
ENGROSSED SUBSTITUTE HOUSE BILL 1166

State of Washington 64th Legislature 2015 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee, Gregerson, and DeBolt; by request of Governor Inslee)

READ FIRST TIME 04/01/15.

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 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 three
11 hundred thirty-two million four hundred fifty-six thousand dollars,
12 or as much thereof as may be required, to finance these projects and
13 all costs incidental thereto. Bonds authorized in this section may be
14 sold at such price as the state finance committee shall determine. No
15 bonds authorized in this section may be offered for sale without
16 prior legislative appropriation of the net proceeds of the sale of
17 the 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 one hundred eighty-five million five hundred
4 sixty-two thousand dollars to remain in the state building
5 construction account created by RCW 43.83.020;

6 (b) One hundred twenty-three million eight hundred thousand
7 dollars to the state taxable building construction account. All
8 receipts from taxable bonds issued are to be deposited into the
9 account. If the state finance committee deems it necessary or
10 advantageous to issue more than the amount specified in this
11 subsection (1)(b) as taxable bonds in order to comply with federal
12 internal revenue service rules and regulations pertaining to the use
13 of nontaxable bond proceeds or in order to reduce the total financing
14 costs for bonds issued, the proceeds of such additional taxable bonds
15 shall be transferred to the state taxable building construction
16 account in lieu of any transfer otherwise provided by this section.
17 If the state finance committee determines that a portion of the
18 amount specified in this subsection (1)(b) as taxable bonds may be
19 issued as nontaxable bonds in compliance with federal internal
20 revenue service rules and regulations pertaining to the use of
21 nontaxable bond proceeds, then such bond proceeds shall be
22 transferred to the state building construction account in lieu of the
23 transfer to the state taxable building construction account otherwise
24 provided by this subsection (1)(b). The state treasurer shall submit
25 written notice to the director of financial management if it is
26 determined that any such additional transfer to the state taxable
27 building construction account is necessary or that a transfer from
28 the state taxable building construction account to the state building
29 construction account may be made. Moneys in the account may be spent
30 only after 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 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
35 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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