital operation by participating in contracts for materials,
35 supplies, and equipment entered into by nonprofit cooperative hospital
36 group purchasing organizations: PROVIDED FURTHER, That primary
37 authority for the purchase of materials, supplies, and equipment for
38 resale to other than public agencies shall rest with the state agency

1 concerned: PROVIDED FURTHER, That authority to purchase services as
2 included herein does not apply to personal services as defined in
3 chapter 39.29 RCW, unless such organization specifically requests
4 assistance from the division of purchasing in obtaining personal
5 services and resources are available within the division to provide
6 such assistance: PROVIDED FURTHER, That the authority for the purchase
7 of insurance and bonds shall rest with the risk manager under RCW
8 43.19.1935: PROVIDED FURTHER, That, except for the authority of the
9 risk manager to purchase insurance and bonds, the director is not
10 required to provide purchasing services for institutions of higher
11 education that choose to exercise independent purchasing authority
12 under RCW 28B.10.029: PROVIDED FURTHER, That primary authority for the
13 purchase of materials, supplies, equipment, and services by the public
14 nonprofit corporation created pursuant to the authority in chapter 67.-
15 - RCW (sections 1 through 18 of this act) shall rest with said public
16 nonprofit corporation;

17 (3) Provide the required staff assistance for the state supply
18 management advisory board through the division of purchasing;

19 (4) Have authority to delegate to state agencies authorization to
20 purchase or sell, which authorization shall specify restrictions as to
21 dollar amount or to specific types of material, equipment, services,
22 and supplies: PROVIDED, That acceptance of the purchasing
23 authorization by a state agency does not relieve such agency from
24 conformance with other sections of RCW 43.19.190 through 43.19.1939, or
25 from policies established by the director after consultation with the
26 state supply management advisory board: PROVIDED FURTHER, That
27 delegation of such authorization to a state agency, including an
28 educational institution to which this section applies, to purchase or
29 sell material, equipment, services, and supplies shall not be granted,
30 or otherwise continued under a previous authorization, if such agency
31 is not in substantial compliance with overall state purchasing and
32 material control policies as established herein;

33 (5) Contract for the testing of material, supplies, and equipment
34 with public and private agencies as necessary and advisable to protect
35 the interests of the state;

36 (6) Prescribe the manner of inspecting all deliveries of supplies,
37 materials, and equipment purchased through the division;

1 (7) Prescribe the manner in which supplies, materials, and
2 equipment purchased through the division shall be delivered, stored,
3 and distributed;

4 (8) Provide for the maintenance of a catalogue library,
5 manufacturers' and wholesalers' lists, and current market information;

6 (9) Provide for a commodity classification system and may, in
7 addition, provide for the adoption of standard specifications after
8 receiving the recommendation of the supply management advisory board;

9 (10) Provide for the maintenance of inventory records of supplies,
10 materials, and other property;

11 (11) Prepare rules and regulations governing the relationship and
12 procedures between the division of purchasing and state agencies and
13 vendors;

14 (12) Publish procedures and guidelines for compliance by all state
15 agencies, including those educational institutions to which this
16 section applies, which implement overall state purchasing and material
17 control policies;

18 (13) Conduct periodic visits to state agencies, including those
19 educational institutions to which this section applies, to determine if
20 statutory provisions and supporting purchasing and material control
21 policies are being fully implemented, and based upon such visits, take
22 corrective action to achieve compliance with established purchasing and
23 material control policies under existing statutes when required.

24 NEW SECTION. **Sec. 25.** CAPTIONS. Captions as used in this chapter
25 constitute no part of the law.

26 NEW SECTION. **Sec. 26.** NEW CHAPTER IN RCW. Sections 1 through 18
27 and 25 of this act shall constitute a new chapter in Title 67 RCW.

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