
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: AMH-28/02

ATTY/TYPIST: ML:ads

BRIEF DESCRIPTION:

2 **SB 6818** - H COMM AMD
3 By Committee on Capital Budget

4 ADOPTED AS AMENDED 03/14/02

5 Strike everything after the enacting clause and insert the
6 following:

7 NEW SECTION. **Sec. 1.** For the purpose of providing funds for the
8 construction, reconstruction, planning, design, and other necessary
9 costs of the various facilities defined in chapter . . . (Senate Bill
10 No. 6396), Laws of 2002, the state finance committee is authorized to
11 issue general obligation bonds of the state of Washington in the sum of
12 eighty-nine million seven hundred thousand dollars, or as much thereof
13 as may be required, to finance these projects and all costs incidental
14 thereto. Bonds authorized in this section may be sold at such price as
15 the state finance committee shall determine. No bonds authorized in
16 this section may be offered for sale without prior legislative
17 appropriation of the net proceeds of the sale of the bonds.

18 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of the bonds
19 authorized in section 1 of this act shall be deposited in the state
20 building construction account created by RCW 43.83.020, with eighty-
21 seven million five hundred thousand dollars to remain in the state
22 building construction account created by RCW 43.83.020. If the state
23 finance committee deems it necessary to issue the bonds authorized in
24 section 1 of this act as taxable bonds in order to comply with federal
25 internal revenue service rules and regulations pertaining to the use of
26 nontaxable bond proceeds, the proceeds of such additional taxable bonds
27 shall be transferred to the state taxable building construction account
28 in lieu of any transfer otherwise provided by this section. The state
29 treasurer shall submit written notice to the director of financial
30 management if it is determined that any such additional transfer to the
31 state taxable building construction account is necessary. Moneys in
32 the account may be spent only after appropriation.

33 (2) These proceeds shall be used exclusively for the purposes
34 specified in this section and for the payment of expenses incurred in
35 the issuance and sale of the bonds issued for the purposes of this

1 section, and shall be administered by the office of financial
2 management subject to legislative appropriation.

3 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
4 retirement account shall be used for the payment of the principal of
5 and interest on the bonds authorized in section 1 of this act.

6 (2) The state finance committee shall, on or before June 30th of
7 each year, certify to the state treasurer the amount needed in the
8 ensuing twelve months to meet the bond retirement and interest
9 requirements on the bonds authorized in section 1 of this act.

10 (3) On each date on which any interest or principal and interest
11 payment is due on bonds issued for the purposes of section 1 of this
12 act the state treasurer shall withdraw from any general state revenues
13 received in the state treasury and deposit in the debt-limit general
14 fund bond retirement account an amount equal to the amount certified by
15 the state finance committee to be due on the payment date.

16 NEW SECTION. **Sec. 4.** (1) Bonds issued under section 1 of this act
17 shall state that they are a general obligation of the state of
18 Washington, shall pledge the full faith and credit of the state to the
19 payment of the principal thereof and the interest thereon, and shall
20 contain an unconditional promise to pay the principal and interest as
21 the same shall become due.

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

26 NEW SECTION. **Sec. 5.** The legislature may provide additional means
27 for raising moneys for the payment of the principal of and interest on
28 the bonds authorized in section 1 of this act, and sections 2 and 3 of
29 this act shall not be deemed to provide an exclusive method for the
30 payment.

31 NEW SECTION. **Sec. 6.** The bonds authorized in section 1 of this
32 act shall be a legal investment for all state funds or funds under
33 state control and for all funds of any other public body.

1 **Sec. 7.** RCW 39.42.060 and 2001 2nd sp.s. c 9 s 18 are each amended
2 to read as follows:

3 No bonds, notes, or other evidences of indebtedness for borrowed
4 money shall be issued by the state which will cause the aggregate debt
5 contracted by the state to exceed that amount for which payments of
6 principal and interest in any fiscal year would require the state to
7 expend more than seven percent of the arithmetic mean of its general
8 state revenues, as defined in (~~section 1(c) of Article VIII of the~~
9 ~~Washington state Constitution~~) RCW 39.42.070, for the three
10 immediately preceding fiscal years as certified by the treasurer in
11 accordance with RCW 39.42.070. It shall be the duty of the state
12 finance committee to compute annually the amount required to pay
13 principal of and interest on outstanding debt. In making such
14 computation, the state finance committee shall include all borrowed
15 money represented by bonds, notes, or other evidences of indebtedness
16 which are secured by the full faith and credit of the state or are
17 required to be paid, directly or indirectly, from general state
18 revenues and which are incurred by the state, any department,
19 authority, public corporation or quasi public corporation of the state,
20 any state university or college, or any other public agency created by
21 the state but not by counties, cities, towns, school districts, or
22 other municipal corporations, and shall include debt incurred pursuant
23 to section 3 of Article VIII of the Washington state Constitution, but
24 shall exclude the following:

