
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2453.1/15

ATTY/TYPIST: AL:lcl

BRIEF DESCRIPTION: Concerning state general obligation bonds and related accounts.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99Y.010 and 43.99Y.020; adding a new
3 chapter to Title 43 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
6 finance the projects described and authorized by the legislature in
7 the omnibus capital and operating appropriations acts for the
8 2015-2017 fiscal biennium, and all costs incidental thereto, the
9 state finance committee is authorized to issue general obligation
10 bonds of the state of Washington in the sum of two billion two
11 hundred nine million fifty-two thousand dollars, or as much thereof
12 as may be required, to finance these projects and all costs
13 incidental thereto. Bonds authorized in this section may be sold at
14 such price as the state finance committee shall determine. No bonds
15 authorized in this section may be offered for sale without prior
16 legislative appropriation of the net proceeds of the sale of the
17 bonds.

18 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of bonds
19 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 (a) Two billion thirty-nine million seven hundred seventy-seven
4 thousand dollars to remain in the state building construction account
5 created by RCW 43.83.020;

6 (b) One hundred fourteen million one hundred thousand dollars to
7 the state taxable building construction account. All receipts from
8 taxable bond issued are to be deposited into the account. If the
9 state finance committee deems it necessary or advantageous to issue
10 more than the amount specified in this subsection (1)(b) as taxable
11 bonds in order to comply with federal internal revenue service rules
12 and regulations pertaining to the use of nontaxable bond proceeds or
13 in order to reduce the total financing costs for bonds issued, the
14 proceeds of such additional taxable bonds shall be transferred to the
15 state taxable building construction account in lieu of any transfer
16 otherwise provided by this section. If the state finance committee
17 determines that a portion of the amount specified in this subsection
18 (1)(b) as taxable bonds may be issued as nontaxable bonds in
19 compliance with federal internal revenue service rules and
20 regulations pertaining to the use of nontaxable bond proceeds, then
21 such bond proceeds shall be transferred to the state building
22 construction account in lieu of the transfer to the state taxable
23 building construction account otherwise provided by this subsection
24 (1)(b). The state treasurer shall submit written notice to the
25 director of financial management if it is determined that any such
26 additional transfer to the state taxable building construction
27 account is necessary or that a transfer from the state taxable
28 building construction account to the state building construction
29 account may be made. Moneys in the account may be spent only after
30 appropriation.

31 (c) The treasurer shall transfer bond proceeds deposited in the
32 state building construction account into the outdoor recreation
33 account created by RCW 79A.25.060, the habitat conservation account
34 created by RCW 79A.15.020, the riparian protection account created by
35 RCW 79A.15.120, and the farmlands preservation account created by RCW
36 79A.15.130 at various times and in various amounts necessary to
37 support authorized expenditures from those accounts.

38 (2) These proceeds shall be used exclusively for the purposes
39 specified in this section and for the payment of expenses incurred in
40 the issuance and sale of the bonds issued for the purposes of this

1 section, and shall be administered by the office of financial
2 management subject to legislative appropriation.

3 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
4 retirement account shall be used for the payment of the principal of
5 and interest on the bonds authorized in section 2(1) (a) through (c)
6 of this act.

7 (2) The state finance committee shall, on or before June 30th of
8 each year, certify to the state treasurer the amount needed in the
9 ensuing twelve months to meet the bond retirement and interest
10 requirements on the bonds authorized in section 2(1) (a) through (c)
11 of this act.

12 (3) On each date on which any interest or principal and interest
13 payment is due on bonds issued for the purposes of section 2(1) (a)
14 through (c) of this act the state treasurer shall withdraw from any
15 general state revenues received in the state treasury and deposit in
16 the debt-limit general fund bond retirement account an amount equal
17 to the amount certified by the state finance committee to be due on
18 the payment date.

19 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through
20 3 of this act shall state that they are a general obligation of the
21 state of Washington, shall pledge the full faith and credit of the
22 state to the payment of the principal thereof and the interest
23 thereon, and shall contain an unconditional promise to pay the
24 principal and interest as the same shall become due.

