
SUBSTITUTE SENATE BILL 5937

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Ways & Means (originally sponsored 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 03/08/93.

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 pursuant to statute (~~heretofore or~~
18 ~~hereafter enacted~~) which requires that the state treasury be
19 reimbursed, in the amount of the principal of and the interest on such
20 indebtedness, from money other than the general ((state revenues)) fund
21 or from the special excise tax imposed pursuant to chapter 67.40 RCW(~~-~~

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

26 (7) Indebtedness incurred after the effective date of this act
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, (b) higher
30 education building fees, (c) indirect costs recovered from federal
31 grants and contracts, and (d) fees and charges associated with
32 hospitals operated or managed by institutions of higher education; and

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

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

5 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and shall take
8 effect July 1, 1993.

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