25 (1) Obligations for the payment of current expenses of state
26 government;

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

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

29 (4) Any indebtedness which has been refunded;

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

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

36 (7) Indebtedness authorized and incurred after July 1, 1993,
37 pursuant to statute that requires that the state treasury be
38 reimbursed, in the amount of the principal of and the interest on such
39 indebtedness, from (a) moneys outside the state treasury, except higher

1 education operating fees, (b) higher education building fees, (c)
2 indirect costs recovered from federal grants and contracts, and (d)
3 fees and charges associated with hospitals operated or managed by
4 institutions of higher education;

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

11 (9) Indebtedness incurred for the purposes identified in RCW
12 43.99N.020;

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

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

18 (12) Indebtedness incurred for the purposes of the state
19 legislative building rehabilitation, to the extent that principal and
20 interest payments of such indebtedness are paid from the capitol
21 building construction account pursuant to RCW 43.99Q.140(2)(b).

22 To the extent necessary because of the constitutional or statutory
23 debt limitation, priorities with respect to the issuance or
24 guaranteeing of bonds, notes, or other evidences of indebtedness by the
25 state shall be determined by the state finance committee.

26 **Sec. 8.** RCW 39.42.070 and 1971 ex.s. c 184 s 7 are each amended to
27 read as follows:

28 (1) On or after the effective date of this act, the treasurer shall
29 compute general state revenues for the three fiscal years immediately
30 preceding such date and shall determine the arithmetic mean thereof.
31 As soon as is practicable after the close of each fiscal year
32 thereafter, he or she shall do likewise. In determining the amount of
33 general state revenues, the treasurer shall include all state money
34 received in the treasury from each and every source whatsoever except:
35 ~~((+1))~~ (a) Fees and revenues derived from the ownership or operation
36 of any undertaking, facility or project; ~~((+2))~~ (b) moneys received as
37 gifts, grants, donations, aid or assistance or otherwise from the
38 United States or any department, bureau or corporation thereof, or any

1 person, firm or corporation, public or private, when the terms and
2 conditions of such gift, grant, donation, aid or assistance require the
3 application and disbursement of such moneys otherwise than for the
4 general purposes of the state of Washington; ~~((+3))~~ (c) moneys to be
5 paid into and received from retirement system funds, and performance
6 bonds and deposits; ~~((+4))~~ (d) moneys to be paid into and received
7 from trust funds including but not limited to moneys received from
8 taxes levied for specific purposes and the several permanent and
9 irreducible funds of the state and the moneys derived therefrom but
10 excluding bond redemption funds; ~~((+5))~~ (e) proceeds received from the
11 sale of bonds or other evidences of indebtedness. Upon computing
12 general state revenues, the treasurer shall make and file in the office
13 of the secretary of state, a certificate containing the results of such
14 computations. Copies of said certificate shall be sent to each elected
15 official of the state and each member of the legislature. The
16 treasurer shall, at the same time, advise each elected official and
17 each member of the legislature of the current available debt capacity
18 of the state, and may make estimated projections for one or more years
19 concerning debt capacity.

20 (2) For purposes of this chapter, general state revenues shall also
21 include revenues that are deposited in the general fund under RCW
22 82.45.180(2) and lottery revenues as provided in RCW 67.70.240(3).

23 NEW SECTION. Sec. 9. Sections 1 through 6 of this act constitute
24 a new chapter in Title 43 RCW.

25 NEW SECTION. Sec. 10. If any provision of this act or its
26 application to any person or circumstance is held invalid, the
27 remainder of the act or the application of the provision to other
28 persons or circumstances is not affected.

29 NEW SECTION. Sec. 11. This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the
31 state government and its existing public institutions, and takes effect
32 immediately."

33 Correct the title.

EFFECT: Authorizes \$50 million in debt limit bonds to finance 2002 supplemental Capital Budget projects. Requires that the portion of the Real Estate Excise Tax going to the general fund for common schools be included in the calculation of general state revenues for statutory debt capacity purposes.

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