

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 3374**

Chapter 179, Laws of 2008

60th Legislature  
2008 Regular Session

GENERAL OBLIGATION BONDS--FLOOD MITIGATION AND SCHOOL FACILITIES

EFFECTIVE DATE: 03/27/08

Passed by the House March 12, 2008  
Yeas 97 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate March 11, 2008  
Yeas 43 Nays 4

BRAD OWEN

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**President of the Senate**

Approved March 27, 2008, 10:10 a.m.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 3374** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

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**Chief Clerk**

FILED

March 28, 2008

**Secretary of State  
State of Washington**



1        NEW SECTION.    **Sec. 102.**    The proceeds from the sale of the bonds  
2 authorized in section 101 of this act shall be deposited in the state  
3 building construction account created by RCW 43.83.020.    If the state  
4 finance committee deems it necessary to issue taxable bonds in order to  
5 comply with federal internal revenue service rules and regulations  
6 pertaining to the use of nontaxable bond proceeds, the proceeds of such  
7 taxable bonds shall be transferred to the state taxable building  
8 construction account in lieu of any deposits otherwise provided by this  
9 section.    The state treasurer shall submit written notice to the  
10 director of financial management if it is determined that any such  
11 transfer to the state taxable building construction account is  
12 necessary.    Moneys in the account may be spent only after  
13 appropriation.    These proceeds shall be used exclusively for the  
14 purposes specified in section 101 of this act and for the payment of  
15 expenses incurred in the issuance and sale of the bonds.    These  
16 proceeds shall be administered by the office of financial management  
17 subject to legislative appropriation.

18        NEW SECTION.    **Sec. 103.**    (1) The debt-limit general fund bond  
19 retirement account shall be used for the payment of the principal of  
20 and interest on the bonds authorized in section 101 of this act.

21        (2) The state finance committee shall, on or before June 30th of  
22 each year, certify to the state treasurer the amount needed in the  
23 ensuing twelve months to meet the bond retirement and interest  
24 requirements.    On each date on which any interest or principal and  
25 interest payment is due the state treasurer shall withdraw from any  
26 general state revenues received in the state treasury and deposit in  
27 the debt-limit general fund bond retirement account an amount equal to  
28 the amount certified by the state finance committee to be due on the  
29 payment date.

30        NEW SECTION.    **Sec. 104.**    (1) Bonds issued under section 101 of this  
31 act shall state that they are a general obligation of the state of  
32 Washington, shall pledge the full faith and credit of the state to the  
33 payment of the principal thereof and the interest thereon, and shall  
34 contain an unconditional promise to pay the principal and interest as  
35 the same shall become due.

1 (2) The owner and holder of each of the bonds or the trustee for  
2 the owner and holder of any of the bonds may by mandamus or other  
3 appropriate proceeding require the transfer and payment of funds as  
4 directed in this section.

5 NEW SECTION. **Sec. 105.** The legislature may provide additional  
6 means for raising moneys for the payment of the principal of and  
7 interest on the bonds authorized in section 101 of this act, and  
8 section 103 of this act shall not be deemed to provide an exclusive  
9 method for the payment.

10 NEW SECTION. **Sec. 106.** The bonds authorized in section 101 of  
11 this act shall be a legal investment for all state funds or funds under  
12 state control and for all funds of any other public body.

13 **PART 2**

14 NEW SECTION. **Sec. 201.** The legislature finds that the state's  
15 public schools and skill centers are a vital component of the future  
16 economic prosperity of our state and provide students with access to  
17 high-quality academic and technical skills instruction. Skill centers  
18 challenge, motivate, and provide opportunities for students to achieve  
19 in basic skills, critical thinking, leadership, and work skills through  
20 hands-on education, applied academics, and technology training using a  
21 cost-effective delivery model. The legislature further finds that  
22 barriers to access exist for students in rural and high-density areas,  
23 but the development of satellite and branch campus programs will  
24 provide the needed access. The legislature further finds that existing  
25 and proposed new skill centers will require facilities and equipment  
26 that simulate business and industry. Therefore, it is the intent of  
27 the legislature to provide a new source of funding for the critical  
28 capital needs of the state's skill centers to enhance access to career  
29 and technical education opportunities and to improve the condition of  
30 existing facilities. Enhanced capital funding will provide skill  
31 centers the ability to fulfill their critical role in maintaining and  
32 stimulating the state's economy and expanding quality academic and  
33 career and technical education opportunities to more students,  
34 especially students who lack access to these programs to date.

1 In the interest of funding equity and ensuring a commitment to the  
2 new development, major renovation, or expansion of skill centers, all  
3 school district partners must contribute to the acquisition or major  
4 capital costs of skill center projects supported by this act to the  
5 greatest extent feasible.

