(15) Other factors as determined by the department.

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CHAPTER 14
[Substitute House Bill No. 1484]
GENERAL OBLIGATION BONDS—AUTHORIZATION TO ISSUE

AN ACT Relating to state general obligation bonds and related accounts; amending RCW 43.83A.020, 43.99E.015, 43.99F.020, 43.99G.020, 43.99G.102, 75.48.020, 39.42.030, 39.42.060, 43.99G.030, 43.99G.040, 43.99G.050, 43.99G.070, 43.99G.104, and 43.99G.112; adding a new section to chapter 43.88 RCW; adding a new chapter to Title 43 RCW; repealing RCW 43.99G.106 and 43.99G.110; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of one billion two hundred twenty-seven million dollars, or so much thereof as may be required, to finance the projects described and authorized by the legislature in the capital and operating appropriations acts for the 1989-1991 fiscal biennium and subsequent fiscal biennia, and all costs incidental thereto, and to provide for reimbursement of bond-funded accounts from the 1987-1989 fiscal biennium.

Bonds authorized in this section shall be sold in such manner, at such time or times, in such amounts, and at such price as the state finance committee shall determine. No such bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds. The state finance committee may obtain insurance, letters of credit, or other credit enhancements and may authorize the execution and delivery of agreements, promissory notes, and other obligations for the purpose of insuring the payment or enhancing the marketability of bonds authorized in this section. Promissory notes or other obligations issued pursuant to this section shall not constitute a debt or the contracting of indebtedness under any constitutional or statutory indebtedness limitation if their payment is conditioned upon the failure of the state to pay the principal of or interest on the bonds with respect to which the same relate.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.
NEW SECTION. Sec. 2. Bonds issued under section 1 of this act are subject to the following conditions and limitations:

General obligation bonds of the state of Washington in the sum of one billion two hundred twenty-seven million dollars, or so much thereof as may be required, shall be issued for the purposes described and authorized by the legislature in the capital and operating appropriations acts for the 1989-91 fiscal biennium and subsequent fiscal biennia, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects, and to provide for reimbursement of bond-funded accounts from the 1987-89 fiscal biennium. Subject to such changes as may be required in the appropriations acts, the proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the state building construction account created by RCW 43.83.020 and transferred as follows:

(1) Thirty million dollars to the state and local improvements revolving account—waste disposal facilities, created by RCW 43.83A.030, to be used for the purposes described in RCW 43.83A.020;

(2) Five million three hundred thousand dollars to the salmon enhancement construction account created by RCW 75.48.030;

(3) One hundred twenty million dollars to the state and local improvements revolving account—waste disposal facilities, 1980 created by RCW 43.99F.030, to be used for the purposes described in RCW 43.99F.020;

(4) Forty million dollars to the common school construction account as referenced in RCW 28A.40.100;

(5) Three million two hundred thousand dollars to the state higher education construction account created by RCW 28B.10.851;

(6) Six hundred seventy-four million dollars to the state building construction account created by RCW 43.83.020;

(7) Nine hundred fifty thousand dollars to the higher education reimbursable short-term bond account created by RCW 43.99G.020(6);

(8) Three million two hundred thirty thousand dollars to the outdoor recreation account created by RCW 43.99.060;

(9) Sixty million dollars to the state and local improvements revolving account—water supply facilities, created by RCW 43.83B.030 to be used for the purposes described in chapter 43.99E RCW;

(10) Seven million dollars to the state social and health services construction account created by RCW 43.83H.030;

(11) Two hundred fifty thousand dollars to the fisheries capital projects account created by RCW 43.83I.166;

(12) Four million nine hundred thousand dollars to the state facilities renewal account created by RCW 43.99G.020(5);
Two million three hundred thousand dollars to the essential rail assistance account created by RCW 47.76.030;

One million one hundred thousand dollars to the essential rail bank account hereby created in the state treasury;

Seventy-three million dollars to the east capitol campus construction account hereby created in the state treasury;

Eight million dollars to the higher education construction account created in RCW 28B.14D.040;

Sixty-three million two hundred thousand dollars to the labor and industries construction account hereby created in the state treasury; and

Seventy-five million dollars to the University of Washington building account created by RCW 43.79.080.

