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HOUSE BILL 1828

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State of Washington

57th Legislature

2001 Regular Session

By Representatives Alexander, Murray and O'Brien; by request of Office of Financial Management

Read first time 02/06/2001. Referred to Committee on Capital Budget.

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

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

5 NEW SECTION. **Sec. 1.** For the purpose of providing funds to  
6 finance the projects described and authorized by the legislature in the  
7 capital and operating appropriation acts for the 2001-2003 fiscal  
8 biennium, and all costs incidental thereto, the state finance committee  
9 is authorized to issue general obligation bonds of the state of  
10 Washington in the sum of nine hundred fifty-six million seven hundred  
11 twenty-five thousand dollars, or as much thereof as may be required, to  
12 finance these projects and all costs incidental thereto. Bonds  
13 authorized in this section may be sold at such price as the state  
14 finance committee shall determine. No bonds authorized in this section  
15 may be offered for sale without prior legislative appropriation of the  
16 net proceeds of the sale of the bonds.

17 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds  
18 authorized in section 1 of this act shall be deposited in the state

1 building construction account created by RCW 43.83.020. The proceeds  
2 shall be transferred as follows:

3 (1) Eight hundred four million dollars to remain in the state  
4 building construction account created by RCW 43.83.020;

5 (2) Twenty-two million five hundred thousand dollars to the outdoor  
6 recreation account created by RCW 79A.25.060;

7 (3) Twenty-two million five hundred thousand dollars to the habitat  
8 conservation account created by RCW 79A.15.020;

9 (4) Fifty million dollars to the state taxable building  
10 construction account which is hereby established in the state treasury.  
11 All receipts from taxable bond issues are to be deposited into the  
12 account. Moneys in the account may be spent only after appropriation;

13 (5) Twenty-nine million twenty-five thousand dollars to the higher  
14 education construction account created by RCW 28B.140.040.

15 These proceeds shall be used exclusively for the purposes specified  
16 in this section and for the payment of expenses incurred in the  
17 issuance and sale of the bonds issued for the purposes of this section,  
18 and shall be administered by the office of financial management subject  
19 to legislative appropriation.

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

24 (2) The state finance committee shall, on or before June 30th of  
25 each year, certify to the state treasurer the amount needed in the  
26 ensuing twelve months to meet the bond retirement and interest  
27 requirements on the bonds authorized in section 2 (1), (2), (3), and  
28 (4) of this act.

29 (3) On each date on which any interest or principal and interest  
30 payment is due on bonds issued for the purposes of section 2 (1), (2),  
31 (3), and (4) of this act the state treasurer shall withdraw from any  
32 general state revenues received in the state treasury and deposit in  
33 the debt-limit general fund bond retirement account an amount equal to  
34 the amount certified by the state finance committee to be due on the  
35 payment date.

1        NEW SECTION.    **Sec. 4.**    (1) The nondebt-limit reimbursable bond  
2 retirement account shall be used for the payment of the principal of  
3 and interest on the bonds authorized in section 2(5) 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 2(5) 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 2(5) of this  
10 act, the board of regents of the University of Washington shall cause  
11 to be paid out of University of Washington nonappropriated local funds  
12 to the state treasurer for deposit into the nondebt-limit reimbursement  
13 bond retirement account the amount computed in subsection (2) of this  
14 section for bonds issued for the purposes of section 2(5) of this act.

15        NEW SECTION.    **Sec. 5.**    (1) Bonds issued under sections 1 through 4  
16 of this act shall state that they are a general obligation of the state  
17 of Washington, shall pledge the full faith and credit of the state to  
18 the payment of the principal thereof and the interest thereon, and  
19 shall contain an unconditional promise to pay the principal and  
20 interest as the same shall become due.

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

25        NEW SECTION.    **Sec. 6.**    The legislature may provide additional means  
26 for raising moneys for the payment of the principal of and interest on  
27 the bonds authorized in section 1 of this act, and sections 2 through  
28 4 of this act shall not be deemed to provide an exclusive method for  
29 the payment.

30        NEW SECTION.    **Sec. 7.**    For the purpose of providing funds for the  
31 planning, design, construction, and other necessary costs for replacing  
32 the waterproof membrane over the east plaza garage and revising related  
33 landscaping, the state finance committee is authorized to issue general  
34 obligation bonds of the state of Washington in the sum of sixteen  
35 million dollars, or as much thereof as may be required, to finance this  
36 project and all costs incidental thereto.    Bonds authorized in this

1 section may be sold at such price as the state finance committee shall  
2 determine. No bonds authorized in this section may be offered for sale  
3 without prior legislative appropriation of the net proceeds of the sale  
4 of the bonds.

5 NEW SECTION. **Sec. 8.** The proceeds from the sale of the bonds  
6 authorized in section 7 of this act shall be deposited in the state  
7 building construction account created by RCW 43.83.020. The proceeds  
8 shall be transferred as follows: Fifteen million five hundred twenty  
9 thousand dollars to the state vehicle parking account created by RCW  
10 43.01.225.

11 These proceeds shall be used exclusively for the purposes specified  
12 in this section and for the payment of expenses incurred in the  
13 issuance and sale of the bonds issued for the purposes of this section,  
14 and shall be administered by the office of financial management subject  
15 to legislative appropriation.

