
SENATE BILL 5937

State of Washington

53rd Legislature

1993 Regular Session

By Senators Quigley, Snyder, Gaspard, von Reichbauer, Vognild, A. Smith, Rinehart, McAuliffe, Drew, Hargrove, Sheldon, Loveland, Haugen, Erwin, Sutherland, Jesernig, Skratek, Spanel, Niemi, Roach, Hochstatter and Deccio

Read first time 02/26/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to inclusion in the statutory seven percent debt
2 limitation of indebtedness for which the state treasury is reimbursed
3 for the principal and interest payments on the indebtedness; reenacting
4 and amending RCW 39.42.060; providing an effective date; and declaring
5 an emergency.

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

7 **Sec. 1.** RCW 39.42.060 and 1989 1st ex.s. c 14 s 17 and 1989 c 356
8 s 7 are each reenacted and amended to read as follows:

9 No bonds, notes, or other evidences of indebtedness for borrowed
10 money shall be issued by the state which will cause the aggregate debt
11 contracted by the state to exceed that amount for which payments of
12 principal and interest in any fiscal year would require the state to
13 expend more than seven percent of the arithmetic mean of its general
14 state revenues, as defined in section 1(c) of Article VIII of the
15 Washington state Constitution for the three immediately preceding
16 fiscal years as certified by the treasurer in accordance with RCW
17 39.42.070. It shall be the duty of the state finance committee to
18 compute annually the amount required to pay principal of and interest
19 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 incurred before the effective date of this act
18 pursuant to statute (~~heretofore or hereafter enacted~~) which requires
19 that the state treasury be reimbursed, in the amount of the principal
20 of and the interest on such indebtedness, from money other than general
21 state revenues or from the special excise tax imposed pursuant to
22 chapter 67.40 RCW(~~-~~

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

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

33 To the extent necessary because of the constitutional or statutory
34 debt limitation, priorities with respect to the issuance or
35 guaranteeing of bonds, notes, or other evidences of indebtedness by the
36 state shall be determined by the state finance committee.

37 NEW SECTION. Sec. 2. This act is necessary for the immediate
38 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect July 1, 1993.

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