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REENGROSSED SUBSTITUTE HOUSE BILL 1430

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State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Capital Facilities & Financing (originally sponsored by Representative H. Sommers; by request of Governor Gardner).

Read first time April 17, 1991.

1 AN ACT Relating to state general obligation and revenue bonds and  
2 related accounts; amending RCW 28B.14D.900, 43.01.090, 46.08.172,  
3 43.99H.030, 43.99H.040, 43.99H.060, 84.52.065, and 77.12.190; adding a  
4 new chapter to Title 43 RCW; creating a new section; and declaring an  
5 emergency.

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

7 NEW SECTION. **Sec. 1.** The state finance committee is  
8 authorized to issue general obligation bonds of the state of Washington  
9 in the sum of one billion ninety-five million dollars, or so much  
10 thereof as may be required, to finance the projects described and  
11 authorized by the legislature in the capital and operating  
12 appropriations acts for the 1991-1993 fiscal biennium and subsequent  
13 fiscal biennia, and all costs incidental thereto.

14 Bonds authorized in this section shall be sold in such manner, at  
15 such time or times, in such amounts, and at such price as the state

1 finance committee shall determine. No such bonds may be offered for  
2 sale without prior legislative appropriation of the net proceeds of the  
3 sale of the bonds. The state finance committee may obtain insurance,  
4 letters of credit, or other credit enhancements and may authorize the  
5 execution and delivery of agreements, promissory notes, and other  
6 obligations for the purpose of insuring the payment or enhancing the  
7 marketability of bonds authorized in this section. Promissory notes or  
8 other obligations issued pursuant to this section shall not constitute  
9 a debt or the contracting of indebtedness under any constitutional or  
10 statutory indebtedness limitation if their payment is conditioned upon  
11 the failure of the state to pay the principal of or interest on the  
12 bonds with respect to which the same relate.

13 The state finance committee shall consider the issuance of short-  
14 term obligations in lieu of long-term obligations for the purposes of  
15 more favorable interest rates, lower total interest costs, and  
16 increased marketability and for the purpose of retiring the bonds  
17 during the life of the project for which they were issued.

18 NEW SECTION. **Sec. 2.** Bonds issued under section 1 of this act  
19 are subject to the following conditions and limitations:

20 General obligation bonds of the state of Washington in the sum of  
21 one billion ninety-five million dollars, or so much thereof as may be  
22 required, shall be issued for the purposes described and authorized by  
23 the legislature in the capital and operating appropriations acts for  
24 the 1991-93 fiscal biennium and subsequent fiscal biennia, and to  
25 provide for the administrative cost of such projects, including costs  
26 of bond issuance and retirement, salaries and related costs of  
27 officials and employees of the state, costs of insurance or credit  
28 enhancement agreements, and other expenses incidental to the  
29 administration of capital projects. Subject to such changes as may be

1 required in the appropriations acts, the proceeds from the sale of the  
2 bonds issued for the purposes of this subsection shall be deposited in  
3 the state building construction account created by RCW 43.83.020 and  
4 transferred as follows:

5 (1) Eight hundred thirty-five thousand dollars to the state higher  
6 education construction account created by RCW 28B.10.851;

7 (2) Eight hundred twenty-three million dollars to the state  
8 building construction account created by RCW 43.83.020;

9 (3) Fifteen million dollars to the energy efficiency construction  
10 account created by RCW 39.--.--- (section 11, chapter 201, Laws of  
11 1991);

12 (4) Three million fifty thousand dollars to the energy efficiency  
13 services account created by RCW 39.--.--- (section 12, chapter 201,  
14 Laws of 1991);

15 (5) One hundred twenty million dollars to the common school  
16 reimbursable construction account hereby created in the state treasury;

17 (6) Ninety-eight million six hundred forty-eight thousand dollars  
18 to the higher education reimbursable construction account hereby  
19 created in the state treasury; and

20 (7) Two million four hundred five thousand dollars to the wildlife  
21 reimbursable construction account hereby created in the state treasury.

