

SB 5384 - H COMM AMD

By Committee on Capital Budget

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature hereby recognizes that the
4 University of Washington and Washington State University will require
5 additional methods of funding to meet the universities' educational and
6 research missions and remain competitive in a challenging environment.
7 State appropriations are sufficient to meet only a portion of these
8 research universities' funding requirements. The state authorizes the
9 universities to collect student tuition, services and activities fees,
10 building fees, and technology fees, subject to statutory limits. In
11 addition, the universities generate revenue from other sources such as
12 grants, contracts, other fees, sales and services, and investment
13 income. The legislature finds that the research universities are able
14 to leverage these local nonstate-appropriated funds to enhance
15 university facilities and services for the benefit of students,
16 faculty, and the larger community. The legislature intends that the
17 research universities be permitted to borrow and incur obligations for
18 any university purpose, so long as repayment is limited to local
19 nonappropriated university funds and so long as the state's credit or
20 general state revenues are not obligated or used for repayment. To
21 permit the University of Washington to refinance the real and personal
22 property acquired between August and October 2006 before the end of the
23 fiscal biennium, sections of chapter . . . , Laws of 2007 (this act)
24 necessary to accomplish this limited purpose are made effective before
25 the end of the biennium.

26 NEW SECTION. **Sec. 2.** The board of regents of the University of
27 Washington and Washington State University may issue bonds, notes, or
28 other evidences of indebtedness for any university purpose. The board
29 of regents of the University of Washington and Washington State

1 University may obligate all or a component of the fees and revenues of
2 the university for the payment of such bonds, notes, or evidences of
3 indebtedness: PROVIDED, That such fees and revenues are not subject to
4 appropriation by the legislature and do not constitute general state
5 revenues as defined in Article VIII, section 1 of the state
6 Constitution or general state revenues for the purpose of calculating
7 statutory limits on state indebtedness pursuant to RCW 39.42.060. Such
8 bonds, notes, and other indebtedness shall not constitute bonds, notes,
9 or other evidences of indebtedness secured by the full faith and credit
10 of the state or required to be paid, directly or indirectly, from
11 general state revenues for the purposes of RCW 39.42.060. Bonds,
12 notes, or other evidences of indebtedness issued under this chapter
13 shall be issued in accordance with the procedures in RCW 28B.10.310 and
14 28B.10.315 or the provisions applicable to either the state or local
15 governments under chapter 39.46 or 39.53 RCW.

16 NEW SECTION. **Sec. 3.** The University of Washington and Washington
17 State University must report annually to the ways and means committee
18 of the senate, the capital budget committee of the house of
19 representatives, and the office of the state treasurer on any bonds,
20 notes, and other evidences of indebtedness issued under this chapter as
21 a part of a public securities offering. The report shall include a
22 summary of the total outstanding debt of the university, a summary of
23 any public securities offerings issued that year by purpose, including
24 rating information from at least one nationally recognized credit
25 rating agency, issuance costs, interest rate information, sources of
26 repayment, and a copy of the annual bondholder report filed by the
27 University of Washington and Washington State University in accordance
28 with Rule 15c2-12 of the securities and exchange commission.

29 NEW SECTION. **Sec. 4.** The board of regents of the University of
30 Washington may issue bonds, notes, or other evidences of indebtedness
31 under this section for the purpose of refinancing real and personal
32 property acquired by the University of Washington during the period
33 between August and October 2006. The board of regents of the
34 University of Washington may obligate all or a component of the fees
35 and revenues of the university for the payment of such bonds, notes, or
36 evidences of indebtedness: PROVIDED, That such fees and revenues are

1 not subject to appropriation by the legislature and do not constitute
2 general state revenues as defined in Article VIII, section 1 of the
3 state Constitution or general state revenues for the purpose of
4 calculating statutory limits on state indebtedness pursuant to RCW
5 39.42.060. Bonds, notes, or other evidences of indebtedness issued
6 under this section shall be issued in accordance with the procedures in
7 RCW 28B.10.310 and 28B.10.315 or the provisions applicable to either
8 the state or local governments under chapter 39.46 or 39.53 RCW. Such
9 bonds, notes, and other indebtedness shall not constitute bonds, notes,
10 or other evidences of indebtedness secured by the full faith and credit
11 of the state or required to be paid, directly or indirectly, from
12 general state revenues for the purposes of RCW 39.42.060.

13 NEW SECTION. **Sec. 5.** The authority granted by this chapter is in
14 addition and supplemental to any previously granted or future authority
15 granted to the University of Washington or Washington State University
16 and shall not be construed to limit the existing or future powers or
17 authority of these universities, including without limitation the
18 authority to issue bonds, notes, and other evidences of indebtedness
19 pursuant to RCW 28B.10.300 through 28B.10.330, 28B.20.145, or
20 28B.20.395 through 28B.20.398, or chapter 28B.140 RCW, or to
21 participate in state reimbursable bond, certificate of participation,
22 or other state debt programs.

23 NEW SECTION. **Sec. 6.** Section 4 of this act is necessary for the
24 immediate preservation of the public peace, health, or safety, or
25 support of the state government and its existing public institutions,
26 and takes effect May 1, 2007.

27 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act constitute
28 a new chapter in Title 28B RCW."

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