
SUBSTITUTE HOUSE BILL 1591

State of Washington

53rd Legislature

1993 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Sommers and Wang)

Read first time 03/08/93.

1 AN ACT Relating to evidences of indebtedness; reenacting and
2 amending RCW 39.42.060; providing an effective date; and declaring an
3 emergency.

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

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

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

16 It shall be the duty of the state finance committee to compute
17 annually the amount required to pay principal of and interest on
18 outstanding debt. In making such computation, the state finance
19 committee shall include all borrowed money represented by bonds, notes,

1 or other evidences of indebtedness which are secured by the full faith
2 and credit of the state or are required to be paid, directly or
3 indirectly, from general state revenues and which are incurred by the
4 state, any department, authority, public corporation or quasi public
5 corporation of the state, any state university or college, or any other
6 public agency created by the state but not by counties, cities, towns,
7 school districts, or other municipal corporations, and shall include
8 debt incurred pursuant to section 3 of Article VIII of the Washington
9 state Constitution, but shall exclude the following:

10 (1) Obligations for the payment of current expenses of state
11 government;

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

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

14 (4) Any indebtedness which has been refunded;

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

16 (6) Indebtedness incurred prior to the effective date of this act
17 pursuant to statute (~~heretofore or hereafter enacted~~) which requires
18 that the state treasury be reimbursed, in the amount of the principal
19 of and the interest on such indebtedness, from money other than general
20 state revenues or from the special excise tax imposed pursuant to
21 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) Any agreement, promissory note, or other instrument entered
27 into by the state finance committee under RCW 39.42.030 in connection
28 with its acquisition of bond insurance, letters of credit, or other
29 credit support instruments for the purpose of guaranteeing the payment
30 or enhancing the marketability, or both, of any state bonds, notes, or
31 other evidence of indebtedness.

32 To the extent necessary because of the constitutional or statutory
33 debt limitation, priorities with respect to the issuance or
34 guaranteeing of bonds, notes, or other evidences of indebtedness by the
35 state shall be determined by the state finance committee.

36 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
37 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect June 30, 1993.

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