AN ACT Relating to funding capital projects; amending RCW 82.21.030 and 43.155.050; reenacting and amending RCW 70.105D.070; adding new chapters to Title 43 RCW; creating new sections; and declaring an emergency.

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

PART I

BOND AUTHORIZATION

NEW SECTION. Sec. 1001. For the purpose of providing funds to finance the projects described and authorized by the legislature in the capital and operating appropriations acts for the 2011-2013 fiscal biennium, and all costs incidental thereto, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of four hundred forty-eight million one hundred twenty-four thousand dollars, or as much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section
may be offered for sale without prior legislative appropriation of the
net proceeds of the sale of the bonds.

NEW SECTION. Sec. 1002. (1) The proceeds from the sale of the
bonds authorized in section 1001 of this act shall be deposited in the
state building construction account created by RCW 43.83.020. The
proceeds shall be transferred as follows:
(a) Three hundred eighty-nine million three hundred thirty-seven
thousand dollars to remain in the state building construction account
created by RCW 43.83.020;
(b) Fifty million five hundred thousand dollars to the state
taxable building construction account. All receipts from taxable bond
issues are to be deposited into the account. If the state finance
committee deems it necessary or advantageous to issue more than the
amount specified in this subsection (1)(b) as taxable bonds in order to
comply with federal internal revenue service rules and regulations
pertaining to the use of nontaxable bond proceeds or in order to reduce
the total financing costs for bonds issued, the proceeds of such
additional taxable bonds shall be transferred to the state taxable
building construction account in lieu of any transfer otherwise
provided by this section. If the state finance committee determines
that a portion of the amount specified in this subsection (1)(b) as
taxable bonds may be issued as nontaxable bonds in compliance with
federal internal revenue service rules and regulations pertaining to
the use of nontaxable bond proceeds, then such bond proceeds shall be
transferred to the state building construction account in lieu of the
transfer to the state taxable building construction account otherwise
provided by this subsection (1)(b). The state treasurer shall submit
written notice to the director of financial management if it is
determined that any such additional transfer to the state taxable
building construction account is necessary or that a transfer from the
state taxable building construction account to the state building
construction account may be made. Moneys in the account may be spent
only after appropriation.

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

NEW SECTION. Sec. 1003. (1) The debt-limit general fund bond
retirement account shall be used for the payment of the principal of
and interest on the bonds authorized in section 1002(1)(a) through (b)
of this act.

(2) The state finance committee shall, on or before June 30th of
each year, certify to the state treasurer the amount needed in the
ensuing twelve months to meet the bond retirement and interest
requirements on the bonds authorized in section 1002(1)(a) through (b)
of this act.

(3) On each date on which any interest or principal and interest
payment is due on bonds issued for the purposes of section 1002(1)(a)
through (b) of this act, the state treasurer shall withdraw from any
general state revenues received in the state treasury and deposit in
the debt-limit general fund bond retirement account an amount equal to
the amount certified by the state finance committee to be due on the
payment date.

NEW SECTION. Sec. 1004. (1) Bonds issued under sections 1001
through 1003 of this act shall state that they are a general obligation
of the state of Washington, shall pledge the full faith and credit of
the state to the payment of the principal thereof and the interest
thereon, and shall contain an unconditional promise to pay the
principal and interest as the same shall become due.

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

NEW SECTION. Sec. 1005. The legislature may provide additional
means for raising moneys for the payment of the principal of and
interest on the bonds authorized in section 1001 of this act, and
sections 1002 and 1003 of this act shall not be deemed to provide an
exclusive method for the payment.
NEW SECTION. Sec. 2001. ENVIRONMENTAL CLEANUP AND RESTORATION--
INTENT. It is the intent of the legislature to accelerate construction
of environmental cleanup and restoration projects.

NEW SECTION. Sec. 2002. BONDS AUTHORIZED FOR ENVIRONMENTAL
CLEANUP AND RESTORATION. (1) For the purpose of financing
environmental cleanup and restoration, the state finance committee is
authorized to issue a total of two hundred thirty-eight million five
hundred thousand dollars of limited tax obligation bonds of the state
of Washington.

