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**SENATE BILL 5901**

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**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 ---