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

27 NEW SECTION. **Sec. 3.** (1) Both principal of and interest on  
28 the bonds issued for the purposes specified in section 2 (1) through  
29 (7) of this act shall be payable from the state general obligation bond

1 retirement fund. The state finance committee may provide that a  
2 special account be created in such fund to facilitate payment of such  
3 principal and interest.

4 (2) The state finance committee shall, on or before June 30th of  
5 each year, certify to the state treasurer the amount required to  
6 provide for the payment of principal and interest on such bonds during  
7 the ensuing fiscal year in accordance with the provisions of the bond  
8 proceedings. The state treasurer shall withdraw from any general state  
9 revenues received in the state treasury and deposit in the state  
10 general obligation bond retirement fund, or a special account in such  
11 fund, such amounts and at such times as are required by the bond  
12 proceedings.

13 NEW SECTION. **Sec. 4.** (1) On each date on which any interest  
14 or principal and interest payment is due on bonds issued for the  
15 purposes of section 2(3) and (4) of this act, the state treasurer shall  
16 transfer from the energy efficiency construction account created in RCW  
17 39.--.--- (section 11, chapter 201, Laws of 1991) to the general fund  
18 of the state treasury the amount computed in section 3 of this act for  
19 the bonds issued for the purposes of section 2(3) and (4) of this act.

20 (2) On each date on which any interest or principal and interest  
21 payment is due on bonds issued for the purposes of section 2(5) of this  
22 act, the state treasurer shall transfer from property taxes in the  
23 state general fund levied for this support of the common schools under  
24 RCW 84.52.065 to the general fund of the state treasury for  
25 unrestricted use the amount computed in section 3 of this act for the  
26 bonds issued for the purposes of section 2(5) of this act.

27 (3) On each date on which any interest or principal and interest  
28 payment is due on bonds issued for the purposes of section 2(6) of this  
29 act, the state treasurer shall transfer from higher education operating

1 fees deposited in the general fund to the general fund of the state  
2 treasury for unrestricted use the amount computed in section 3 of this  
3 act for the bonds issued for the purposes of section 2(6) of this act.

4 (4) On each date on which any interest or principal and interest  
5 payment is due on bonds issued for the purposes of section 2(7) of this  
6 act, the state treasurer shall transfer from the state wildlife fund to  
7 the general fund of the state treasury the amount computed in section  
8 3 of this act for the bonds issued for the purpose of section 2(7) of  
9 this act.

10 NEW SECTION. **Sec. 5.** In addition to any other charges  
11 authorized by law and to assist in the reimbursement of principal and  
12 interest payments on bonds issued for the purposes of section 2(3) and  
13 (4) of this act, the director of the energy office shall cause to be  
14 accumulated in the energy efficiency construction account, from project  
15 revenues, loan repayments, and other moneys legally available for such  
16 purposes, amounts adequate to make payments of principal of and  
17 interest coming due on general obligation bonds issued for the purposes  
18 of section 2(3) and (4) of this act. As needed during each fiscal  
19 year, the director shall cause amounts so accumulated to be deposited  
20 into the general fund of the state treasury. If the director is unable  
21 to accumulate and transfer the full amount necessary for such payments  
22 of principal of and interest coming due on the bonds, any shortfall  
23 shall be credited to an account receivable from the energy office to  
24 the state treasury.

25 NEW SECTION. **Sec. 6.** Bonds issued under section 1 of this act  
26 shall state that they are a general obligation of the state of  
27 Washington, shall pledge the full faith and credit of the state to the  
28 payment of the principal thereof and the interest thereon, and shall

1 contain an unconditional promise to pay the principal and interest as  
2 the same shall become due.

3 The owner and holder of each of the bonds or the trustee for the  
4 owner and holder of any of the bonds may by mandamus or other  
5 appropriate proceeding require the transfer and payment of funds as  
6 directed in this section.

7 NEW SECTION. **Sec. 7.** The legislature may provide additional  
8 means for raising moneys for the payment of the principal of and  
9 interest on the bonds authorized in section 1 of this act, and sections  
10 3 and 4 of this act shall not be deemed to provide an exclusive method  
11 for the payment.

