

SENATE BILL 5324

State of Washington

52nd Legislature

1991 Regular Session

By Senators Bluechel, McDonald, Wojahn, Bauer, Conner, Williams, McMullen and Gaspard; by request of Governor Gardner.

Read first time January 28, 1991. Referred to Committee on Ways & Means.

1 AN ACT Relating to evidences of indebtedness; reenacting and
2 amending RCW 39.42.060; and adding a new section to chapter 39.42 RCW.

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

4 **Sec. 1.** RCW 39.42.060 and 1989 1st ex.s. c 14 s 17 and 1989 c 356
5 s 7 are each reenacted and amended to read as follows:

6 No bonds, notes, or other evidences of indebtedness for borrowed
7 money shall be issued by the state which will cause the aggregate debt
8 contracted by the state to exceed that amount for which payments of
9 principal and interest in any fiscal year would require the state to
10 expend more than (~~seven~~) eight percent of the arithmetic mean of its
11 general state revenues, as defined in section 1(c) of Article VIII of
12 the Washington state Constitution for the three immediately preceding
13 fiscal years as certified by the treasurer in accordance with RCW
14 39.42.070. It shall be the duty of the state finance committee to
15 compute annually the amount required to pay principal of and interest

1 on outstanding debt. In making such computation, the state finance
2 committee shall include all borrowed money represented by bonds, notes,
3 or other evidences of indebtedness which are secured by the full faith
4 and credit of the state or are required to be paid, directly or
5 indirectly, from general state revenues and which are incurred by the
6 state, any department, authority, public corporation or quasi public
7 corporation of the state, any state university or college, or any other
8 public agency created by the state but not by counties, cities, towns,
9 school districts, or other municipal corporations, and shall include
10 debt incurred pursuant to section 3 of Article VIII of the Washington
11 state Constitution, but shall exclude the following:

12 (1) Obligations for the payment of current expenses of state
13 government;

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

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

16 (4) Any indebtedness which has been refunded;

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

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

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

27 (7) Any agreement, promissory note, or other instrument entered
28 into by the state finance committee under RCW 39.42.030 in connection
29 with its acquisition of bond insurance, letters of credit, or other
30 credit support instruments for the purpose of guaranteeing the payment

1 or enhancing the marketability, or both, of any state bonds, notes, or
2 other evidence of indebtedness.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 39.42 RCW
4 to read as follows:

5 Of the additional debt capacity created by raising the debt limit
6 from seven to eight percent in section 1 of this act, one billion
7 dollars is reserved over the next ten years exclusively for the
8 following uses:

9 (1) Two hundred fifty million dollars to the state board of
10 education for common school construction and repair;

11 (2) Two hundred fifty million dollars for low and moderate-income
12 housing, including one hundred seventy million dollars for the housing
13 trust fund, forty million dollars for low-income weatherization, and
14 forty million dollars for affordable housing;

15 (3) Two hundred fifty million dollars for preserving open space and
16 purchasing recreational and wildlife lands;

17 (4) Two hundred fifty million dollars for higher education, of
18 which one hundred seventy-five million dollars is reserved for four-
19 year institutions and seventy-five million dollars is reserved for
20 community colleges.