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**SUBSTITUTE HOUSE BILL 1101**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Capital Budget (originally sponsored by Representative Tharinger; by request of Office of Financial Management)

1 AN ACT Relating to state general obligation bonds and related  
2 accounts; adding new sections to chapter 43.100A RCW; and declaring  
3 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 2017-2019 and 2019-2021 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 three  
11 billion two hundred seven million three hundred fifty-six thousand  
12 dollars, or as much thereof as may be required, to finance these  
13 projects and all costs incidental thereto. Bonds authorized in this  
14 section may be sold at such price as the state finance committee  
15 shall determine. No bonds authorized in this section may be offered  
16 for sale without prior legislative appropriation of the net proceeds  
17 of the sale of 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) Three billion twenty-seven million three hundred ninety  
4 thousand dollars to remain in the state building construction account  
5 created by RCW 43.83.020;

6 (b) One hundred seventy-nine million nine hundred sixty-six  
7 thousand dollars to the state taxable building construction account.  
8 All 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 (2)(a) The treasurer shall transfer bond proceeds deposited in  
32 the 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 farm and forest account created by RCW  
35 79A.15.130, and the early learning facilities development account  
36 created by RCW 43.31.569, at various times and in various amounts  
37 necessary to support authorized expenditures from those accounts.

38 (b) The treasurer shall transfer bond proceeds deposited in the  
39 state taxable building construction account into the early learning  
40 facilities revolving account created by RCW 43.31.569, at various

1 times and in various amounts necessary to support authorized  
2 expenditures from that account.

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

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

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

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

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

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

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

1        NEW SECTION.    **Sec. 6.**    Sections 1 through 5 of this act are each  
2 added to chapter 43.100A RCW.

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

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

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