(2) The state finance committee shall supervise and provide for the
sale, issuance, and retirement of the bonds authorized by this section
and sections 2003 through 2007 of this act in accordance with chapter
39.42 RCW. Bonds authorized by this section and sections 2003 through
2007 of this act shall be sold in the manner, at the time or times, in
one or more series, in amounts, and at the prices as the state finance
committee shall determine. No bonds may be offered for sale without
prior legislative appropriation of the net proceeds of the sale of the
bonds.

(3) The state finance committee may determine and include in any
resolution authorizing the issuance of any bonds authorized by this
section and sections 2003 through 2007 of this act such terms,
provisions, covenants, and conditions as it may deem appropriate in
order to assist with the marketing and sale of the bonds, confer rights
upon the owners of bonds, and safeguard rights of the owners of bonds,
including, among other things:

(a) Provisions that the bonds shall be payable solely from and
secured solely by the tax revenues received in the environmental
cleanup and restoration account and by amounts in the 2012 jobs act
credit enhancement reserve account created in section 3001 of this act;

(b) The conditions that must be satisfied prior to the issuance of
any additional bonds that are to be payable from and secured by the tax
revenues received in the environmental cleanup and restoration account
on an equal basis with previously issued and outstanding bonds payable
from the tax revenues received in the environmental cleanup and
restoration account;
(c) Provisions regarding reserves and credit enhancement, including, without limitation, the 2012 jobs act credit enhancement reserve account created in section 3001 of this act; and

(d) Whether bonds may be issued as tax-exempt bonds or must be issued as taxable bonds under the applicable provisions of the federal internal revenue code.

(4) Bond proceeds must be used exclusively for the purposes specified in subsection (1) of this section.

NEW SECTION. Sec. 2003. ENVIRONMENTAL CLEANUP AND RESTORATION ACCOUNT REVENUES PLEDGED TO BONDS. Each bond issued under the authority of section 2002 of this act shall distinctly state that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a pledge of the tax revenues received from the tax imposed pursuant to RCW 82.21.030(1) and deposited in the environmental cleanup and restoration account pursuant to RCW 82.21.030(2) and by amounts in the 2012 jobs act credit enhancement reserve account created in section 3001 of this act and is not a general obligation of the state to which the full faith and credit of the state is pledged. The legislature pledges to appropriate the tax revenues pledged to the payment of the bonds issued under sections 2002 through 2007 of this act. The legislature further agrees for the benefit of the owners of outstanding bonds issued by the state under sections 2002 through 2007 of this act to continue in effect and not to impair or withdraw the authorization of the imposition, collection, and transfer of the tax as provided in RCW 82.21.030 (1) and (2) for payment of the bonds. The state finance committee shall include this pledge and agreement of the state to owners of any bonds issued under sections 2002 through 2007 of this act. The owner of any bond or the trustee for the owner of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of pledged funds as directed in this section.

NEW SECTION. Sec. 2004. ENVIRONMENTAL CLEANUP AND RESTORATION CONSTRUCTION BOND PROCEEDS ACCOUNT. The proceeds from the sale of the bonds authorized in sections 2002 through 2007 of this act shall be deposited in the environmental cleanup and restoration construction bond proceeds account hereby created in the state treasury. Moneys in
the account may be spent only after appropriation. Moneys in the account may
be appropriated only for the construction and improvement of environmental
cleanup and restoration projects. The state treasurer may establish subaccounts
in the account for the purpose of segregating bond proceeds, including separate
subaccounts for segregating proceeds of tax-exempt bonds and taxable bonds.

NEW SECTION. Sec. 2005. ENVIRONMENTAL CLEANUP AND RESTORATION
BOND RETIREMENT ACCOUNT CREATED. (1) The environmental cleanup and
restoration bond retirement account is hereby created in the state treasury. Moneys
in the account must be used only for the payment of the principal and interest on
the bonds authorized in sections 2002 through 2007 of this act.

(2) The state finance committee must, on or before June 30th of each
year, certify to the state treasurer the amount needed in the ensuing twelve months to
meet the bond retirement and interest requirements on the bonds authorized in section 2002 of this act.