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

Bonds authorized for the purposes of subsection (17) of this section shall be issued only after the director of the department of labor and industries has certified, based on reasonable estimates, that sufficient revenues will be available from the accident fund created in RCW 51.44.010 and the medical aid fund created in RCW 51.44.020 to meet the requirements of section 6(4) of this act during the life of the bonds.

Bonds authorized for the purposes of subsection (18) of this section shall be issued only after the board of regents of the University of Washington has certified, based on reasonable estimates, that sufficient revenues will be available from nonappropriated local funds to meet the requirements of section 6(4) of this act during the life of the bonds.

NEW SECTION. Sec. 3. Both principal of and interest on the bonds issued for the purposes specified in section 2(1) through (14) of this act shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

NEW SECTION. Sec. 4. (1) Both principal of and interest on the bonds issued for the purposes of section 2(16) of this act shall be payable from the higher education bond retirement fund of 1979. The state finance
committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

(2) Both principal of and interest on the bonds issued for the purposes of section 2(15) of this act shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

(3) Both principal of and interest on the bonds issued for the purposes of section 2(17) of this act shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

(4) Both principal of and interest on the bonds issued for the purposes of section 2(18) of this act shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

NEW SECTION. Sec. 5. Bonds issued under section 1 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

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

NEW SECTION. Sec. 6. (1) For bonds issued for the purposes of section 2(16) of this act, on each date on which any interest or principal and interest payment is due, the board of regents or the board of trustees of Washington State University shall cause the amount computed in section 4(1) of this act to be paid out of the appropriate building account or capital projects account to the state treasurer for deposit into the general fund of the state treasury.

(2) For bonds issued for the purposes of section 2(15) of this act, on each date on which any interest or principal and interest payment is due, the state treasurer shall transfer the amount computed in section 4(2) of this act from the capitol campus reserve account, hereby created in the state treasury, to the general fund of the state treasury. At the time of sale of the bonds issued for the purposes of section 2(15) of this act, and on or before June 30th of each succeeding year while such bonds remain outstanding, the state finance committee shall determine, based on current balances and estimated receipts and expenditures from the capitol campus reserve account, that portion of principal and interest on such section 2(15) bonds which will, by virtue of payments from the capitol campus reserve account, be reimbursed from sources other than "general state revenues" as that term is defined in Article VIII, section 1 of the state Constitution. The amount so determined by the state finance committee, as from time to time adjusted in accordance with this subsection, shall not constitute indebtedness for purposes of the limitations set forth in RCW 39.42.060.

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

(4) For bonds issued for the purposes of section 2(18) of this act, on each date on which any interest or principal and interest payment is due, the board of regents of the University of Washington shall cause the amount computed in section 4(4) of this act to be paid out of the University of Washington building account to the state treasurer for deposit into the general fund of the state treasury.

NEW SECTION. Sec. 7. In addition to any other charges authorized by law and to assist in the reimbursement of principal and interest payments on bonds issued for the purposes of section 2(15) of this act, the following revenues may be collected:

(1) The director of general administration may assess a charge against each state board, commission, agency, office, department, activity, or other occupant of the facility or building constructed with bonds issued for the purposes of section 2(15) of this act for payment of a proportion of costs for each square foot of floor space assigned to or occupied by the entity. Payment of the amount billed to the entity for such occupancy shall be made quarterly during each fiscal year. The director of general administration shall deposit the payment in the capitol campus reserve account.

(2) The director of general administration may pledge a portion of the parking rental income collected by the department of general administration from parking space developed as a part of the facility constructed with bonds issued for the purposes of section 2(15) of this act. The pledged portion of this income shall be deposited in the capitol campus reserve account. The unpledged portion of this income shall continue to be deposited in the state capitol vehicle parking account.

(3) The state treasurer shall transfer four million dollars from the capitol building construction account to the capitol campus reserve account each fiscal year from 1990 to 1995. Beginning in fiscal year 1996, the director of general administration, in consultation with the state finance committee, shall determine the necessary amount for the state treasurer to transfer from the capitol building construction account to the capitol campus reserve account for the purpose of repayment of the general fund of the costs of the bonds issued for the purposes of section 2(15) of this act.

(4) Any remaining balance in the state building and parking bond redemption account after the final debt service payment shall be transferred to the capitol campus reserve account.

NEW SECTION. Sec. 8. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 3 and 4 of this act shall not be deemed to provide an exclusive method for the payment.
NEW SECTION. Sec. 9. The bonds authorized in section 1 of this act shall be a legal investment for all state funds or funds under state control and for all funds of any other public body.

