

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1487**

59th Legislature  
2005 Regular Session

Passed by the House March 11, 2005  
Yeas 95 Nays 0

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**Speaker of the House of Representatives**

Passed by the Senate April 11, 2005  
Yeas 49 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1487** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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HOUSE BILL 1487

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Passed Legislature - 2005 Regular Session

State of Washington                      59th Legislature                      2005 Regular Session

By Representatives Ormsby, Dunshee, Serben and Crouse

Read first time 01/25/2005. Referred to Committee on Capital Budget.

1            AN ACT Relating to payment agreements; and amending RCW 39.96.020.

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

3            **Sec. 1.** RCW 39.96.020 and 2004 c 108 s 2 are each amended to read  
4 as follows:

5            The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

7            (1) "Financial advisor" means a financial services or financial  
8 advisory firm:

9            (a) With recognized knowledge and experience in connection with the  
10 negotiation and execution of payment agreements;

11            (b) That is acting solely as financial advisor to the governmental  
12 entity in connection with the execution of the payment agreement and  
13 the issuance or incurring of any related obligations, and not as a  
14 principal, placement agent, purchaser, underwriter, or other similar  
15 party, and that does not control, nor is it controlled by or under  
16 common control with, any such party;

17            (c) That is compensated for its services in connection with the  
18 execution of payment agreements, either directly or indirectly, solely  
19 by the governmental entity; and

1 (d) Whose compensation is not based on a percentage of the notional  
2 amount of the payment agreement or of the principal amount of any  
3 related obligations.

4 (2) "Governmental entity" means state government or local  
5 government.

6 (3) "Local government" means any city, county, city transportation  
7 authority, regional transit authority established under chapter 81.112  
8 RCW, port district, public hospital district, public facilities  
9 district, or public utility district, or any joint operating agency  
10 formed under RCW 43.52.360, that has or will have outstanding  
11 obligations in an aggregate principal amount of at least one hundred  
12 million dollars as of the date a payment agreement is executed or is  
13 scheduled by its terms to commence or had at least one hundred million  
14 dollars in gross revenues during the preceding calendar year.

15 (4) "Obligations" means bonds, notes, bond anticipation notes,  
16 commercial paper, or other obligations for borrowed money, or lease,  
17 installment purchase, or other similar financing agreements or  
18 certificates of participation in such agreements.

19 (5) "Payment agreement" means a written agreement which provides  
20 for an exchange of payments based on interest rates, or for ceilings or  
21 floors on these payments, or an option on these payments, or any  
22 combination, entered into on either a current or forward basis.

23 (6) "State government" means (a) the state of Washington, acting by  
24 and through its state finance committee, (b) the Washington health care  
25 facilities authority, (c) the Washington higher education facilities  
26 authority, (d) the Washington state housing finance commission, or (e)  
27 the state finance committee upon adoption of a resolution approving a  
28 payment agreement on behalf of any state institution of higher  
29 education as defined under RCW 28B.10.016: PROVIDED, That such  
30 approval shall not constitute the pledge of the full faith and credit  
31 of the state, but a pledge of only those funds specified in the  
32 approved agreement.

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