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HOUSE BILL 3330

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State of Washington

60th Legislature

2008 Regular Session

By Representatives Fromhold, Ormsby, Priest, Sullivan, McCune, Wood,  
and McIntire

Read first time 02/01/08. Referred to Committee on Capital Budget.

1 AN ACT Relating to facilities for career and technical education;  
2 amending RCW 39.42.060; and adding a new chapter to Title 28A RCW.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that the state's skill  
5 centers are a vital component of the future economic prosperity of our  
6 state and provide students with access to high-quality academic and  
7 technical skills instruction. Skill centers challenge, motivate, and  
8 provide opportunities for students to achieve in basic skills, critical  
9 thinking, leadership, and work skills through hands-on education,  
10 applied academics, and technology training using a cost-effective  
11 delivery model. The legislature further finds that barriers to access  
12 exist for students in rural and high-density areas, but the development  
13 of satellite and branch campus programs will provide the needed access.  
14 The legislature further finds that existing and proposed new skill  
15 centers will require facilities and equipment that simulate business  
16 and industry. Therefore, it is the intent of the legislature to  
17 provide a new source of funding for the critical capital needs of the  
18 state's skill centers to enhance access to career and technical  
19 education opportunities and to improve the condition of existing

1 facilities. Enhanced capital funding will provide skill centers the  
2 ability to fulfill their critical role in maintaining and stimulating  
3 the state's economy and expanding quality academic and career and  
4 technical education opportunities to more students, especially students  
5 who lack access to these programs to date.

6 NEW SECTION. **Sec. 2.** For the purpose of providing needed capital  
7 improvements consisting of the predesign, design, acquisition,  
8 construction, modification, renovation, expansion, equipping, and other  
9 improvements of skill centers facilities, including capital  
10 improvements to support satellite or branch campus programs for  
11 underserved rural areas or high-density areas, the state finance  
12 committee is authorized to issue general obligation bonds of the state  
13 of Washington in the sum of one hundred three million dollars, or as  
14 much thereof as may be required, to finance all or a part of these  
15 projects and all costs incidental thereto. Bonds authorized in this  
16 section may be sold at such price as the state finance committee shall  
17 determine. No bonds authorized in this section may be offered for sale  
18 without prior legislative appropriation of the net proceeds of the sale  
19 of the bonds. If the state finance committee deems it necessary to  
20 issue taxable bonds in order to comply with federal internal revenue  
21 service rules and regulations pertaining to the use of nontaxable bond  
22 proceeds, the proceeds of such taxable bonds shall be transferred to  
23 the state taxable building construction account in lieu of any deposits  
24 otherwise provided by this section. The state treasurer shall submit  
25 written notice to the director of financial management if it is  
26 determined that any such transfer to the state taxable building  
27 construction account is necessary.

28 NEW SECTION. **Sec. 3.** It is the intent of the legislature that the  
29 proceeds of new bonds authorized in section 2 of this act will be  
30 appropriated beginning with the 2009-2011 biennium, to provide funding  
31 for skill centers projects and facilities.

32 This chapter is not intended to limit the legislature's ability to  
33 appropriate bond proceeds if the full amount authorized in this chapter  
34 has not been appropriated after one biennia, and the authorization to  
35 issue bonds contained in this chapter does not expire until the full  
36 authorization has been appropriated and issued.

1        NEW SECTION.    **Sec. 4.**    (1) The proceeds from the sale of the bonds  
2 authorized in section 2 of this act shall be deposited in the skill  
3 centers building account created in section 10 of this act.

4        (2) The proceeds shall be used exclusively for the purposes stated  
5 in section 2 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. 5.**    (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 2 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 2 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 2 of this act. Any deficiency  
20 in such transfer shall be made up as soon as moneys are available for  
21 transfer and shall constitute a continuing obligation of that portion  
22 of the common school construction fund derived from the interest on the  
23 permanent common school fund until all deficiencies are fully paid.

24        NEW SECTION.    **Sec. 6.**    (1) Bonds issued under section 2 of this act  
25 shall state that they are a general obligation of the state of  
26 Washington, shall pledge the full faith and credit of the state to the  
27 payment of the principal thereof and the interest thereon, and shall  
28 contain an unconditional promise to pay the principal and interest as  
29 the same shall become due.

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

34        NEW SECTION.    **Sec. 7.**    The bonds authorized in section 2 of this

1 act shall be a legal investment for all state funds or funds under  
2 state control and for all funds of any other public body.

3 NEW SECTION. **Sec. 8.** The legislature may provide additional means  
4 for raising moneys for the payment of the principal of and interest on  
5 the bonds authorized in section 2 of this act, and section 2 of this  
6 act shall not be deemed to provide an exclusive method for the payment.

7 NEW SECTION. **Sec. 9.** This chapter provides a complete,  
8 additional, and alternative method for accomplishing the purposes of  
9 this chapter and is supplemental and additional to powers conferred by  
10 other laws. The issuance of bonds under this chapter shall not be  
11 deemed to be the only method to fund projects under this chapter.

12 NEW SECTION. **Sec. 10.** The skill centers building account is  
13 created in the state treasury. Proceeds from the bonds issued under  
14 section 2 of this act shall be deposited in the account. The account  
15 shall be used for purposes stated in section 2 of this act. Moneys in  
16 the account may be spent only after appropriation.

17 NEW SECTION. **Sec. 11.** This act shall be known as the skill  
18 centers facility enhancement act of 2008.

19 NEW SECTION. **Sec. 12.** Sections 1 through 11 of this act  
20 constitute a new chapter in Title 28A RCW.

21 **Sec. 13.** RCW 39.42.060 and 2003 c 147 s 13 are each amended to  
22 read as follows:

23 No bonds, notes, or other evidences of indebtedness for borrowed  
24 money shall be issued by the state which will cause the aggregate debt  
25 contracted by the state to exceed that amount for which payments of  
26 principal and interest in any fiscal year would require the state to  
27 expend more than seven percent of the arithmetic mean of its general  
28 state revenues, as defined in RCW 39.42.070, for the three immediately  
29 preceding fiscal years as certified by the treasurer in accordance with  
30 RCW 39.42.070. It shall be the duty of the state finance committee to  
31 compute annually the amount required to pay principal of and interest  
32 on outstanding debt. In making such computation, the state finance

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

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

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

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

15 (4) Any indebtedness which has been refunded;

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

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

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

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

36 (9) Indebtedness incurred for the purposes identified in RCW  
37 43.99N.020;

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

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

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

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

12 (14) Indebtedness incurred for the purposes of capital improvements  
13 for skill centers under section 2 of this act.

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

18 NEW SECTION. Sec. 14. If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

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