
ENGROSSED SENATE BILL 5990

State of Washington

57th Legislature

2001 Regular Session

By Senators Fairley, Spanel, B. Sheldon and Zarelli; by request of Office of Financial Management

Read first time 02/12/2001. Referred to Committee on Ways & Means.

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 thirty-eight million dollars, or
11 as much thereof as may be required, to finance these projects and all
12 costs incidental thereto. Bonds authorized in this section may be sold
13 at such price as the state finance committee shall determine. No bonds
14 authorized in this section may be offered for sale without prior
15 legislative appropriation of the net proceeds of the sale of the bonds.

16 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds
17 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) Seven hundred eighty-seven million dollars to remain in the
4 state 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) Sixty 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. If the state finance committee deems it necessary to issue
13 more than fifty million dollars of the bonds authorized in section 1 of
14 this act as taxable bonds in order to comply with federal internal
15 revenue service rules and regulations pertaining to the use of
16 nontaxable bond proceeds, the proceeds of such additional taxable bonds
17 shall be transferred to the state taxable building construction account
18 in lieu of any transfer otherwise provided by this section. The state
19 treasurer shall submit written notice to the director of financial
20 management if it is determined that any such additional transfer to the
21 state taxable building construction account is necessary. Moneys in
22 the account may be spent only after appropriation;

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

25 These proceeds shall be used exclusively for the purposes specified
26 in this section and for the payment of expenses incurred in the
27 issuance and sale of the bonds issued for the purposes of this section,
28 and shall be administered by the office of financial management subject
29 to legislative appropriation.

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

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

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

8 NEW SECTION. **Sec. 4.** (1) The nondebt-limit reimbursable bond
9 retirement account shall be used for the payment of the principal of
10 and interest on the bonds authorized in section 2(5) of this act.

11 (2) The state finance committee shall, on or before June 30th of
12 each year, certify to the state treasurer the amount needed in the
13 ensuing twelve months to meet the bond retirement and interest
14 requirements on the bonds authorized in section 2(5) of this act.

15 (3) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purposes of section 2(5) of this
17 act, the board of regents of the University of Washington shall cause
18 to be paid out of University of Washington nonappropriated local funds
19 to the state treasurer for deposit into the nondebt-limit reimbursement
20 bond retirement account the amount computed in subsection (2) of this
21 section for bonds issued for the purposes of section 2(5) of this act.

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

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

32 NEW SECTION. **Sec. 6.** The legislature may provide additional means
33 for raising moneys for the payment of the principal of and interest on
34 the bonds authorized in section 1 of this act, and sections 2 through
35 4 of this act shall not be deemed to provide an exclusive method for
36 the payment.

1 NEW SECTION. **Sec. 7.** For the purpose of providing funds for the
2 planning, design, construction, and other necessary costs for replacing
3 the waterproof membrane over the east plaza garage and revising related
4 landscaping, the state finance committee is authorized to issue general
5 obligation bonds of the state of Washington in the sum of sixteen
6 million dollars, or as much thereof as may be required, to finance this
7 project and all costs incidental thereto. Bonds authorized in this
8 section may be sold at such price as the state finance committee shall
9 determine. No bonds authorized in this section may be offered for sale
10 without prior legislative appropriation of the net proceeds of the sale
11 of the bonds.

12 NEW SECTION. **Sec. 8.** The proceeds from the sale of the bonds
13 authorized in section 7 of this act shall be deposited in the state
14 building construction account created by RCW 43.83.020. The proceeds
15 shall be transferred as follows: Fifteen million five hundred twenty
16 thousand dollars to the state vehicle parking account created by RCW
17 43.01.225.

18 These proceeds shall be used exclusively for the purposes specified
19 in section 7 of this act and for the payment of expenses incurred in
20 the issuance and sale of the bonds issued for the purposes of this
21 section, and shall be administered by the office of financial
22 management subject to legislative appropriation.

23 NEW SECTION. **Sec. 9.** (1) The nondebt-limit reimbursable bond
24 retirement account shall be used for the payment of the principal of
25 and interest on the bonds authorized in section 7 of this act.

26 (2) The state finance committee shall, on or before June 30th of
27 each year, certify to the state treasurer the amount needed in the
28 ensuing twelve months to meet the bond retirement and interest
29 requirements on the bonds authorized in section 7 of this act.

30 (3) On each date on which any interest or principal and interest
31 payment is due on bonds issued for the purposes of section 8 of this
32 act, the state treasurer shall transfer from the state vehicle parking
33 account for deposit into the nondebt-limit reimbursable bond retirement
34 account, the amount computed in subsection (2) of this section for
35 bonds issued for the purposes of section 7 of this act.

1 NEW SECTION. **Sec. 10.** (1) Bonds issued under section 7 of this
2 act shall state that they are a general obligation of the state of
3 Washington, shall pledge the full faith and credit of the state to the
4 payment of the principal thereof and the interest thereon, and shall
5 contain an unconditional promise to pay the principal and interest as
6 the same shall become 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. 11.** The legislature may provide additional
12 means for raising moneys for the payment of the principal of and
13 interest on the bonds authorized in section 7 of this act, and sections
14 8 and 9 of this act shall not be deemed to provide an exclusive method
15 for the payment.