Sec. 10. Section 2, chapter 127, Laws of 1972 ex. sess. as amended by section 1, chapter 242, Laws of 1977 ex. sess. and RCW 43.83A.020 are each amended to read as follows:

For the purpose of providing funds for the planning, acquisition, construction, and improvement of public waste disposal facilities in this state, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of ((two)) one hundred ((twenty-five)) ninety-five million dollars or so much thereof as may be required to finance the improvements defined in this chapter and all costs incidental thereto. As used in this section the phrase "public waste disposal facilities" shall not include the acquisition of equipment used to collect, carry, and transport garbage. These bonds shall be paid and discharged within twenty years of the date of issuance or within thirty years should Article VIII of the Constitution of the state of Washington be amended to permit such longer term. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation of the proceeds of such bonds to be sold.

Sec. 11. Section 2, chapter 234, Laws of 1979 ex. sess. and RCW 43-.99E.015 are each amended to read as follows:

For the purpose of providing funds for the planning, acquisition, construction, and improvement of water supply facilities within the state, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of ((one hundred twenty-five)) sixty-five million dollars, or so much thereof as may be required, to finance the improvements defined in this chapter and all costs incidental thereto. These bonds shall be paid and discharged within thirty years of the date of issuance in accordance with Article VIII, section 1 of the state Constitution. No bonds authorized by this chapter may be offered for sale without prior legislative appropriation of the proceeds of the bonds to be sold.

Sec. 12. Section 2, chapter 159, Laws of 1980 as amended by section 2, chapter 436, Laws of 1987 and RCW 43.99F.020 are each amended to read as follows:

For the purpose of providing funds to public bodies for the planning, design, acquisition, construction, and improvement of public waste disposal and management facilities, or for purposes of assisting a public body to obtain an ownership interest in waste disposal and management facilities and/or to defray a part of the payments made by a public body to a service provider under a service agreement entered into pursuant to RCW 70.150-.060, in this state, the state finance committee is authorized to issue((, at any time prior to January 1, 1990;)) general obligation bonds of the state of
Washington in the sum of ((four)) three hundred ((fifty)) thirty million dollars, or so much thereof as may be required, to finance the improvements defined in this chapter and all costs incidental thereto. The department may not use or permit the use of any funds derived from the sale of bonds authorized by this chapter for: (1) the support of a solid waste recycling activity or service in a locale if the department determines that the activity or service is reasonably available to persons within that locale from private enterprise; or (2) the construction of municipal wastewater facilities unless said facilities have been approved by a general purpose unit of local government in accordance with chapter 36.94 RCW, chapter 35.67 RCW, or RCW 56-.08.020. These bonds shall be paid and discharged within thirty years of the date of issuance. No bonds authorized by this chapter shall be offered for sale without prior legislative appropriation of the proceeds of the bonds to be sold.

Sec. 13. Section 2, chapter 4, Laws of 1985 ex. sess. as last amended by section 22, chapter 36, Laws of 1988 and RCW 43.99G.020 are each amended to read as follows:

Bonds issued under RCW 43.99G.010 are subject to the following conditions and limitations:

(1) General obligation bonds of the state of Washington in the sum of thirty-eight million fifty-four thousand dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for grants and loans to local governments and subdivisions of the state for capital projects through the community economic revitalization board and for the department of general administration, military department, parks and recreation commission, and department of corrections to acquire real property and perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, lands, and waters, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the state building construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by the department of general administration, subject to legislative appropriation.

(2) General obligation bonds of the state of Washington in the sum of four million six hundred thirty-five thousand dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the planning, design, acquisition, construction, and improvement of a
Washington state agricultural trade center, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the state building construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered as provided in the capital budget acts, subject to legislative appropriation.

(3) General obligation bonds of the state of Washington in the sum of $(thirty-eight) twenty-five million (seven-hundred-sixty-two thousand) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the department of social and health services and the department of corrections to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, and grounds, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the social and health services construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by the department of social and health services, subject to legislative appropriation.

