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SENATE BILL 5344

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State of Washington

57th Legislature

2001 Regular Session

By Senators Spanel, Fairley, Zarelli and Fraser; by request of Governor Locke

Read first time 01/19/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to legislative building preservation and  
2 renovation; amending RCW 39.42.060; adding a new chapter to Title 43  
3 RCW; making an appropriation; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that it is necessary  
6 to complete the rehabilitation of the state legislative building, to  
7 extend the useful life of the building, and provide for the permanent  
8 relocation of offices displaced by the rehabilitation and create new  
9 space for public uses.

10 Furthermore, it is the intent of the legislature to fund the  
11 majority of the rehabilitation and construction using bonds repaid by  
12 the capitol building construction account, as provided for in the  
13 enabling act and dedicated by the federal government for the sole  
14 purpose of establishing a state capitol, to fund the cash elements of  
15 the project using capital project surcharge revenues in the Thurston  
16 county capital facilities account, and to support the establishment of  
17 a private foundation to engage the public in the preservation of the  
18 state legislative building and raise private funds for restoration and  
19 educational efforts. The bonds repaid by the capitol building

1 construction account, whose revenues are from the sale of capitol  
2 building lands, timber, or other materials, shall be exempt from the  
3 state debt limit under RCW 39.42.060, and if at any time the capitol  
4 building construction account has insufficient revenues to repay the  
5 bonds, the legislature may provide additional means for the payment of  
6 the bonds, but any such additional means shall be subject to the state  
7 debt limit.

8 NEW SECTION. **Sec. 2.** For the purpose of providing funds for the  
9 planning, design, construction, and other necessary costs for the  
10 rehabilitation of the state legislative building, the state finance  
11 committee is authorized to issue general obligation bonds of the state  
12 of Washington in the sum of ninety-seven million three hundred seventy  
13 thousand dollars or as much as may be required to finance the  
14 improvements defined in the legislative building rehabilitation plan  
15 and all costs incidental thereto. Bonds authorized in this section  
16 shall not constitute indebtedness for purposes of the limitations set  
17 forth in RCW 39.42.060, to the extent that the bond payments are paid  
18 from the capitol building construction account. Bonds authorized in  
19 this section may be sold at a price the state finance committee  
20 determines. No bonds authorized in this section may be offered for  
21 sale without prior legislative appropriation of the net proceeds of the  
22 sale of the bonds. The proceeds of the sale of the bonds issued for  
23 the purposes of this subsection shall be deposited in the capitol  
24 historic district construction account hereby created in the state  
25 treasury.

26 NEW SECTION. **Sec. 3.** Ninety-six million four hundred thousand  
27 dollars is appropriated in the 2001-2003 biennium from the capitol  
28 historic district construction account to the department of general  
29 administration for expenses related to the planning, design,  
30 construction, and other necessary costs for the rehabilitation of the  
31 state legislative building construction.

32 NEW SECTION. **Sec. 4.** (1) The nondebt-limit reimbursable bond  
33 retirement account must be used for the payment of the principal and  
34 interest on the bonds authorized in section 2 of this act.

35 (2)(a) The state finance committee must, on or before June 30th of  
36 each year, certify to the state treasurer the amount needed in the

1 ensuing twelve months to meet the bond retirement and interest  
2 requirements on the bonds authorized in section 2 of this act.

3 (b) On or before the date on which any interest or principal and  
4 interest is due, the state treasurer shall transfer from the capitol  
5 building construction account for deposit into the nondebt-limit  
6 reimbursable bond retirement account, the amount computed in (a) of  
7 this subsection for bonds issued for the purposes of section 2 of this  
8 act.

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

15 NEW SECTION. **Sec. 5.** (1) Bonds issued under section 1 of this act  
16 must state that they are a general obligation of the state of  
17 Washington, must pledge the full faith and credit of the state to the  
18 payment of the principal and interest, and must contain an  
19 unconditional promise to pay the principal and interest as it becomes  
20 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 and interest on the  
27 bonds authorized in section 1 of this act, and sections 2 through 6 of  
28 this act shall not be deemed to provide an exclusive method for their  
29 payment.

30 **Sec. 7.** RCW 39.42.060 and 1999 c 273 s 9 are each amended to read  
31 as follows:

32 No bonds, notes, or other evidences of indebtedness for borrowed  
33 money shall be issued by the state which will cause the aggregate debt  
34 contracted by the state to exceed that amount for which payments of  
35 principal and interest in any fiscal year would require the state to  
36 expend more than seven percent of the arithmetic mean of its general

1 state revenues, as defined in section 1(c) of Article VIII of the  
2 Washington state Constitution for the three immediately preceding  
3 fiscal years as certified by the treasurer in accordance with RCW  
4 39.42.070. It shall be the duty of the state finance committee to  
5 compute annually the amount required to pay principal of and interest  
6 on outstanding debt. In making such computation, the state finance  
7 committee shall include all borrowed money represented by bonds, notes,  
8 or other evidences of indebtedness which are secured by the full faith  
9 and credit of the state or are required to be paid, directly or  
10 indirectly, from general state revenues and which are incurred by the  
11 state, any department, authority, public corporation or quasi public  
12 corporation of the state, any state university or college, or any other  
13 public agency created by the state but not by counties, cities, towns,  
14 school districts, or other municipal corporations, and shall include  
15 debt incurred pursuant to section 3 of Article VIII of the Washington  
16 state Constitution, but shall exclude the following:

17 (1) Obligations for the payment of current expenses of state  
18 government;

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

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

21 (4) Any indebtedness which has been refunded;

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

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

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

36 (8) Any agreement, promissory note, or other instrument entered  
37 into by the state finance committee under RCW 39.42.030 in connection  
38 with its acquisition of bond insurance, letters of credit, or other  
39 credit support instruments for the purpose of guaranteeing the payment

1 or enhancing the marketability, or both, of any state bonds, notes, or  
2 other evidence of indebtedness;

3 (9) Indebtedness incurred for the purposes identified in RCW  
4 43.99N.020; ((and))

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

7 (11) Indebtedness incurred for the purposes of the state  
8 legislative building rehabilitation, to the extent that principal and  
9 interest payments of such indebtedness are paid from the capitol  
10 building construction account pursuant to section 4(2)(b) of this act.

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

15 NEW SECTION. Sec. 8. Sections 1 through 6 of this act constitute  
16 a new chapter in Title 43 RCW.

17 NEW SECTION. Sec. 9. This act is necessary for the immediate  
18 preservation of the public peace, health, or safety, or support of the  
19 state government and its existing public institutions, and takes effect  
20 immediately.

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