12 NEW SECTION. **Sec. 8.** The bonds authorized in section 1 of  
13 this act shall be a legal investment for all state funds or funds under  
14 state control and for all funds of any other public body.

15 **Sec. 9.** RCW 28B.14D.900 and 1985 c 390 s 9 are each amended to  
16 read as follows:

17 No provision of this chapter or chapter 43.99 RCW, or of RCW  
18 28B.20.750 through 28B.20.758 shall be deemed to repeal, override, or  
19 limit any provision of RCW 28B.10.300 through 28B.10.335, 28B.15.210,  
20 28B.15.310, ((28B.15.401-)) 28B.20.700 through 28B.20.745, 28B.30.700  
21 through 28B.30.780, or 28B.35.700 through 28B.35.790, ((or 28B.40.700  
22 through 28B.40.790-)) nor any provision or covenant of the proceedings  
23 of the board of regents or board of trustees of any state institution  
24 of higher education heretofore or hereafter taken in the issuance of  
25 its revenue bonds secured by a pledge of its building fees and/or other  
26 revenues mentioned within such statutes. The obligation of ((the))  
27 such boards to make the transfers provided for in RCW 28B.14D.070 ((and

1 ~~in~~ RCW)), 28B.14C.080(2), 28B.14C.090(2), 28B.14C.100(2),  
2 28B.14C.110(2), 28B.14C.120(2), ((and)) 28B.14C.130(2), 28B.14G.060,  
3 28B.20.757, 43.99G.070, and 43.99H.060 (1) and (4), and in any similar  
4 law heretofore or hereafter enacted shall be subject and subordinate to  
5 the lien and charge of any revenue bonds heretofore or hereafter  
6 issued((~~7~~)) by such boards on the building fees and/or other revenues  
7 pledged to secure such revenue bonds, and on the moneys in the building  
8 account or capital project account and the individual institutions of  
9 higher education bond retirement funds.

10 **Sec. 10.** RCW 43.01.090 and 1979 c 151 s 81 are each amended to  
11 read as follows:

12 The director of general administration may assess a charge or rent  
13 against each state board, commission, agency, office, department,  
14 activity, or other occupant or user for payment of a ~~((proportion))~~  
15 proportionate share of costs for occupancy of buildings, structures, or  
16 facilities including but not limited to all costs of acquiring,  
17 constructing, operating, and maintaining such buildings, structures, or  
18 facilities and the repair, remodeling, or furnishing thereof and for  
19 the rendering of any service or the furnishing or providing of any  
20 supplies, equipment, or materials.

21 The director of general administration may recover the full costs  
22 including appropriate overhead charges of the foregoing by periodic  
23 billings ~~((either quarterly or semiannually))~~ as determined by the  
24 director including but not limited to transfers upon accounts and  
25 advancements into the general administration facilities and services  
26 revolving fund. Rates shall be established by the director of general  
27 administration after consultation with the director of financial  
28 management. The director of general administration may allot, provide,  
29 or furnish any of such facilities, structures, services, equipment,

1 supplies, or materials to any other public service type occupant or  
2 user at such rates or charges as are equitable and reasonably reflect  
3 the actual costs of the services provided: PROVIDED, HOWEVER, That the  
4 legislature, its duly constituted committees, interim committees and  
5 other committees shall be exempted from the provisions of this section.  
6 (~~Billings shall be adjusted at intervals of not to exceed six months~~  
7 ~~to reflect any change in actual costs relative to whatever estimates~~  
8 ~~may have been made for budget purposes.))~~

9       Upon receipt of such bill, each entity, occupant, or user shall  
10 cause a warrant or check in the amount thereof to be drawn in favor of  
11 the department of general administration which shall be deposited in  
12 the state treasury to the credit of the general administration  
13 facilities and services revolving fund established in RCW 43.19.500  
14 unless the director of financial management has authorized another  
15 method for payment of costs.