16 NEW SECTION. **Sec. 12.** The bonds authorized in sections 1, 7, and
17 14 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 NEW SECTION. **Sec. 13.** The legislature finds that it is necessary
20 to complete the rehabilitation of the state legislative building, to
21 extend the useful life of the building, and provide for the permanent
22 relocation of offices displaced by the rehabilitation and create new
23 space for public uses.

24 Furthermore, it is the intent of the legislature to fund the
25 majority of the rehabilitation and construction using bonds repaid by
26 the capitol building construction account, as provided for in the
27 enabling act and dedicated by the federal government for the sole
28 purpose of establishing a state capitol, to fund the cash elements of
29 the project using capital project surcharge revenues in the Thurston
30 county capital facilities account, and to support the establishment of
31 a private foundation to engage the public in the preservation of the
32 state legislative building and raise private funds for restoration and
33 educational efforts. The bonds repaid by the capitol building
34 construction account, whose revenues are from the sale of capitol
35 building lands, timber, or other materials, shall be exempt from the
36 state debt limit under RCW 39.42.060, and if at any time the capitol

1 building construction account has insufficient revenues to repay the
2 bonds, the legislature may provide additional means for the payment of
3 the bonds, but any such additional means shall be subject to the state
4 debt limit.

5 NEW SECTION. **Sec. 14.** For the purpose of providing funds for the
6 planning, design, construction, and other necessary costs for the
7 rehabilitation of the state legislative building, the state finance
8 committee is authorized to issue general obligation bonds of the state
9 of Washington in the sum of eighty-two million five hundred ten
10 thousand dollars or as much thereof as may be required to finance the
11 rehabilitation and improvements to the legislative building and all
12 costs incidental thereto. The approved rehabilitation plan includes
13 costs associated with earthquake repairs and future earthquake
14 mitigation and allows for associated relocation costs and the
15 acquisition of appropriate relocation space. Bonds authorized in this
16 section shall not constitute indebtedness for purposes of the
17 limitations set forth in RCW 39.42.060, to the extent that the bond
18 payments are paid from the capitol building construction account.
19 Bonds authorized in this section may be sold at a price the state
20 finance committee determines. No bonds authorized in this section may
21 be offered for sale without prior legislative appropriation of the net
22 proceeds of the sale of the bonds. The proceeds of the sale of the
23 bonds issued for the purposes of this section shall be deposited in the
24 capitol historic district construction account hereby created in the
25 state treasury. These proceeds shall be used exclusively for the
26 purposes specified in this section and for the payment of expenses
27 incurred in the issuance and sale of the bonds issued for the purposes
28 of this section, and shall be administered by the office of financial
29 management subject to legislative appropriation.

30 NEW SECTION. **Sec. 15.** (1) The nondebt-limit reimbursable bond
31 retirement account must be used for the payment of the principal and
32 interest on the bonds authorized in section 14 of this act.

33 (2)(a) The state finance committee must, on or before June 30th of
34 each year, certify to the state treasurer the amount needed in the
35 ensuing twelve months to meet the bond retirement and interest
36 requirements on the bonds authorized in section 14 of this act.

1 (b) On or before the date on which any interest or principal and
2 interest is due, the state treasurer shall transfer from the capitol
3 building construction account for deposit into the nondebt-limit
4 reimbursable bond retirement account, the amount computed in (a) of
5 this subsection for bonds issued for the purposes of section 14 of this
6 act.

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

13 NEW SECTION. **Sec. 16.** (1) Bonds issued under section 14 of this
14 act shall state that they are a general obligation of the state of
15 Washington, shall pledge the full faith and credit of the state to the
16 payment of the principal and interest, and shall contain an
17 unconditional promise to pay the principal and interest as it becomes
18 due.

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

23 NEW SECTION. **Sec. 17.** The legislature may provide additional
24 means for raising moneys for the payment of the principal and interest
25 on the bonds authorized in section 14 of this act, and sections 15 and
26 16 of this act shall not be deemed to provide an exclusive method for
27 their payment.

28 **Sec. 18.** RCW 39.42.060 and 1999 c 273 s 9 are each amended to read
29 as follows:

30 No bonds, notes, or other evidences of indebtedness for borrowed
31 money shall be issued by the state which will cause the aggregate debt
32 contracted by the state to exceed that amount for which payments of
33 principal and interest in any fiscal year would require the state to
34 expend more than seven percent of the arithmetic mean of its general
35 state revenues, as defined in section 1(c) of Article VIII of the
36 Washington state Constitution for the three immediately preceding

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

15 (1) Obligations for the payment of current expenses of state
16 government;

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

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

19 (4) Any indebtedness which has been refunded;

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

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

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

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

1 (9) Indebtedness incurred for the purposes identified in RCW
2 43.99N.020; ((and))

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

5 (11) Indebtedness incurred for the purposes of replacing the
6 waterproof membrane over the east plaza garage and revising related
7 landscaping construction pursuant to section 7 of this act; and

8 (12) Indebtedness incurred for the purposes of the state
9 legislative building rehabilitation, to the extent that principal and
10 interest payments of such indebtedness are paid from the capitol
11 building construction account pursuant to section 15(2)(b) of this act.

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

16 NEW SECTION. Sec. 19. Sections 1 through 17 of this act
17 constitute a new chapter in Title 43 RCW.

18 NEW SECTION. Sec. 20. 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.

22 NEW SECTION. Sec. 21. This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

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