(4) General obligation bonds of the state of Washington in the sum of three million two hundred thirty thousand dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the department of ecology, parks and recreation commission, department of fisheries, department of wildlife, and the department of natural resources to acquire real property and perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, lands, and waters, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the outdoor recreation account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued.
for the purposes of this subsection, and shall be administered by the interagency committee for outdoor recreation, subject to legislative appropriation:

(5) General obligation bonds of the state of Washington in the sum of ((three)) one million ((three hundred fifty-nine thousand)) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the department of fisheries to acquire real property and perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, lands, and waters, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the fisheries capital projects account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by the department of fisheries, subject to legislative appropriation.

(6) General obligation bonds of the state of Washington in the sum of ((fifty-nine)) fifty-three million ((six hundred thirty thousand)) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for state agencies and the institutions of higher education, including the community colleges, to perform capital renewal projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, lands, and waters, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the state facilities renewal account hereby created in the state treasury, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered as provided in the capital budget acts, subject to legislative appropriation.

(7) General obligation bonds of the state of Washington in the sum of ((twenty-three)) twenty-two million ((six hundred forty-three thousand)) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the University of Washington and the state community colleges to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, improving, furnishing, and equipping of state buildings, structures, utilities, roads,
grounds, and lands, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the higher education reimbursable short-term bond account hereby created in the state treasury, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by the University of Washington, subject to legislative appropriation.

(((8))) (7) General obligation bonds of the state of Washington in the sum of ((thirty-three)) twenty-eight million ((nine hundred twenty-eight thousand)) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the institutions of higher education to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, and lands, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the higher education construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection, and shall be administered by Washington State University, subject to legislative appropriation.

(((9))) (8) General obligation bonds of the state of Washington in the sum of ((eighty)) seventy-five million ((six hundred ten thousand)) dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for the institutions of higher education, including facilities for the community college system, to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds, and lands, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection, together with all grants, donations, transferred funds, and all other moneys which the state finance committee may direct the state treasurer to deposit therein, shall be deposited in the state higher education construction account in the state treasury and shall be used exclusively for
the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this subsection.

Sec. 14. Section 2, chapter 3, Laws of 1987 1st ex. sess. and RCW 43-99G.102 are each amended to read as follows:

Bonds issued under RCW 43.99G.100 are subject to the following conditions and limitations:

(((M-)) General obligation bonds of the state of Washington in the sum of four hundred four million four hundred thousand dollars, or so much thereof as may be required, shall be issued for the purposes described and authorized by the legislature in the capital and operating appropriations acts for the 1987–1989 fiscal biennium and subsequent fiscal biennia, and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements, and other expenses incidental to the administration of capital projects. Subject to such changes as may be required in the appropriations acts, the proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited as follows:

(a) Thirty million dollars in the common school construction fund created in RCW 28A.40.101;

(b) Three hundred sixty-two million five hundred thousand dollars in the state building construction account created in RCW 43.83.020.

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

(((2)) General obligation bonds of the state of Washington in the sum of three million two hundred thousand dollars, or so much thereof as may be required, shall be issued for the purpose of providing funds for Washington State University to perform capital projects which consist of the planning, designing, constructing, remodeling, repairing, furnishing, and equipping of state buildings, structures, utilities, roads, grounds; and lands; and to provide for the administrative cost of such projects, including costs of bond issuance and retirement, salaries and related costs of officials and employees of the state, costs of insurance or credit enhancement agreements; and other expenses incidental to the administration of capital projects. The proceeds from the sale of the bonds issued for the purposes of this subsection shall be deposited in the higher education construction account, shall be used exclusively for the purposes specified in this subsection and for the payment of expenses incurred in the issuance and sale of the bonds issued
for the purposes of this subsection, and shall be administered by
Washington State University, subject to legislative appropriation.)

Sec. 15. Section 2, chapter 308, Laws of 1977 ex. sess. as last amended
by section 10, chapter 4, Laws of 1985 ex. sess. and RCW 75.48.020 are
each amended to read as follows:

For the purpose of providing funds for the planning, acquisition, con-
struction, and improvement of salmon hatcheries, other salmon propagation
facilities including natural production sites, and necessary supporting facili-
ties within the state, the state finance committee may issue general obliga-
tion bonds of the state of Washington in the sum of ((thirty-four)) twenty-
nine million ((five)) two hundred thousand dollars or so much thereof as
may be required to finance the improvements defined in this chapter and all
costs incidental thereto. These bonds shall be paid and discharged within
thirty years. No bonds authorized by this chapter may be offered for sale
without prior legislative appropriation of the proceeds of such bonds to be
sold.