16       NEW SECTION.   **Sec. 11.**       The director of general administration,  
17 in cooperation with the director of the office of financial management,  
18 shall develop a plan for assessing rental charges under RCW 43.01.090  
19 to occupants of all state office and support facilities. The plan  
20 shall set forth a timetable for imposing the charges, giving priority  
21 to imposing charges relating to buildings on the capitol campus. The  
22 plan shall consider the relationship of the proposed charges to the  
23 costs of acquiring, constructing, operating, maintaining, repairing,  
24 furnishing, and supplying the buildings. The plan shall include any  
25 recommendations for budget and accounting changes necessary to  
26 implement the rental charges. The plan shall be submitted to the  
27 capital facilities and financing committee of the house of  
28 representatives and the senate ways and means committee by December 1,  
29 1991.



1       **Sec. 12.** RCW 46.08.172 and 1988 ex.s. c 2 s 901 are each amended  
2 to read as follows:

3       There is hereby established an account in the state treasury to be  
4 known as the "state capitol vehicle parking account". The director of  
5 the department of general administration shall establish ~~((an))~~  
6 equitable and consistent ~~((employee))~~ parking rental fees for state-  
7 owned or leased property, ~~((effective July 1, 1988))~~ to be charged to  
8 employees, visitors, clients, service providers, and others, that  
9 reflect the legislature's intent to reduce state subsidization of  
10 parking. All fees shall take into account the market rate of  
11 comparable privately owned rental parking, as determined by the  
12 director. All unpledged parking rental income collected by the  
13 department of general administration from rental of parking space on  
14 the capitol grounds and the east capitol site shall be deposited in the  
15 "state capitol vehicle parking account". All earnings of investments  
16 of balances in the state capitol vehicle parking account shall be  
17 credited to the general fund.

18       The director may delegate the responsibility for the collection of  
19 parking fees to other agencies of state government when cost-effective.

20       The "state capitol vehicle parking account" shall be used to pay  
21 costs incurred in the operation, maintenance, regulation and  
22 enforcement of vehicle parking and parking facilities ~~((at the state~~  
23 ~~capitol))~~.

24       **Sec. 13.** RCW 43.99H.030 and 1990 1st ex.s. c 15 s 4 are each  
25 amended to read as follows:

26       Both principal of and interest on the bonds issued for the purposes  
27 specified in RCW 43.99H.020 (1) through (3), (5) through (14), and (19)  
28 shall be payable from the state general obligation bond retirement  
29 fund. The state finance committee may provide that a special account

1 be created in such fund to facilitate payment of such principal and  
2 interest.

3 The state finance committee shall, on or before June 30th of each  
4 year, certify to the state treasurer the amount required to provide for  
5 the payment of principal and interest on such bonds during the ensuing  
6 fiscal year in accordance with the provisions of the bond proceedings.  
7 The state treasurer shall withdraw from any general state revenues  
8 received in the state treasury and deposit in the state general  
9 obligation bond retirement fund, or a special account in such fund,  
10 such amounts and at such times as are required by the bond proceedings.

11 **Sec. 14.** RCW 43.99H.040 and 1990 1st ex.s. c 15 s 5 are each  
12 amended to read as follows:

13 (1) Both principal of and interest on the bonds issued for the  
14 purposes of RCW 43.99H.020(16) shall be payable from the higher  
15 education bond retirement fund of 1979. The state finance committee  
16 may provide that a special account be created in such fund to  
17 facilitate payment of such principal and interest.

18 The state finance committee shall, on or before June 30th of each  
19 year, certify to the state treasurer the amount required to provide for  
20 the payment of principal and interest on such bonds during the ensuing  
21 fiscal year in accordance with the provisions of the bond proceedings.  
22 The state treasurer shall withdraw from any general state revenues  
23 received in the state treasury and deposit in the higher education bond  
24 retirement fund of 1979, or a special account in such fund, such  
25 amounts and at such times as are required by the bond proceedings.

26 (2) Both principal of and interest on the bonds issued for the  
27 purposes of RCW 43.99H.020(15) shall be payable from the state general  
28 obligation bond retirement fund. The state finance committee may

1 provide that a special account be created in such fund to facilitate  
2 payment of such principal and interest.

