
SENATE BILL 6818

State of Washington 57th Legislature

2002 Regular Session

By Senators Fairley and Zarelli

Read first time 02/20/2002. Referred to Committee on Ways & Means.

1 AN ACT Relating to state general obligation bonds; amending RCW
2 39.42.060; adding a new chapter to Title 43 RCW; and declaring an
3 emergency.

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

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 one hundred seventy-five million dollars, or as much thereof as may be
11 required, to finance these projects and all costs incidental thereto.
12 Bonds authorized in this section may be sold at such price as the state
13 finance committee shall determine. No bonds authorized in this section
14 may be offered for sale without prior legislative appropriation of the
15 net proceeds of the sale of the bonds.

16 NEW SECTION. **Sec. 2.** 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 and shall be used exclusively for the

1 purposes specified in section 1 of this act and for the payment of
2 expenses incurred in the issuance and sale of the bonds.

3 NEW SECTION. **Sec. 3.** The state general obligation bond retirement
4 fund shall be used for the payment of the principal of and interest on
5 the bonds authorized in section 1 of this act.

6 The state finance committee shall, on or before June 30th of each
7 year, certify to the state treasurer the amount needed in the ensuing
8 twelve months to meet the bond retirement and interest requirements.
9 Not less than thirty days prior to the date on which any interest or
10 principal and interest payment is due, the state treasurer shall
11 withdraw from any general state revenues received in the state treasury
12 and deposit in the general obligation bond retirement fund an amount
13 equal to the amount certified by the state finance committee to be due
14 on the payment date.

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

20 The owner and holder of each of the bonds or the trustee for the
21 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. 4.** The legislature may provide additional means
25 for raising moneys for the payment of the principal of and interest on
26 the bonds authorized in section 1 of this act, and section 3 of this
27 act shall not be deemed to provide an exclusive method for the payment.

28 NEW SECTION. **Sec. 5.** The bonds authorized in section 1 of this
29 act shall be a legal investment for all state funds or funds under
30 state control and for all funds of any other public body.

31 **Sec. 6.** RCW 39.42.060 and 2001 2nd sp.s. c 9 s 18 are each amended
32 to read as follows:

33 No bonds, notes, or other evidences of indebtedness for borrowed
34 money shall be issued by the state which will cause the aggregate debt
35 contracted by the state to exceed that amount for which payments of

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

19 (1) Obligations for the payment of current expenses of state
20 government;

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

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

23 (4) Any indebtedness which has been refunded;

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

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

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

38 (8) Any agreement, promissory note, or other instrument entered
39 into by the state finance committee under RCW 39.42.030 in connection

1 with its acquisition of bond insurance, letters of credit, or other
2 credit support instruments for the purpose of guaranteeing the payment
3 or enhancing the marketability, or both, of any state bonds, notes, or
4 other evidence of indebtedness;

5 (9) Indebtedness incurred for the purposes identified in RCW
6 43.99N.020;

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

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

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

16 (13) Indebtedness incurred pursuant to Article VIII, section 3 of
17 the Washington state Constitution; and

18 (14) Indebtedness incurred for the purposes of financing projects
19 approved under chapter . . . (Senate Bill No. 6396), Laws of 2002.

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

24 NEW SECTION. Sec. 7. If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

28 NEW SECTION. Sec. 8. Sections 1 through 5, 7, and 9 of this act
29 constitute a new chapter in Title 43 RCW.

30 NEW SECTION. Sec. 9. This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect
33 immediately.

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