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**SUBSTITUTE HOUSE BILL 1776**

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**State of Washington**

**54th Legislature**

**1995 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Benton and L. Thomas; by request of State Treasurer)

Read first time 02/22/95.

1 AN ACT Relating to payment agreements; amending RCW 39.96.010 and  
2 39.96.070; providing an effective date; and declaring an emergency.

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

4 **Sec. 1.** RCW 39.96.010 and 1993 c 273 s 1 are each amended to read  
5 as follows:

6 The legislature finds and declares that the issuance by state and  
7 local governments of bonds and other obligations, and the investment of  
8 moneys in connection with these obligations, involve exposure to  
9 changes in interest rates; that a number of financial instruments are  
10 available to lower the net cost of these borrowings, to increase the  
11 net return on these investments, or to reduce the exposure of state and  
12 local governments to changes in interest rates; that these reduced  
13 costs and increased returns for state and local governments will  
14 benefit taxpayers and ratepayers; and that the legislature desires to  
15 provide state and local governments with express statutory authority to  
16 take advantage of these instruments. In recognition of the complexity  
17 of these financial instruments, the legislature desires that this  
18 authority be subject to certain limitations, and be granted for ~~((an~~  
19 ~~initial~~)) a period of ~~((two))~~ seven years.

1       **Sec. 2.** RCW 39.96.070 and 1993 c 273 s 7 are each amended to read  
2 as follows:

3       (1) Except as provided in subsection (3) of this section, no  
4 governmental entity may enter a payment agreement under RCW 39.96.030  
5 after June 30, (~~(1995)~~) 2000.

6       (2) The termination of authority to enter payment agreements after  
7 June 30, (~~(1995)~~) 2000, shall not affect the validity of any payment  
8 agreements or other contracts entered into under RCW 39.96.030 on or  
9 before that date.

10       (3) A governmental entity may enter into a payment agreement under  
11 and in accordance with this chapter after June 30, (~~(1995)~~) 2000, to  
12 replace a payment agreement that relates to specified obligations  
13 issued on or before that date and that has terminated before the final  
14 term of those obligations.

15       (4) The state finance committee shall make a report to the  
16 appropriate legislative committees on payment agreements authorized in  
17 this chapter. The report shall include the governmental entity  
18 entering into a payment agreement, the amount of the agreement, the  
19 expected savings resulting from the agreement, the transactions cost,  
20 and any other information the state finance committee determines  
21 relevant. The report shall be submitted (~~(on November 30, 1993, and~~  
22 ~~December 30, 1994)~~) each December.

23       NEW SECTION.   **Sec. 3.** This act is necessary for the immediate  
24 preservation of the public peace, health, or safety, or support of the  
25 state government and its existing public institutions, and shall take  
26 effect July 1, 1995.

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