3 The state finance committee shall, on or before June 30th of each  
4 year, certify to the state treasurer the amount required to provide for  
5 the payment of principal and interest on such bonds during the ensuing  
6 fiscal year in accordance with the provisions of the bond proceedings.  
7 The state treasurer shall withdraw from any general state revenues  
8 received in the state treasury and deposit in the state general  
9 obligation bond retirement fund, or a special account in such fund,  
10 such amounts and at such times as are required by the bond proceedings.

11 (3) Both principal of and interest on the bonds issued for the  
12 purposes of RCW 43.99H.020(17) shall be payable from the state general  
13 obligation bond retirement fund. The state finance committee may  
14 provide that a special account be created in such fund to facilitate  
15 payment of such principal and interest.

16 The state finance committee shall, on or before June 30th of each  
17 year, certify to the state treasurer the amount required to provide for  
18 the payment of principal and interest on such bonds during the ensuing  
19 fiscal year in accordance with the provisions of the bond proceedings.  
20 The state treasurer shall withdraw from any general state revenues  
21 received in the state treasury and deposit in the state general  
22 obligation bond retirement fund, or a special account in such fund,  
23 such amounts and at such times as are required by the bond proceedings.

24 (4) Both principal of and interest on the bonds issued for the  
25 purposes of RCW 43.99H.020(18) shall be payable from the state general  
26 obligation bond retirement fund. The state finance committee may  
27 provide that a special account be created in such fund to facilitate  
28 payment of such principal and interest.

29 The state finance committee shall, on or before June 30th of each  
30 year, certify to the state treasurer the amount required to provide for

1 the payment of principal and interest on such bonds during the ensuing  
2 fiscal year in accordance with the provisions of the bond proceedings.  
3 The state treasurer shall withdraw from any general state revenues  
4 received in the state treasury and deposit in the state general  
5 obligation bond retirement fund, or a special account in such fund,  
6 such amounts and at such times as are required by the bond proceedings.

7 (5) Both principal of and interest on the bonds issued for the  
8 purposes of RCW 43.99H.020(20) shall be payable from the state general  
9 obligation bond retirement fund. The state finance committee may  
10 provide that a special account be created in such fund to facilitate  
11 payment of such principal and interest.

12 The state finance committee shall, on or before June 30th of each  
13 year, certify to the state treasurer the amount required to provide for  
14 the payment of principal and interest on such bonds during the ensuing  
15 fiscal year in accordance with the provisions of the bond proceedings.  
16 The state treasurer shall withdraw from any general state revenues  
17 received in the state treasury and deposit in the state general  
18 obligation bond retirement fund, or a special account in such fund,  
19 such amounts and at such times as are required by the bond proceedings.

20 (6) Both principal of and interest on the bonds issued for the  
21 purposes of RCW 43.99H.020(4) shall be payable from the state general  
22 obligation bond retirement fund. The state finance committee may  
23 provide that a special account be created in such fund to facilitate  
24 payment of such principal and interest.

25 The state finance committee shall, on or before June 30th of each  
26 year, certify to the state treasurer the amount required to provide for  
27 the payment of principal and interest on such bonds during the ensuing  
28 fiscal year in accordance with the provisions of the bond proceedings.  
29 The state treasurer shall withdraw from any general state revenues  
30 received in the state treasury and deposit in the state general

1 obligation bond retirement fund, or a special account in such fund,  
2 such amounts and at such times as are required by the bond proceedings.

3 **Sec. 15.** RCW 43.99H.060 and 1990 1st ex.s. c 15 s 6 are each  
4 amended to read as follows:

5 (1) For bonds issued for the purposes of RCW 43.99H.020(16), on  
6 each date on which any interest or principal and interest payment is  
7 due, the board of regents or the board of trustees of Washington State  
8 University shall cause the amount computed in RCW 43.99H.040(1) to be  
9 paid out of the appropriate building account or capital projects  
10 account to the state treasurer for deposit into the general fund of the  
11 state treasury.