16 NEW SECTION. **Sec. 9.** (1) The nondebt-limit reimbursable bond  
17 retirement account shall be used for the payment of the principal of  
18 and interest on the bonds authorized in section 8 of this act.

19 (2) The state finance committee shall, on or before June 30th of  
20 each year, certify to the state treasurer the amount needed in the  
21 ensuing twelve months to meet the bond retirement and interest  
22 requirements on the bonds authorized in section 8 of this act.

23 (3) On each date on which any interest or principal and interest  
24 payment is due on bonds issued for the purposes of section 8 of this  
25 act, the state treasurer shall transfer from the state vehicle parking  
26 account for deposit into the nondebt-limit reimbursable bond retirement  
27 account, the amount computed in subsection (2) of this section for  
28 bonds issued for the purposes of section 8 of this act.

29 NEW SECTION. **Sec. 10.** (1) Bonds issued under section 7 of this  
30 act shall state that they are a general obligation of the state of  
31 Washington, shall pledge the full faith and credit of the state to the  
32 payment of the principal thereof and the interest thereon, and shall  
33 contain an unconditional promise to pay the principal and interest as  
34 the same shall become due.

35 (2) The owner and holder of each of the bonds or the trustee for  
36 the owner and holder of any of the bonds may by mandamus or other

1 appropriate proceeding require the transfer and payment of funds as  
2 directed in this section.

3 NEW SECTION. **Sec. 11.** The legislature may provide additional  
4 means for raising moneys for the payment of the principal of and  
5 interest on the bonds authorized in section 7 of this act, and sections  
6 8 and 9 of this act shall not be deemed to provide an exclusive method  
7 for the payment.

8 NEW SECTION. **Sec. 12.** The bonds authorized in sections 1 and 7 of  
9 this act shall be a legal investment for all state funds or funds under  
10 state control and for all funds of any other public body.

11 **Sec. 13.** RCW 39.42.060 and 1999 c 273 s 9 are each amended to read  
12 as follows:

13 No bonds, notes, or other evidences of indebtedness for borrowed  
14 money shall be issued by the state which will cause the aggregate debt  
15 contracted by the state to exceed that amount for which payments of  
16 principal and interest in any fiscal year would require the state to  
17 expend more than seven percent of the arithmetic mean of its general  
18 state revenues, as defined in section 1(c) of Article VIII of the  
19 Washington state Constitution for the three immediately preceding  
20 fiscal years as certified by the treasurer in accordance with RCW  
21 39.42.070. It shall be the duty of the state finance committee to  
22 compute annually the amount required to pay principal of and interest  
23 on outstanding debt. In making such computation, the state finance  
24 committee shall include all borrowed money represented by bonds, notes,  
25 or other evidences of indebtedness which are secured by the full faith  
26 and credit of the state or are required to be paid, directly or  
27 indirectly, from general state revenues and which are incurred by the  
28 state, any department, authority, public corporation or quasi public  
29 corporation of the state, any state university or college, or any other  
30 public agency created by the state but not by counties, cities, towns,  
31 school districts, or other municipal corporations, and shall include  
32 debt incurred pursuant to section 3 of Article VIII of the Washington  
33 state Constitution, but shall exclude the following:

34 (1) Obligations for the payment of current expenses of state  
35 government;

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

1 (3) Principal of and interest on bond anticipation notes;  
2 (4) Any indebtedness which has been refunded;  
3 (5) Financing contracts entered into under chapter 39.94 RCW;  
4 (6) Indebtedness authorized or incurred before July 1, 1993,  
5 pursuant to statute which requires that the state treasury be  
6 reimbursed, in the amount of the principal of and the interest on such  
7 indebtedness, from money other than general state revenues or from the  
8 special excise tax imposed pursuant to chapter 67.40 RCW;

9 (7) Indebtedness authorized and incurred after July 1, 1993,  
10 pursuant to statute that requires that the state treasury be  
11 reimbursed, in the amount of the principal of and the interest on such  
12 indebtedness, from (a) moneys outside the state treasury, except higher  
13 education operating fees, (b) higher education building fees, (c)  
14 indirect costs recovered from federal grants and contracts, and (d)  
15 fees and charges associated with hospitals operated or managed by  
16 institutions of higher education;

17 (8) Any agreement, promissory note, or other instrument entered  
18 into by the state finance committee under RCW 39.42.030 in connection  
19 with its acquisition of bond insurance, letters of credit, or other  
20 credit support instruments for the purpose of guaranteeing the payment  
21 or enhancing the marketability, or both, of any state bonds, notes, or  
22 other evidence of indebtedness;

23 (9) Indebtedness incurred for the purposes identified in RCW  
24 43.99N.020; ((and))

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

27 (11) Indebtedness incurred for the purposes of replacing the  
28 waterproof membrane over the east plaza garage and revising related  
29 landscaping construction pursuant to section 8 of this act.

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

34 NEW SECTION. **Sec. 14.** Sections 1 through 12 of this act  
35 constitute a new chapter in Title 43 RCW.

36 NEW SECTION. **Sec. 15.** If any provision of this act or its  
37 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 16.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of the  
5 state government and its existing public institutions, and takes effect  
6 immediately.

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