
HOUSE BILL 1829

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 making an appropriation; 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 legislature finds that it is necessary
9 to complete the rehabilitation of the state legislative building, to
10 extend the useful life of the building, and provide for the permanent
11 relocation of offices displaced by the rehabilitation and create new
12 space for public uses.

13 Furthermore, it is the intent of the legislature to fund the
14 majority of the rehabilitation and construction using bonds repaid by
15 the capitol building construction account, as provided for in the
16 enabling act and dedicated by the federal government for the sole
17 purpose of establishing a state capitol, to fund the cash elements of
18 the project using capital project surcharge revenues in the Thurston
19 county capital facilities account, and to support the establishment of
20 a private foundation to engage the public in the preservation of the
21 state legislative building and raise private funds for restoration and
22 educational efforts. The bonds repaid by the capitol building
23 construction account, whose revenues are from the sale of capitol
24 building lands, timber, or other materials, shall be exempt from the
25 state debt limit under RCW 39.42.060, and if at any time the capitol
26 building construction account has insufficient revenues to repay the
27 bonds, the legislature may provide additional means for the payment of
28 the bonds, but any such additional means shall be subject to the state
29 debt limit.

30 NEW SECTION. **Sec. 13.** For the purpose of providing funds for the
31 planning, design, construction, and other necessary costs for the
32 rehabilitation of the state legislative building, the state finance
33 committee is authorized to issue general obligation bonds of the state
34 of Washington in the sum of ninety-seven million three hundred seventy
35 thousand dollars or as much as may be required to finance the
36 improvements defined in the legislative building rehabilitation plan

1 and all costs incidental thereto. Bonds authorized in this section
2 shall not constitute indebtedness for purposes of the limitations set
3 forth in RCW 39.42.060, to the extent that the bond payments are paid
4 from the capitol building construction account. Bonds authorized in
5 this section may be sold at a price the state finance committee
6 determines. No bonds authorized in this section may be offered for
7 sale without prior legislative appropriation of the net proceeds of the
8 sale of the bonds. The proceeds of the sale of the bonds issued for
9 the purposes of this subsection shall be deposited in the capitol
10 historic district construction account hereby created in the state
11 treasury.

12 NEW SECTION. **Sec. 14.** Ninety-six million four hundred thousand
13 dollars is appropriated in the 2001-2003 biennium from the capitol
14 historic district construction account to the department of general
15 administration for expenses related to the planning, design,
16 construction, and other necessary costs for the rehabilitation of the
17 state legislative building construction.

18 NEW SECTION. **Sec. 15.** (1) The nondebt-limit reimbursable bond
19 retirement account must be used for the payment of the principal and
20 interest on the bonds authorized in section 13 of this act.

21 (2)(a) The state finance committee must, on or before June 30th of
22 each year, certify to the state treasurer the amount needed in the
23 ensuing twelve months to meet the bond retirement and interest
24 requirements on the bonds authorized in section 13 of this act.

25 (b) On or before the date on which any interest or principal and
26 interest is due, the state treasurer shall transfer from the capitol
27 building construction account for deposit into the nondebt-limit
28 reimbursable bond retirement account, the amount computed in (a) of
29 this subsection for bonds issued for the purposes of section 13 of this
30 act.

31 (3) If the capitol building construction account has insufficient
32 revenues to pay the principal and interest computed in subsection
33 (2)(a) of this section, then the debt-limit reimbursable bond
34 retirement account must be used for the payment of the principal and
35 interest on the bonds authorized in section 13 of this act from any
36 additional means provided by the legislature.

1 NEW SECTION. **Sec. 16.** (1) Bonds issued under section 12 of this
2 act must state that they are a general obligation of the state of
3 Washington, must pledge the full faith and credit of the state to the
4 payment of the principal and interest, and must contain an
5 unconditional promise to pay the principal and interest as it becomes
6 due.

7 (2) The owner and holder of each of the bonds or the trustee for
8 the owner and holder of any of the bonds may by mandamus or other
9 appropriate proceeding require the transfer and payment of funds as
10 directed in this section.

11 NEW SECTION. **Sec. 17.** The legislature may provide additional
12 means for raising moneys for the payment of the principal and interest
13 on the bonds authorized in section 12 of this act, and sections 13
14 through 17 of this act shall not be deemed to provide an exclusive
15 method for their payment.

16 NEW SECTION. **Sec. 18.** The bonds authorized in sections 1, 7, and
17 12 of this act shall be a legal investment for all state funds or funds
18 under state control and for all funds of any other public body.

19 **Sec. 19.** RCW 39.42.060 and 1999 c 273 s 9 are each amended to read
20 as follows:

21 No bonds, notes, or other evidences of indebtedness for borrowed
22 money shall be issued by the state which will cause the aggregate debt
23 contracted by the state to exceed that amount for which payments of
24 principal and interest in any fiscal year would require the state to
25 expend more than seven percent of the arithmetic mean of its general
26 state revenues, as defined in section 1(c) of Article VIII of the
27 Washington state Constitution for the three immediately preceding
28 fiscal years as certified by the treasurer in accordance with RCW
29 39.42.070. It shall be the duty of the state finance committee to
30 compute annually the amount required to pay principal of and interest
31 on outstanding debt. In making such computation, the state finance
32 committee shall include all borrowed money represented by bonds, notes,
33 or other evidences of indebtedness which are secured by the full faith
34 and credit of the state or are required to be paid, directly or
35 indirectly, from general state revenues and which are incurred by the
36 state, any department, authority, public corporation or quasi public

1 corporation of the state, any state university or college, or any other
2 public agency created by the state but not by counties, cities, towns,
3 school districts, or other municipal corporations, and shall include
4 debt incurred pursuant to section 3 of Article VIII of the Washington
5 state Constitution, but shall exclude the following:

6 (1) Obligations for the payment of current expenses of state
7 government;

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

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

10 (4) Any indebtedness which has been refunded;

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

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

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

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

31 (9) Indebtedness incurred for the purposes identified in RCW
32 43.99N.020; ((and))

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

35 (11) Indebtedness incurred for the purposes of replacing the
36 waterproof membrane over the east plaza garage and revising related
37 landscaping construction pursuant to section 8 of this act; and

38 (12) Indebtedness incurred for the purposes of the state
39 legislative building rehabilitation, to the extent that principal and

1 interest payments of such indebtedness are paid from the capitol
2 building construction account pursuant to section 15(2)(b) of this act.

3 To the extent necessary because of the constitutional or statutory
4 debt limitation, priorities with respect to the issuance or
5 guaranteeing of bonds, notes, or other evidences of indebtedness by the
6 state shall be determined by the state finance committee.

7 NEW SECTION. **Sec. 20.** Sections 1 through 18 of this act
8 constitute a new chapter in Title 43 RCW.

9 NEW SECTION. **Sec. 21.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 22.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and takes effect
16 immediately.

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