

P2SHB 1080 (H-3414.2)

By Representative Tharinger

January 04, 2017

Office of Program Research

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-3414.2/18 2nd draft

ATTY/TYPIST: KS:amh

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

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- Authorizes the State Finance Committee to issue up to \$2,945,011,000 in state general obligation bonds to finance projects in the 2017-19 Capital Budget and to pay expenses incurred in the issuance and sale of the bonds.
- Adds a June 30, 2018 expiration date to several bond authorizations that remain unissued.

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 nine
13 hundred forty-five million eleven thousand dollars, or as much
14 thereof as may be required, to finance these projects and all costs
15 incidental thereto. Bonds authorized in this section may be sold at
16 such price as the state finance committee shall determine. No bonds
17 authorized in this section may be offered for sale without prior
18 legislative appropriation of the net proceeds of the sale of the
19 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 seven hundred twenty million nine hundred twelve
6 thousand dollars to remain in the state building construction account
7 created by RCW 43.83.020;

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

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

1 (d) The treasurer shall transfer bond proceeds deposited in the
2 state taxable building construction account into the early learning
3 facilities revolving account, at various times and in various amounts
4 necessary to support authorized expenditures from that account.

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

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

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

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

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

34 NEW SECTION. **Sec. 5.** The legislature may provide additional
35 means for raising moneys for the payment of the principal of and
36 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, 2018, the authority of the state finance committee to
16 issue such remaining unissued bonds expires June 30, 2018.

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, 2018, the authority of the state finance committee to
31 issue such remaining unissued bonds expires June 30, 2018.

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, 2018, the authority of the state finance committee to
9 issue such remaining unissued bonds expires June 30, 2018.

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, 2018, the authority of the state finance committee to issue
14 such remaining unissued bonds expires June 30, 2018.

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, 2018, the authority of the state finance committee to issue
19 such remaining unissued bonds expires June 30, 2018.

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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