12 (2) For bonds issued for the purposes of RCW 43.99H.020(15), on  
13 each date on which any interest or principal and interest payment is  
14 due, the state treasurer shall transfer the amount computed in RCW  
15 43.99H.040(2) from the capitol campus reserve account, hereby created  
16 in the state treasury, to the general fund of the state treasury. At  
17 the time of sale of the bonds issued for the purposes of RCW  
18 43.99H.020(15), and on or before June 30th of each succeeding year  
19 while such bonds remain outstanding, the state finance committee shall  
20 determine, based on current balances and estimated receipts and  
21 expenditures from the capitol campus reserve account, that portion of  
22 principal and interest on such RCW 43.99H.020(15) bonds which will, by  
23 virtue of payments from the capitol campus reserve account, be  
24 reimbursed from sources other than "general state revenues" as that  
25 term is defined in Article VIII, section 1 of the state Constitution.  
26 The amount so determined by the state finance committee, as from time  
27 to time adjusted in accordance with this subsection, shall not  
28 constitute indebtedness for purposes of the limitations set forth in  
29 RCW 39.42.060.

1 (3) For bonds issued for the purposes of RCW 43.99H.020(17), on  
2 each date on which any interest or principal and interest payment is  
3 due, the director of the department of labor and industries shall cause  
4 fifty percent of the amount computed in RCW 43.99H.040(3) to be  
5 transferred from the accident fund created in RCW 51.44.010 and fifty  
6 percent of the amount computed in RCW 43.99H.040(3) to be transferred  
7 from the medical aid fund created in RCW 51.44.020, to the general fund  
8 of the state treasury.

9 (4) For bonds issued for the purposes of RCW 43.99H.020(18), on  
10 each date on which any interest or principal and interest payment is  
11 due, the board of regents of the University of Washington shall cause  
12 the amount computed in RCW 43.99H.040(4) to be paid out of ((the))  
13 University of Washington ((~~building account~~)) nonappropriated local  
14 funds to the state treasurer for deposit into the general fund of the  
15 state treasury.

16 (5) For bonds issued for the purposes of RCW 43.99H.020(20), on  
17 each date on which any interest or principal and interest payment is  
18 due, the state treasurer shall transfer the amount computed in RCW  
19 43.99H.040(5) from the public safety and education account created in  
20 RCW 43.08.250 to the general fund of the state treasury.

21 (6) For bonds issued for the purposes of RCW 43.99H.020(4), on each  
22 date on which any interest or principal and interest payment is due,  
23 the state treasurer shall transfer from property taxes in the state  
24 general fund levied for the support of the common schools under RCW  
25 84.52.065 to the general fund of the state treasury for unrestricted  
26 use the amount computed in RCW 43.99H.040(6).

27 **Sec. 16.** RCW 84.52.065 and 1979 ex.s. c 218 s 1 are each amended  
28 to read as follows:

1 Subject to the limitations in RCW 84.55.010, in each year the state  
2 shall levy for collection in the following year for the support of  
3 common schools of the state a tax of three dollars and sixty cents per  
4 thousand dollars of assessed value upon the assessed valuation of all  
5 taxable property within the state adjusted to the state equalized value  
6 in accordance with the indicated ratio fixed by the state department of  
7 revenue.

8 As used in this section, "the support of common schools" includes  
9 the payment of the principal and interest on bonds issued for capital  
10 construction projects for the common schools.

11 **Sec. 17.** RCW 77.12.190 and 1987 c 506 s 27 are each amended to  
12 read as follows:

13 Moneys in the state wildlife fund may be used only for the purposes  
14 of this title, including the payment of principal and interest on bonds  
15 issued for capital projects.

16 NEW SECTION. **Sec. 18.** If any provision of this act or its  
17 application to any person or circumstance is held invalid, the  
18 remainder of the act or the application of the provision to other  
19 persons or circumstances is not affected.

20 NEW SECTION. **Sec. 19.** Sections 1 through 8 of this act shall  
21 constitute a new chapter in Title 43 RCW.

22 NEW SECTION. **Sec. 20.** 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 shall take  
25 effect immediately.