Sec. 16. Section 3, chapter 184, Laws of 1971 ex. sess. as amended by
section 104, chapter 167, Laws of 1983 and RCW 39.42.030 are each
amended to read as follows:

The state finance committee shall ((by resolution)) determine by reso-
lution the amount, date or dates, terms, conditions, covenants, denominations,
((maximum)) interest rate or rates(;;) (which may be fixed or variable), maturity or maturities, redemption rights, ((registration privil-
ges,)) manner of execution and authentication, manner and price of sale((;
covents,)) and form((, including bearer or registered as provided in RCW
39.46.030,;;)) of all bonds, notes, or other evidences of indebtedness ((in-
cluding the funding or refunding of any existing indebtedness)).

Such bonds, notes, or other evidences of indebtedness shall be payable
either to the bearer or to the registered owner as provided in RCW 39.46-
.030. The resolution may provide for the deposit in trust with any qualified
public depository of all or any part of the proceeds of the bonds, notes, or
other evidences of indebtedness or money set aside for the payment thereof.

The state finance committee shall also determine by resolution whether
interest on all or any part of the bonds is to be payable periodically during
the term of such bonds or only at the maturity of the bonds. For purposes of
the limitations on the amount of bonds authorized to be issued contained in
the acts authorizing their issuance, the amount of bonds which pay interest
only at maturity shall be equal to the price, exclusive of accrued interest, at
which the bonds are initially offered to the public.

The state finance committee may issue, under chapter 39.53 RCW and
this chapter, bonds, notes, or other evidences of indebtedness to refund at or
prior to maturity any outstanding state bonds, notes, or other evidences of
indebtedness.
The state finance committee may obtain bond insurance, letters of credit or other credit support instruments for the purpose of guaranteeing the payment or enhancing the marketability, or both, of any state bonds, notes, or other evidences of indebtedness, and may authorize the execution and delivery of agreements, promissory notes, and other related instruments.

Sec. 17. Section 6, chapter 184, Laws of 1971 ex. sess. as last amended by section 1, chapter 36, Laws of 1983 1st ex. sess. and RCW 39.42.060 are each amended to read as follows:

No bonds, notes, or other evidences of indebtedness for borrowed money shall be issued by the state which will cause the aggregate debt contracted by the state to exceed that amount for which payments of principal and interest in any fiscal year would require the state to expend more than seven percent of the arithmetic mean of its general state revenues, as defined in section 1(c) of Article VIII of the Washington state Constitution for the three immediately preceding fiscal years as certified by the treasurer in accordance with RCW 39.42.070. It shall be the duty of the state finance committee to compute annually the amount required to pay principal of and interest on outstanding debt. In making such computation, the state finance committee shall include all borrowed money represented by bonds, notes, or other evidences of indebtedness which are secured by the full faith and credit of the state or are required to be paid, directly or indirectly, from general state revenues and which are incurred by the state, any department, authority, public corporation or quasi public corporation of the state, any state university or college, or any other public agency created by the state but not by counties, cities, towns, school districts, or other municipal corporations, and shall include debt incurred pursuant to section 3 of Article VIII of the Washington state Constitution, but shall exclude the following:

(1) Obligations for the payment of current expenses of state government;
(2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;
(3) Principal of and interest on bond anticipation notes;
(4) Any indebtedness which has been refunded; ((and))
(5) Indebtedness incurred pursuant to statute heretofore or hereafter enacted which requires that the state treasury be reimbursed, in the amount of the principal of and the interest on such indebtedness, from money other than general state revenues or from the special excise tax imposed pursuant to chapter 67.40 RCW.

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

(6) Any agreement, promissory note, or other instrument entered into by the state finance committee under RCW 39.42.030 in connection with its
acquisition of bond insurance, letters of credit, or other credit support instruments for the purpose of guaranteeing the payment or enhancing the marketability, or both, of any state bonds, notes, or other evidence of indebtedness.

NEW SECTION. Sec. 18. A new section is added to chapter 43.88 RCW to read as follows:

In order to comply with the provisions of the federal tax reform act of 1986, construction accounts that receive bond proceeds are exempt from RCW 43.88.050, 43.88.110, and 43.88.260 and may incur seasonal cash deficits pending the sale of bonds or bond anticipation notes subject to the following conditions:

1. The respective account has unexpended appropriation authority.
2. There are authorized unissued bonds available for sale by the state finance committee under direction to deposit the proceeds of the sale in the respective account.
3. The bonds are of an amount that would remedy the cash deficit if the bonds were sold.

