



**PROPOSED SENATE  
2017-19  
BOND BILL  
PROPOSED SUBSTITUTE TO  
SB 5090**

Chair/Ranking  
Member

**SENATE WAYS & MEANS COMMITTEE  
MARCH 28, 2017**



1 AN ACT Relating to state general obligation bonds and related  
2 accounts; amending RCW 43.99G.150, 43.99G.170, and 43.99G.180; adding  
3 a new section to chapter 43.99H RCW; adding a new section to chapter  
4 28B.14H RCW; adding a new chapter to Title 43 RCW; and declaring an  
5 emergency.

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

7 NEW SECTION. **Sec. 1.** For the purpose of providing funds to  
8 finance the projects described and authorized by the legislature in  
9 the omnibus capital and operating appropriations acts for the  
10 2017-2019 fiscal biennium, and all costs incidental thereto, the  
11 state finance committee is authorized to issue general obligation  
12 bonds of the state of Washington in the sum of two billion five  
13 hundred eighty-six million eight hundred fifty-eight thousand  
14 dollars, or as much thereof as may be required, to finance these  
15 projects and all costs incidental thereto. Bonds authorized in this  
16 section may be sold at such price as the state finance committee  
17 shall determine. No bonds authorized in this section may be offered  
18 for sale without prior legislative appropriation of the net proceeds  
19 of the sale of the bonds.

1        NEW SECTION.    **Sec. 2.**    (1) The proceeds from the sale of bonds  
2 authorized in section 1 of this act shall be deposited in the state  
3 building construction account created by RCW 43.83.020. The proceeds  
4 shall be transferred as follows:

5        (a) Two billion four hundred eighty-two million nine hundred  
6 eighty-nine thousand dollars to remain in the state building  
7 construction account created by RCW 43.83.020;

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

32        (c) The treasurer shall transfer bond proceeds deposited in the  
33 state building construction account into the outdoor recreation  
34 account created by RCW 79A.25.060, the habitat conservation account  
35 created by RCW 79A.15.020, the farm and forest account created by RCW  
36 79A.15.130, and the early learning facilities development account, at  
37 various times and in various amounts necessary to support authorized  
38 expenditures from those accounts.

39        (d) The treasurer shall transfer bond proceeds deposited in the  
40 state taxable building construction account into the early learning

1 facilities taxable bond development account at various times and in  
2 various amounts necessary to support authorized expenditures from  
3 that account.

4 (2) These proceeds shall be used exclusively for the purposes  
5 specified in this section and for the payment of expenses incurred in  
6 the issuance and sale of the bonds issued for the purposes of this  
7 section, and shall be administered by the office of financial  
8 management subject to legislative appropriation.

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

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

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

25 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through  
26 3 of this act shall state that they are a general obligation of the  
27 state of Washington, shall pledge the full faith and credit of the  
28 state to the payment of the principal thereof and the interest  
29 thereon, and shall contain an unconditional promise to pay the  
30 principal and interest as the same shall become due.

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

35 NEW SECTION. **Sec. 5.** The legislature may provide additional  
36 means for raising moneys for the payment of the principal of and  
37 interest on the bonds authorized in section 1 of this act, and

1 sections 2 and 3 of this act shall not be deemed to provide an  
2 exclusive method for the payment.

3 **Sec. 6.** RCW 43.99G.150 and 2006 c 167 s 101 are each amended to  
4 read as follows:

5 (1) For the purpose of providing funds for state correctional  
6 facilities, the state finance committee is authorized to issue  
7 general obligation bonds of the state of Washington in the sum of  
8 fifty-nine million three hundred thousand dollars, or as much thereof  
9 as may be required, to finance the projects and all costs incidental  
10 thereto. Bonds authorized in this section may be sold at such price  
11 as the state finance committee shall determine. No bonds authorized  
12 in this section may be offered for sale without prior legislative  
13 appropriation of the net proceeds of the sale of the bonds.

14 (2) If any bonds authorized in this chapter have not been issued  
15 by June 30, 2017, the authority of the state finance committee to  
16 issue such remaining unissued bonds expires June 30, 2017.

17 **Sec. 7.** RCW 43.99G.170 and 2006 c 167 s 301 are each amended to  
18 read as follows:

19 (1) For the purpose of providing funds for the Hood Canal aquatic  
20 rehabilitation program, the state finance committee is authorized to  
21 issue general obligation bonds of the state of Washington in the sum  
22 of six million nine hundred twenty thousand dollars, or as much  
23 thereof as may be required, to finance the projects and all costs  
24 incidental thereto. Bonds authorized in this section may be sold at  
25 such price as the state finance committee shall determine. No bonds  
26 authorized in this section may be offered for sale without prior  
27 legislative appropriation of the net proceeds of the sale of the  
28 bonds.

29 (2) If any bonds authorized in this chapter have not been issued  
30 by June 30, 2017, the authority of the state finance committee to  
31 issue such remaining unissued bonds expires June 30, 2017.

32 **Sec. 8.** RCW 43.99G.180 and 2006 c 167 s 401 are each amended to  
33 read as follows:

34 (1) For the purpose of providing funds for the rehabilitation of  
35 Puget Sound, the state finance committee is authorized to issue  
36 general obligation bonds of the state of Washington in the sum of  
37 seven million three hundred seventy-five thousand dollars, or as much

1 thereof as may be required, to finance the projects and all costs  
2 incidental thereto. Bonds authorized in this section may be sold at  
3 such price as the state finance committee shall determine. No bonds  
4 authorized in this section may be offered for sale without prior  
5 legislative appropriation of the net proceeds of the sale of the  
6 bonds.

7 (2) If any bonds authorized in this chapter have not been issued  
8 by June 30, 2017, the authority of the state finance committee to  
9 issue such remaining unissued bonds expires June 30, 2017.

10 NEW SECTION. Sec. 9. A new section is added to chapter 43.99H  
11 RCW to read as follows:

12 If any bonds authorized in this chapter have not been issued by  
13 June 30, 2017, the authority of the state finance committee to issue  
14 such remaining unissued bonds expires June 30, 2017.

15 NEW SECTION. Sec. 10. A new section is added to chapter 28B.14H  
16 RCW to read as follows:

17 If any bonds authorized in this chapter have not been issued by  
18 June 30, 2017, the authority of the state finance committee to issue  
19 such remaining unissued bonds expires June 30, 2017.

20 NEW SECTION. Sec. 11. Sections 1 through 5 of this act  
21 constitute a new chapter in Title 43 RCW.

22 NEW SECTION. Sec. 12. If any provision of this act or its  
23 application to any person or circumstance is held invalid, the  
24 remainder of the act or the application of the provision to other  
25 persons or circumstances is not affected.

26 NEW SECTION. Sec. 13. This act is necessary for the immediate  
27 preservation of the public peace, health, or safety, or support of  
28 the state government and its existing public institutions, and takes  
29 effect immediately.

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