6 NEW SECTION. **Sec. 202.** For the purpose of providing school  
7 construction assistance grants and needed capital improvements  
8 consisting of the predesign, design, acquisition, construction,  
9 modification, renovation, expansion, equipping, and other improvements  
10 of skill centers facilities, including capital improvements to support  
11 satellite or branch campus programs for underserved rural areas or  
12 high-density areas, the state finance committee is authorized to issue  
13 general obligation bonds of the state of Washington in the sum of one  
14 hundred million dollars, or as much thereof as may be required, to  
15 finance all or a part of these projects and all costs incidental  
16 thereto. Bonds authorized in this section may be sold at such price as  
17 the state finance committee shall determine. No bonds authorized in  
18 this section may be offered for sale without prior legislative  
19 appropriation of the net proceeds of the sale of the bonds. If the  
20 state finance committee deems it necessary to issue taxable bonds in  
21 order to comply with federal internal revenue service rules and  
22 regulations pertaining to the use of nontaxable bond proceeds, the  
23 proceeds of such taxable bonds shall be transferred to the state  
24 taxable building construction account in lieu of any deposits otherwise  
25 provided by this section. The state treasurer shall submit written  
26 notice to the director of financial management if it is determined that  
27 any such transfer to the state taxable building construction account is  
28 necessary.

29 NEW SECTION. **Sec. 203.** This chapter is not intended to limit the  
30 legislature's ability to appropriate bond proceeds if the full amount  
31 authorized in this chapter has not been appropriated after one biennia,  
32 and the authorization to issue bonds contained in this chapter does not  
33 expire until the full authorization has been appropriated and issued.

34 NEW SECTION. **Sec. 204.** (1) The proceeds from the sale of the

1 bonds authorized in section 202 of this act shall be deposited in the  
2 school construction and skill centers building account created in  
3 section 210 of this act.

4 (2) The proceeds shall be used exclusively for the purposes stated  
5 in section 202 of this act and for the payment of the expenses incurred  
6 in connection with the sale and issuance of the bonds.

7 NEW SECTION. **Sec. 205.** (1) The nondebt-limit reimbursable bond  
8 retirement account must be used for the payment of the principal and  
9 interest on the bonds authorized in section 202 of this act.

10 (2)(a) The state finance committee must, on or before June 30th of  
11 each year, certify to the state treasurer the amount needed in the  
12 ensuing twelve months to meet the bond retirement and interest  
13 requirements on the bonds authorized in section 202 of this act.

14 (b) On or before the date on which any interest or principal and  
15 interest is due, the state treasurer shall transfer from that portion  
16 of the common school construction fund derived from the interest on the  
17 permanent common school fund into the nondebt-limit reimbursable bond  
18 retirement account the amount computed in (a) of this subsection for  
19 bonds issued for the purposes of section 202 of this act. Any  
20 deficiency in such transfer shall be made up as soon as moneys are  
21 available for transfer and shall constitute a continuing obligation of  
22 that portion of the common school construction fund derived from the  
23 interest on the permanent common school fund until all deficiencies are  
24 fully paid.

25 NEW SECTION. **Sec. 206.** (1) Bonds issued under section 202 of this  
26 act shall state that they are a general obligation of the state of  
27 Washington, shall pledge the full faith and credit of the state to the  
28 payment of the principal thereof and the interest thereon, and shall  
29 contain an unconditional promise to pay the principal and interest as  
30 the same shall become due.

31 (2) The owner and holder of each of the bonds or the trustee for  
32 the owner and holder of any of the bonds may by mandamus or other  
33 appropriate proceeding require the transfer and payment of funds as  
34 directed in this section.



1 or other evidences of indebtedness which are secured by the full faith  
2 and credit of the state or are required to be paid, directly or  
3 indirectly, from general state revenues and which are incurred by the  
4 state, any department, authority, public corporation or quasi public  
5 corporation of the state, any state university or college, or any other  
6 public agency created by the state but not by counties, cities, towns,  
7 school districts, or other municipal corporations, and shall include  
8 debt incurred pursuant to section 3 of Article VIII of the Washington  
9 state Constitution, but shall exclude the following:

10 (1) Obligations for the payment of current expenses of state  
11 government;

12 (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;

13 (3) Principal of and interest on bond anticipation notes;

14 (4) Any indebtedness which has been refunded;

15 (5) Financing contracts entered into under chapter 39.94 RCW;

16 (6) Indebtedness authorized or incurred before July 1, 1993,  
17 pursuant to statute which requires that the state treasury be  
18 reimbursed, in the amount of the principal of and the interest on such  
19 indebtedness, from money other than general state revenues or from the  
20 special excise tax imposed pursuant to chapter 67.40 RCW;