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

29 NEW SECTION. **Sec. 5.** The legislature may provide additional
30 means for raising moneys for the payment of the principal of and
31 interest on the bonds authorized in section 1 of this act, and
32 sections 2 and 3 of this act shall not be deemed to provide an
33 exclusive method for the payment.

34 **Sec. 6.** RCW 43.99Y.010 and 2013 2nd sp.s. c 20 s 1 are each
35 amended to read as follows:

1 For the purpose of providing funds to finance the projects
2 described and authorized by the legislature in the capital and
3 operating appropriations acts for the 2011-2013 and 2013-2015 fiscal
4 biennia, and all costs incidental thereto, the state finance
5 committee is authorized to issue general obligation bonds of the
6 state of Washington in the sum of (~~two billion thirty-six~~) one
7 billion nine hundred thirteen million three hundred ninety-six
8 thousand dollars, or as much thereof as may be required, to finance
9 these projects and all costs incidental thereto. Bonds authorized in
10 this section may be sold at such price as the state finance committee
11 shall determine. No bonds authorized in this section may be offered
12 for sale without prior legislative appropriation of the net proceeds
13 of the sale of the bonds.

14 **Sec. 7.** RCW 43.99Y.020 and 2013 2nd sp.s. c 20 s 2 are each
15 amended to read as follows:

16 (1) The proceeds from the sale of bonds authorized in RCW
17 43.99Y.010 shall be deposited in the state building construction
18 account created by RCW 43.83.020. The proceeds shall be transferred
19 as follows:

20 (a) One billion (~~six hundred seventy~~) five hundred forty-nine
21 million (~~six~~) two hundred (~~eighty-five~~) twenty-nine thousand
22 dollars to remain in the state building construction account created
23 by RCW 43.83.020;

24 (b) Twenty-five million five hundred thousand dollars to the
25 outdoor recreation account created by RCW 79A.25.060;

26 (c) Twenty-five million five hundred thousand dollars to the
27 habitat conservation account created by RCW 79A.15.020;

28 (d) Eight million five hundred thousand dollars to the riparian
29 protection account created by RCW 79A.15.120;

30 (e) Five million five hundred thousand dollars to the farmlands
31 preservation account created by RCW 79A.15.130;

32 (f) Two hundred seventy-nine million five hundred thousand
33 dollars to the state taxable building construction account. All
34 receipts from taxable bond issues are to be deposited into the
35 account. If the state finance committee deems it necessary or
36 advantageous to issue more than the amount specified in this
37 subsection (1)(f) as taxable bonds in order to comply with federal
38 internal revenue service rules and regulations pertaining to the use
39 of nontaxable bond proceeds or in order to reduce the total financing

1 costs for bonds issued, the proceeds of such additional taxable bonds
2 shall be transferred to the state taxable building construction
3 account in lieu of any transfer otherwise provided by this section.
4 If the state finance committee determines that a portion of the
5 amount specified in this subsection (1)(f) as taxable bonds may be
6 issued as nontaxable bonds in compliance with federal internal
7 revenue service rules and regulations pertaining to the use of
8 nontaxable bond proceeds, then such bond proceeds shall be
9 transferred to the state building construction account in lieu of the
10 transfer to the state taxable building construction account otherwise
11 provided by this subsection (1)(f). The state treasurer shall submit
12 written notice to the director of financial management if it is
13 determined that any such additional transfer to the state taxable
14 building construction account is necessary. Moneys in the account may
15 be spent only after appropriation.

16 (2) These proceeds shall be used exclusively for the purposes
17 specified in this section and for the payment of expenses incurred in
18 the issuance and sale of the bonds issued for the purposes of this
19 section, and shall be administered by the office of financial
20 management subject to legislative appropriation.

21 NEW SECTION. **Sec. 8.** Sections 1 through 5 of this act
22 constitute a new chapter in Title 43 RCW.

23 NEW SECTION. **Sec. 9.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect immediately.

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