



2021-23 Capital Budget Bond Bill

PSHB 1081

By Representatives
Tharinger and Steele
H-1343.1

Office of Program Research
March 24, 2021

PSHB 1081 (H-1343.1) – By Representatives Tharinger and Steele

- Authorizes the State Finance Committee to issue up to \$3,672,780,000 in state general obligation bonds to finance projects in the 2019-21 and 2021-23 fiscal biennia and to pay expenses incurred in the issuance and sale of the bonds.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; adding a new chapter to Title 43 RCW; and declaring an
3 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 2019-2021 and 2021-2023 fiscal biennia, and all costs incidental
9 thereto, the state finance committee is authorized to issue general
10 obligation bonds of the state of Washington in the sum of
11 \$3,672,780,000, or as much thereof as may be required, to finance
12 these projects and all costs incidental thereto. Bonds authorized in
13 this section may be sold at such price as the state finance committee
14 shall determine. No bonds authorized in this section may be offered
15 for sale without prior legislative appropriation of the net proceeds
16 of the sale of the bonds.

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

1 (a) \$3,440,555,000 to remain in the state building construction
2 account created by RCW 43.83.020;

3 (b) \$232,225,000 to the state taxable building construction
4 account. All receipts from taxable bonds issued are to be deposited
5 into the account. If the state finance committee deems it necessary
6 or advantageous to issue more than the amount specified in this
7 subsection (1)(b) as taxable bonds in order to comply with federal
8 internal revenue service rules and regulations pertaining to the use
9 of nontaxable bond proceeds or in order to reduce the total financing
10 costs for bonds issued, the proceeds of such additional taxable bonds
11 shall be transferred to the state taxable building construction
12 account in lieu of any transfer otherwise provided by this section.
13 If the state finance committee determines that a portion of the
14 amount specified in this subsection (1)(b) as taxable bonds may be
15 issued as nontaxable bonds in compliance with federal internal
16 revenue service rules and regulations pertaining to the use of
17 nontaxable bond proceeds, then such bond proceeds shall be
18 transferred to the state building construction account in lieu of the
19 transfer to the state taxable building construction account otherwise
20 provided by this subsection (1)(b). The state treasurer shall submit
21 written notice to the director of financial management if it is
22 determined that any such additional transfer to the state taxable
23 building construction account is necessary or that a transfer from
24 the state taxable building construction account to the state building
25 construction account may be made. Moneys in the account may be spent
26 only after appropriation.

27 (2)(a) The state treasurer shall transfer bond proceeds deposited
28 in the state building construction account into the outdoor
29 recreation account created by RCW 79A.25.060, the habitat
30 conservation account created by RCW 79A.15.020, the farm and forest
31 account created by RCW 79A.15.130, and the Ruth Lecocq Kagi early
32 learning facilities development account created by RCW 43.31.569, at
33 various times and in various amounts necessary to support authorized
34 expenditures from those accounts.

35 (b) The state treasurer shall transfer bond proceeds deposited in
36 the state taxable building construction account into the Ruth Lecocq
37 Kagi early learning facilities revolving account created by RCW
38 43.31.569 at various times and in various amounts necessary to
39 support authorized expenditures from that account.

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

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

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

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

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

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

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

35 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
36 constitute a new chapter in Title 43 RCW.

1 NEW SECTION. **Sec. 7.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of
7 the state government and its existing public institutions, and takes
8 effect immediately.

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