

1 **SB 6818** - H COMM AMD

2 By Committee on Capital Budget

3 Strike everything after the enacting clause and insert the
4 following:

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

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

31 (2) These proceeds shall be used exclusively for the purposes
32 specified in this section and for the payment of expenses incurred in
33 the issuance and sale of the bonds issued for the purposes of this
34 section, and shall be administered by the office of financial
35 management subject to legislative appropriation.

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

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

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

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

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

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

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

32 **Sec. 7.** RCW 39.42.060 and 1999 c 273 s 9 are each amended to read
33 as follows:

34 No bonds, notes, or other evidences of indebtedness for borrowed
35 money shall be issued by the state which will cause the aggregate debt

1 contracted by the state to exceed that amount for which payments of
2 principal and interest in any fiscal year would require the state to
3 expend more than seven percent of the arithmetic mean of its general
4 state revenues, as defined in (~~section 1(c) of Article VIII of the~~
5 ~~Washington state Constitution~~) RCW 39.42.070, for the three
6 immediately preceding fiscal years as certified by the treasurer in
7 accordance with RCW 39.42.070. It shall be the duty of the state
8 finance committee to compute annually the amount required to pay
9 principal of and interest on outstanding debt. In making such
10 computation, the state finance committee shall include all borrowed
11 money represented by bonds, notes, or other evidences of indebtedness
12 which are secured by the full faith and credit of the state or are
13 required to be paid, directly or indirectly, from general state
14 revenues and which are incurred by the state, any department,
15 authority, public corporation or quasi public corporation of the state,
16 any state university or college, or any other public agency created by
17 the state but not by counties, cities, towns, school districts, or
18 other municipal corporations, and shall include debt incurred pursuant
19 to section 3 of Article VIII of the Washington state Constitution, but
20 shall exclude the following:

21 (1) Obligations for the payment of current expenses of state
22 government;

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

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

25 (4) Any indebtedness which has been refunded;

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

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

32 (7) Indebtedness authorized and incurred after July 1, 1993,
33 pursuant to statute that requires that the state treasury be
34 reimbursed, in the amount of the principal of and the interest on such
35 indebtedness, from (a) moneys outside the state treasury, except higher
36 education operating fees, (b) higher education building fees, (c)
37 indirect costs recovered from federal grants and contracts, and (d)
38 fees and charges associated with hospitals operated or managed by
39 institutions of higher education;

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

7 (9) Indebtedness incurred for the purposes identified in RCW
8 43.99N.020;

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

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

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

18 To the extent necessary because of the constitutional or statutory
19 debt limitation, priorities with respect to the issuance or
20 guaranteeing of bonds, notes, or other evidences of indebtedness by the
21 state shall be determined by the state finance committee.

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

24 (1) On or after *the effective date of this act, the treasurer
25 shall compute general state revenues for the three fiscal years
26 immediately preceding such date and shall determine the arithmetic mean
27 thereof. As soon as is practicable after the close of each fiscal year
28 thereafter, he shall do likewise. In determining the amount of general
29 state revenues, the treasurer shall include all state money received in
30 the treasury from each and every source whatsoever except: (1) fees
31 and revenues derived from the ownership or operation of any
32 undertaking, facility or project; (2) moneys received as gifts, grants,
33 donations, aid or assistance or otherwise from the United States or any
34 department, bureau or corporation thereof, or any person, firm or
35 corporation, public or private, when the terms and conditions of such
36 gift, grant, donation, aid or assistance require the application and
37 disbursement of such moneys otherwise than for the general purposes of
38 the state of Washington; (3) moneys to be paid into and received from

1 retirement system funds, and performance bonds and deposits; (4) moneys
2 to be paid into and received from trust funds including but not limited
3 to moneys received from taxes levied for specific purposes and the
4 several permanent and irreducible funds of the state and the moneys
5 derived therefrom but excluding bond redemption funds; (5) proceeds
6 received from the sale of bonds or other evidences of indebtedness.
7 Upon computing general state revenues, the treasurer shall make and
8 file in the office of the secretary of state, a certificate containing
9 the results of such computations. Copies of said certificate shall be
10 sent to each elected official of the state and each member of the
11 legislature. The treasurer shall, at the same time, advise each
12 elected official and each member of the legislature of the current
13 available debt capacity of the state, and may make estimated
14 projections for one or more years concerning debt capacity.

15 (2) For purposes of this chapter, general state revenues shall
16 also include revenues that are deposited in the general fund under RCW
17 82.45.180(2) and lottery revenues as provided in RCW 67.70.240(3).

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

20 NEW SECTION. Sec. 10. If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. Sec. 11. This act is necessary for the immediate
25 preservation of the public peace, health, or safety, or support of the
26 state government and its existing public institutions, and takes effect
27 immediately."

28 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.