
SENATE BILL 5981

State of Washington

64th Legislature

2015 Regular Session

By Senator Braun

Read first time 02/13/15. Referred to Committee on Ways & Means.

1 AN ACT Relating to limitations on state debt; and amending RCW
2 39.42.140.

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

4 **Sec. 1.** RCW 39.42.140 and 2011 1st sp.s. c 46 s 3 are each
5 amended to read as follows:

6 (1) The state (~~finance committee~~) treasurer's office must
7 (~~recommend~~) calculate a working debt limit for purposes of budget
8 development for various purpose capital bond appropriations. Nothing
9 in this section shall in any manner affect the validity of
10 indebtedness incurred in compliance with the provisions of Article
11 VIII, section 1 of the state Constitution. The working debt limit
12 must be updated periodically following forecasts of the economic and
13 revenue forecast council. The governor and legislature must develop
14 capital bond budgets within the most recent (~~recommended working~~)
15 debt limit. The working debt limit must be lower than the state
16 constitutional debt limit in order to reserve capacity under the
17 constitutional limit for emergencies and economic uncertainties. (~~In~~
18 ~~order to begin to accomplish the objectives of stabilizing debt~~
19 ~~capacity and reducing the debt service burden on the operating~~
20 ~~budget, the state finance committee must recommend working debt~~

1 ~~limits of))~~ The working debt limit must be the lower of subsection
2 (2) of this section, or subsection (3) of this section.

3 (2) The working debt service limits must be calculated using the
4 provisions and definitions of Article VIII, section 1 of the state
5 Constitution, provided that for purposes of this section only, the
6 applicable percentage limit must be eight ((and one-half)) percent
7 from July 1, 2015, to and including ((June 30, 2017; eight and one-
8 quarter percent from July 1, 2017, to and including June 30, 2019;
9 eight percent from July 1, 2019, to and including)) June 30, 2021;
10 seven and three-quarters percent from July 1, 2021, and thereafter.
11 ((The state finance committee may recommend modified working debt
12 limits in response to extraordinary economic conditions. The state
13 finance committee is authorized to reduce or delay the issuance of
14 bonds if an issuance would result in exceeding the recommended
15 working debt limit.))

16 (3) The limit on new bond appropriations in a biennial capital
17 budget is five percent of the near general fund appropriation for the
18 omnibus operating budget, adjusted for any net reduction in near
19 general fund supplemental operating budgets enacted in the prior
20 biennium. The limit on new bond appropriations in a supplemental
21 capital budget is five percent of any near general fund appropriation
22 increase in the supplemental omnibus operating budget plus any amount
23 from the biennial bond appropriation limit that was unused in the
24 enacted biennial capital budget. For purposes of this subsection, the
25 limit on new bond appropriations must include within the limit debt
26 that is outside the constitutional debt limit for which the debt
27 service is paid for with appropriated funds.

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