
SECOND ENGROSSED SENATE BILL 5719

State of Washington

53rd Legislature

1993 Regular Session

By Senators Rinehart, Bluechel and Snyder; by request of Office of
Financial Management

Read first time 02/10/93. Referred to Committee on Ways & Means.

1 AN ACT Relating to general obligation bonds; amending RCW
2 67.40.045; and adding a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
5 finance the projects described and authorized by the legislature in the
6 capital and operating appropriations acts for the 1993-95 fiscal
7 biennium, and all costs incidental thereto, the state finance committee
8 is authorized to issue general obligation bonds of the state of
9 Washington in the sum of nine hundred twenty-six million seven hundred
10 thirty-seven thousand dollars, or so much thereof as may be required,
11 to finance these projects and all costs incidental thereto. Bonds
12 authorized in this section may be sold at such price as the state
13 finance committee shall determine. No bonds authorized in this section
14 may be offered for sale without prior legislative appropriation of the
15 net proceeds of the sale of the bonds.

16 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds
17 authorized in section 1 of this act shall be deposited in the state

1 building construction account created by RCW 43.83.020. The proceeds
2 shall be transferred as follows:

3 (1) Nine hundred three million dollars to remain in the state
4 building construction account created by RCW 43.83.020; and

5 (2) One million five hundred thousand dollars to the fruit
6 commission facility account.

7 These proceeds shall be used exclusively for the purposes specified
8 in this section, and for the payment of expenses incurred in the
9 issuance and sale of the bonds issued for the purposes of this section,
10 and shall be administered by the office of financial management subject
11 to legislative appropriation.

12 NEW SECTION. **Sec. 3.** (1) The state general obligation bond
13 retirement fund shall be used for the payment of the principal of and
14 interest on the bonds authorized in section 2 of this act.

15 (2) The state finance committee shall, on or before June 30th of
16 each year, certify to the state treasurer the amount needed in the
17 ensuing twelve months to meet the bond retirement and interest
18 requirements. On the date on which any interest or principal and
19 interest payment is due, the state treasurer shall withdraw from any
20 general state revenues received in the state treasury and deposit in
21 the general obligation bond retirement fund an amount equal to the
22 amount certified by the state finance committee to be due on the
23 payment date.

24 (3) Bonds issued under section 1 of this act shall state that they
25 are a general obligation of the state of Washington, shall pledge the
26 full faith and credit of the state to the payment of the principal
27 thereof and the interest thereon, and shall contain an unconditional
28 promise to pay the principal and interest as the same shall become due.

29 (4) The owner and holder of each of the bonds or the trustee for
30 the owner and holder of any of the bonds may by mandamus or other
31 appropriate proceeding require the transfer and payment of funds as
32 directed in this section.

33 NEW SECTION. **Sec. 4.** On each date on which any interest or
34 principal and interest payment is due for the purposes of section 2(2)
35 of this act, the Washington state fruit commission shall cause the
36 amount computed by the state finance committee in section 3 of this act
37 for the purposes of section 2(2) of this act to be paid out of the

1 commission's general operating fund to the state treasurer for deposit
2 into the general fund of the state treasury.

3 NEW SECTION. **Sec. 5.** The bonds authorized in section 2(2) of this
4 act may be issued only after the director of financial management has:
5 (1) Certified that, based on the future income from assessments levied
6 under this chapter and other revenues collected by the commission, an
7 adequate balance will be maintained in the commission's general
8 operating fund to pay the interest or principal and interest payments
9 due under section 4 of this act for the life of the bonds; and (2)
10 approved the plans for facility.

11 NEW SECTION. **Sec. 6.** The fruit commission facility account is
12 created in the state treasury. Moneys in the account may be spent only
13 after appropriation.

14 NEW SECTION. **Sec. 7.** The legislature may provide additional means
15 for raising moneys for the payment of the principal of and interest on
16 the bonds authorized in section 1 of this act, and section 3 of this
17 act shall not be deemed to provide an exclusive method for the payment.

