
SENATE BILL 5181

State of Washington

62nd Legislature

2011 Regular Session

By Senators Parlette, Kilmer, Zarelli, Murray, Litzow, Rockefeller, Stevens, Becker, Baumgartner, and Hill

Read first time 01/17/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to a limitation on state debts; and adding a new
2 section to chapter 39.42 RCW.

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

4 NEW SECTION. **Sec. 1.** A new section is added to chapter 39.42 RCW
5 to read as follows:

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

- 14 (a) 8.75 percent during the 2011-2013 fiscal biennium;
15 (b) 8.25 percent during the 2013-2015 fiscal biennium;
16 (c) 7.5 percent during the 2015-2017 fiscal biennium; and
17 (d) 7.0 percent thereafter.

18 (2) It is the duty of the state finance committee to compute
19 annually the amount required to pay principal of and interest on

1 outstanding debt. In making the computation, the state finance
2 committee must include all borrowed money represented by bonds, notes,
3 or other evidences of indebtedness that 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 that 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, but must not include
10 obligations for the payment of current expenses of state government,
11 nor must it include indebtedness incurred pursuant to RCW 39.42.080 or
12 principal of and interest on bond anticipation notes or any
13 indebtedness that has been refunded. To the extent necessary because
14 of the constitutional or statutory debt limitation, priorities with
15 respect to the issuance or guaranteeing of bonds, notes, or other
16 evidences of indebtedness by the state is determined by the state
17 finance committee.

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