Sec. 19. Section 3, chapter 4, Laws of 1985 ex. sess. and RCW 43.99G.030 are each amended to read as follows:

Both principal of and interest on the bonds issued for the purposes specified in RCW 43.99G.020 (1) through ((f)) (6) shall be payable from the state general obligation bond retirement fund. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

Sec. 20. Section 4, chapter 4, Laws of 1985 ex. sess. and RCW 43.99G.040 are each amended to read as follows:

Both principal of and interest on the bonds issued for the purposes of RCW 43.99G.020(7) shall be payable from the higher education bond retirement fund of 1979. The state finance committee may provide that a special account be created in such fund to facilitate payment of such principal and interest.

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

Sec. 21. Section 5, chapter 4, Laws of 1985 ex. sess. and RCW 43-
.99G.050 are each amended to read as follows:

Both principal of and interest on the bonds issued for the purposes of
RCW 43.99G.020(((9)))(8) shall be payable from the state higher educa-
tion bond retirement fund of 1977. The state finance committee may pro-
vide that a special account be created in such fund to facilitate payment of
such principal and interest.

The state finance committee shall, on or before June 30th of each year,
certify to the state treasurer the amount required for principal and interest
on such bonds in accordance with the provisions of the bond proceedings.
The state treasurer shall withdraw from any general state revenues received
in the state treasury and deposit in the state higher education bond retire-
ment fund of 1977, or a special account in such fund, such amounts and at
such times as are required by the bond proceedings.

Sec. 22. Section 7, chapter 4, Laws of 1985 ex. sess. and RCW 43-
.99G.070 are each amended to read as follows:

On or before June 30th of each year and in accordance with the provi-
sions of the bond proceedings the state finance committee shall determine
the relative shares of the principal and interest payments determined pursuant to RCW 43.99G.040, exclusive of deposit interest credit, attributable to
each of the institutions of higher education in proportion to the principal
amount of bonds issued for the purposes of RCW 43.99G.020(((8)))(7) for
projects for each institution. On each date on which any interest or princi-
pal and interest payment is due, the board of regents or the board of trust-
ees of each institution of higher education shall cause the amount so
computed to be paid out of the appropriate building account or capital pro-
jects account to the state treasurer for deposit into the general fund of the
state treasury.

Sec. 23. Section 3, chapter 3, Laws of 1987 1st ex. sess. and RCW 43-
.99G.104 are each amended to read as follows:

Both principal of and interest on the bonds issued for the purposes
specified in RCW 43.99G.102(((10))) shall be payable from the state general
obligation bond retirement fund. The state finance committee may provide
that a special account be created in such fund to facilitate payment of such
principal and interest.

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

Sec. 24. Section 7, chapter 3, Laws of 1987 1st ex. sess. and RCW 43.99G.112 are each amended to read as follows:

The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in RCW 43.99G.100((;)) and ((RCW)) 43.99G.104 ((and 43.99G.106)) shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. Sec. 25. The following acts or parts of acts are each repealed:

(1) Section 4, chapter 3, Laws of 1987 1st ex. sess. and RCW 43.99G-.06; and

(2) Section 6, chapter 3, Laws of 1987 1st ex. sess. and RCW 43.99G-010.

NEW SECTION. Sec. 26. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 27. Sections 1 through 9 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 28. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1989, except for section 18 of this act which shall take effect immediately.

Passed the House May 1, 1989.
Passed the Senate May 7, 1989.
Approved by the Governor June 1, 1989.
Filed in Office of Secretary of State June 1, 1989.

CHAPTER 15
[House Bill No. 1512]
CAPITAL PROJECTS—APPROPRIATIONS FOR 1987–89 BIENNIAL

AN ACT Relating to capital appropriations; amending section 518, chapter 6, Laws of 1987 1st ex. sess. (uncodified); amending section 837, chapter 6, Laws of 1987 1st ex. sess. (uncodified); adding new sections to chapter 6, Laws of 1987 1st ex. sess. (uncodified); and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 6, Laws of 1987 1st ex. sess. to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

[ 2853 ]