21 (7) Indebtedness authorized and incurred after July 1, 1993,  
22 pursuant to statute that requires that the state treasury be  
23 reimbursed, in the amount of the principal of and the interest on such  
24 indebtedness, from (a) moneys outside the state treasury, except higher  
25 education operating fees, (b) higher education building fees, (c)  
26 indirect costs recovered from federal grants and contracts, and (d)  
27 fees and charges associated with hospitals operated or managed by  
28 institutions of higher education;

29 (8) Any agreement, promissory note, or other instrument entered  
30 into by the state finance committee under RCW 39.42.030 in connection  
31 with its acquisition of bond insurance, letters of credit, or other  
32 credit support instruments for the purpose of guaranteeing the payment  
33 or enhancing the marketability, or both, of any state bonds, notes, or  
34 other evidence of indebtedness;

35 (9) Indebtedness incurred for the purposes identified in RCW  
36 43.99N.020;

37 (10) Indebtedness incurred for the purposes of the school district  
38 bond guaranty established by chapter 39.98 RCW;

1 (11) Indebtedness incurred for the purposes of replacing the  
2 waterproof membrane over the east plaza garage and revising related  
3 landscaping construction pursuant to RCW 43.99Q.070;

4 (12) Indebtedness incurred for the purposes of the state  
5 legislative building rehabilitation, to the extent that principal and  
6 interest payments of such indebtedness are paid from the capitol  
7 building construction account pursuant to RCW 43.99Q.140(2)(b); (~~and~~)

8 (13) Indebtedness incurred for the purposes of financing projects  
9 under RCW 47.10.867; and

10 (14) Indebtedness incurred for the purposes of school construction  
11 assistance grants and capital improvements for skill centers under  
12 section 202 of this act.

13 To the extent necessary because of the constitutional or statutory  
14 debt limitation, priorities with respect to the issuance or  
15 guaranteeing of bonds, notes, or other evidences of indebtedness by the  
16 state shall be determined by the state finance committee.

17 **Sec. 302.** RCW 28A.245.030 and 2007 c 463 s 4 are each amended to  
18 read as follows:

19 (1) The office of the superintendent of public instruction shall  
20 review and revise the guidelines for skill centers to encourage skill  
21 center programs. The superintendent, in cooperation with the workforce  
22 training and education coordinating board, skill center directors, and  
23 the Washington association for career and technical education, shall  
24 review and revise the existing skill centers' policy guidelines and  
25 create and adopt rules governing skill centers as follows:

26 (a) The threshold enrollment at a skill center shall be revised so  
27 that a skill center program need not have a minimum of seventy percent  
28 of its students enrolled on the skill center core campus in order to  
29 facilitate serving rural students through expansion of skill center  
30 programs by means of satellite programs or branch campuses;

31 (b) The developmental planning for branch campuses shall be  
32 encouraged. Underserved rural areas or high-density areas may partner  
33 with an existing skill center to create satellite programs or a branch  
34 campus. Once a branch campus reaches sufficient enrollment to become  
35 self-sustaining, it may become a separate skill center or remain an  
36 extension of the founding skill center; and

1 (c) Satellite and branch campus programs shall be encouraged to  
2 address high-demand fields.

3 (2) Rules adopted under this section shall allow for innovative  
4 models of satellite and branch campus programs, and such programs shall  
5 not be limited to those housed in physical buildings.

6 (3) The superintendent of public instruction shall develop and  
7 deliver a ten-year capital plan for legislative review before  
8 implementation. The superintendent of public instruction shall adopt  
9 rules that set as a goal a ten percent minimum local project  
10 contribution threshold for major skill center projects, unless there is  
11 a compelling rationale not to do so, including but not limited to local  
12 economic conditions, as determined by the superintendent of public  
13 instruction. This applies to the acquisition or major capital costs of  
14 skill center projects as outlined in the ten-year capital plan.

15 (4) Subject to available funding, the superintendent shall:

16 (a) Conduct approved feasibility studies for serving noncooperative  
17 rural and high-density area students in their geographic areas; and

18 (b) Develop a statewide master plan that identifies standards and  
19 resources needed to create a technology infrastructure for connecting  
20 all skill centers to the K-20 network.

21 NEW SECTION. Sec. 303. Sections 101 through 106 of this act  
22 constitute a new chapter in Title 43 RCW.

23 NEW SECTION. Sec. 304. Sections 201 through 210 of this act  
24 constitute a new chapter in Title 28A RCW.

25 NEW SECTION. Sec. 305. Part headings used in this act are not any  
26 part of the law.

27 NEW SECTION. Sec. 306. If any provision of this act or its  
28 application to any person or circumstance is held invalid, the  
29 remainder of the act or the application of the provision to other  
30 persons or circumstances is not affected.

31 NEW SECTION. Sec. 307. This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of the

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

Passed by the House March 12, 2008.

Passed by the Senate March 11, 2008.

Approved by the Governor March 27, 2008.

Filed in Office of Secretary of State March 28, 2008.