

SENATE BILL REPORT

ESHB 2015

As of April 16, 2019

Title: An act relating to providing funding for the Washington state library-archives building and operations of library and archives facilities.

Brief Description: Providing funding for the Washington state library-archives building and operations of library and archives facilities.

Sponsors: House Committee on Capital Budget (originally sponsored by Representatives Doglio, DeBolt, Dolan, Walsh, Blake, Springer, Tarleton and Pollet; by request of Secretary of State).

Brief History: Passed House: 4/09/19, 92-5.

Committee Activity: Ways & Means: 4/18/19.

Brief Summary of Bill

- Authorizes the Secretary of State to enter into a land lease for up to 75 years with the Port of Olympia.
- Creates the Washington State Library-Archives Building Account.
- Adds a \$2 surcharge to county recordings, to be deposited in the Library-Archives Building Account, which is authorized until the financing contract is paid in full.
- Changes the name of the Heritage Center Account to the Library Operations Account.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Sarian Scott (786-7729)

Background: Office of the Secretary of State. All archives and records management services provided by the Office of the Secretary of State (SOS) are funded exclusively by a schedule of fees. SOS costs for preserving and providing public access to local government archives and providing records management assistance to local government agencies have been funded by fees paid by state government agencies. County auditors and local government officials are authorized to collect certain fees for copying, recording, and

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searching for records. These fees are deposited into the Local Government Archives Account.

The Local Government Archives Account can be used by SOS for disaster recovery, records management, archival preservation, and records protection services. After January 1, 2002, an additional \$1 surcharge per instrument recording is deposited into the Local Government Archives Account for debt service on the Washington State Digital Archives building. When the debt obligation on the building has been satisfied, then half of the surcharge is deposited into the Centennial Document Preservation and Modernization Account, and half into the Archives and Records Management Account.

Heritage Center Account. In 2007, SOS proposed a new Heritage Center on the Capitol Campus. The project would have been funded with a certificate of participation for up to \$110 million, and the Heritage Center Account was established with a \$3 surcharge on recording fees. The fund was to be used for debt service and operation and maintenance of the Heritage Center.

In 2008, the Heritage Center Account was amended to include using excess revenues from the surcharge for use of debt service on the Heritage Center if the Heritage Center Account does not have sufficient revenue to support the required debt service. The Heritage Center project did not move forward to construction.

County Recording Fees. SOS currently collects fees from recording documents including real estate transactions, marriages, and births. The Legislature authorized a portion of these fees to be used for debt service to construct a new digital archive facility located in Eastern Washington, and use of the fees to go into the Heritage Center Account. When the debt service of the Eastern Washington archive facility has been satisfied, half of the fees shall go towards the Centennial Document Preservation and Modernization Account, and half to the Heritage Center Account in the event there is insufficient revenue to cover debt service for a new Heritage Center.

Financing Contracts. Financing contracts are used to fund lease/purchase contracts. Certificates of participation (COPs) are similar to bonds in that they are sold as securities to private investors. Unlike bonds, COP contracts are not a general obligation of the state and debt on COPs does not fall under the state debt limit. Debt service payments are subject to the availability of funds within an agency's operating budget during any given time period.

Department of Enterprise Services. The Department of Enterprise Services (DES) is responsible for operation and maintenance of buildings, and for entering into public works contracts to construct buildings for most state agencies. Leases from a private developer may not exceed 20 years, and any lease over 10 years must be approved by the Director of the Office of Financial Management.

Summary of Bill: New Library-Archives Building. SOS intends to construct a new building funded by a financing contract. This new building will be known as the Library-Archives building and will replace the existing state archives, the existing leased library location, the existing leased elections office, and the corporations and charities building on Capitol Way, in addition to consolidating other archival structures. The lease funding from

the existing locations, along with funding from the Library-Archives Building Account, will be used to pay debt service on the financing contract, and the cost of operating and maintaining the building. Monies received from gifts, grants, conveyances, bequests, and devises of real or personal property, or both may be used for development, construction, and operation of the Library-Archives building.

Public Works and Operations Responsibility. The responsibility for public works contracting for the building and its operations and maintenance is transferred from DES to SOS.

Washington State Library-Archives Building Account. The Washington State Library-Archives Building Account is created. Funds into the account include a new \$2 surcharge on recording fees deposited into it until the financing contract debt service is satisfied.

Washington State Library Operations Account. The Washington State Heritage Center Account is renamed the Washington State Library-Operations Account. Monies previously deposited into the Heritage Center Account will be deposited into the Library-Operations Account. The Library-Operations Account may be used for payments of the financing contract debt service, and maintenance of the Washington State Library-Archives building.

Long Term Land Lease. If SOS does not enter into a long-term land lease from the Port of Olympia, for a period of up to seventy-five years, by June 30, 2019, this act is null and void.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.