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

21 **Sec. 9.** RCW 67.40.045 and 1992 c 4 s 1 are each amended to read as
22 follows:

23 (1) The director of financial management, in consultation with the
24 chairpersons of the ways and means committees of the senate and house
25 of representatives, may authorize temporary borrowing from the state
26 treasury for the purpose of covering cash deficiencies in the state
27 convention and trade center account resulting from project completion
28 costs. Subject to the conditions and limitations provided in this
29 section, lines of credit may be authorized at times and in amounts as
30 the director of financial management determines are advisable to meet
31 current and/or anticipated cash deficiencies. Each authorization shall
32 distinctly specify the maximum amount of cash deficiency which may be
33 incurred and the maximum time period during which the cash deficiency

1 may continue. The total amount of borrowing outstanding at any time
2 shall never exceed the lesser of:

3 (a) \$58,275,000; or

4 (b) An amount, as determined by the director of financial
5 management from time to time, which is necessary to provide for payment
6 of project completion costs.

7 (2) Unless the due date under this subsection is extended by
8 statute, all amounts borrowed under the authority of this section shall
9 be repaid to the state treasury by June 30, (~~(1995)~~) 1997, together
10 with interest at a rate determined by the state treasurer to be
11 equivalent to the return on investments of the state treasury during
12 the period the amounts are borrowed. Borrowing may be authorized from
13 any excess balances in the state treasury, except the agricultural
14 permanent fund, the Millersylvania park permanent fund, the state
15 university permanent fund, the normal school permanent fund, the
16 permanent common school fund, and the scientific permanent fund.

17 (3) As used in this section, "project completion" means:

18 (a) All remaining development, construction, and administrative
19 costs related to completion of the convention center; and

20 (b) Costs of the McKay building demolition, Eagles building
21 rehabilitation, development of low-income housing, and construction of
22 rentable retail space and an operable parking garage.

23 (4) It is the intent of the legislature that project completion
24 costs be paid ultimately from the following sources:

25 (a) \$29,250,000 to be received by the corporation under an
26 agreement and settlement with Industrial Indemnity Co.;

27 (b) \$1,070,000 to be received by the corporation as a contribution
28 from the city of Seattle;

29 (c) \$20,000,000 from additional general obligation bonds to be
30 repaid from the special excise tax under RCW 67.40.090;

31 (d) \$4,765,000 for contingencies and project reserves from
32 additional general obligation bonds to be repaid from the special
33 excise tax under RCW 67.40.090;

34 (e) \$13,000,000 for conversion of various retail and other space to
35 meeting rooms, from additional general obligation bonds to be repaid
36 from the special excise tax under RCW 67.40.090;

37 (f) \$13,300,000 for expansion at the 900 level of the facility,
38 from additional general obligation bonds to be repaid from the special
39 excise tax under RCW 67.40.090;

1 (g) \$10,400,000 for purchase of the land and building known as the
2 McKay Parcel, for development of low-income housing, for development,
3 construction, and administrative costs related to completion of the
4 state convention and trade center, including settlement costs related
5 to construction litigation, and for partially refunding obligations
6 under the parking garage revenue note issued by the corporation to
7 Industrial Indemnity Company in connection with the agreement and
8 settlement identified in (a) of this subsection, from additional
9 general obligation bonds to be repaid from the special excise tax under
10 RCW 67.40.090. All proceeds from any sale of the McKay parcel shall be
11 deposited in the state convention and trade center account and shall
12 not be expended without appropriation by law;

13 (h) \$300,000 for Eagles building exterior cleanup and repair, from
14 additional general obligation bonds to be repaid from the special
15 excise tax under RCW 67.40.090; and

16 (i) The proceeds of the sale of any properties owned by the state
17 convention and trade center that are not planned for use for state
18 convention and trade center operations, with the proceeds to be used
19 for development, construction, and administrative costs related to
20 completion of the state convention and trade center, including
21 settlement costs related to construction litigation.

22 (5) The borrowing authority provided in this section is in addition
23 to the authority to borrow from the general fund to meet the bond
24 retirement and interest requirements set forth in RCW 67.40.060. To
25 the extent the specific conditions and limitations provided in this
26 section conflict with the general conditions and limitations provided
27 for temporary cash deficiencies in RCW 43.88.260 (section 7, chapter
28 502, Laws of 1987), the specific conditions and limitations in this
29 section shall govern.

30 NEW SECTION. **Sec. 10.** If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

34 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act shall
35 constitute a new chapter in Title 43 RCW.

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