(3) On each date on which principal and interest payment is due on
bonds issued for the purposes of section 2002 of this act, the state
treasurer shall withdraw from any tax revenues placed in the environmental
cleanup and restoration account and deposit in the environmental cleanup and
restoration bond retirement account an amount equal to the amount certified by
the state finance committee to be due on the bond payment date. If the amount of tax revenues on
deposit in the environmental cleanup and restoration account is insufficient to
make the bond payment amount then due, the state treasurer shall withdraw from the 2012 jobs act credit
enhancement reserve account and deposit in the environmental cleanup and restoration bond retirement
account the additional amount required to provide sufficient funds for the bond payment amount then due.

NEW SECTION. Sec. 2006. ENVIRONMENTAL CLEANUP AND RESTORATION
ACCOUNT CREATED. A special account designated as the environmental
cleanup and restoration account is hereby created in the state treasury. Deposits to the account must include the tax revenues
directed to the account under RCW 82.21.030(2) and any other revenues directed to the account by the legislature. Expenditures from the account may be made only for the specific purpose of funding
environmental cleanup and restoration projects including, but not limited to, payment of principal and interest on bonds issued pursuant to section 2002 of this act. Moneys in the account must be transferred to the environmental cleanup and restoration bond retirement account as required by section 2003 of this act, and any moneys in the account not required for transfer to the environmental cleanup and restoration bond retirement account must be transferred to the state and local toxics control accounts in RCW 70.105D.070 for purposes consistent with this section. Amounts so transferred to the state and local toxics control accounts must be allocated at a rate of forty-seven percent to the state toxics control account in RCW 70.105D.070(1) and fifty-three percent to the local toxics control account in RCW 70.105D.070(3).

NEW SECTION. Sec. 2007. BONDS LEGAL INVESTMENT. The bonds authorized by sections 2001 through 2006 of this act constitute a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

Sec. 2008. RCW 82.21.030 and 1989 c 2 s 10 are each amended to read as follows:

HAZARDOUS SUBSTANCE TAX DEDICATED TO ENVIRONMENTAL CLEANUP AND RESTORATION. (1) For the specific purpose of financing environmental cleanup and restoration, including, but not limited to, payment of debt service on bonds issued under section 2002 of this act, a tax is imposed on the privilege of possession of hazardous substances in this state. The rate of the tax shall be seven-tenths of one percent multiplied by the wholesale value of the substance.

(2) Moneys collected under this chapter shall be deposited ((in the toxics control accounts under RCW 70.105D.070)) into the environmental cleanup and restoration account in section 2006 of this act.

(3) Chapter 82.32 RCW applies to the tax imposed in this chapter. The tax due dates, reporting periods, and return requirements applicable to chapter 82.04 RCW apply equally to the tax imposed in this chapter.

Sec. 2009. RCW 70.105D.070 and 2011 1st sp.s. c 50 s 964 are each reenacted and amended to read as follows:
(1) The state toxics control account and the local toxics control account are hereby created in the state treasury.

(2) The following moneys shall be deposited into the state toxics control account: (a) Those revenues which are raised by the tax imposed under RCW 82.21.030 (and which are attributable to that portion of the rate equal to thirty-three one-hundredths of one percent) and are transferred from the environmental cleanup and restoration account into the state toxics control account under section 2006 of this act; (b) the costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (c) penalties collected or recovered under this chapter; and (d) any other money appropriated or transferred to the account by the legislature. Moneys in the account may be used only to carry out the purposes of this chapter, including but not limited to the following activities:

(i) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;

(ii) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;

(iii) The hazardous waste cleanup program required under this chapter;

(iv) State matching funds required under the federal cleanup law;

(v) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and agriculture;

(vii) Hazardous materials emergency response training;

(viii) Water and environmental health protection and monitoring programs;

(ix) Programs authorized under chapter 70.146 RCW;

(x) A public participation program, including regional citizen advisory committees;

(xi) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW
70.105D.040(4) and when the director has found that the funding will achieve both (A) a substantially more expeditious or enhanced cleanup than would otherwise occur, and (B) the prevention or mitigation of unfair economic hardship;

(xii) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;

(xiii) During the 2009-2011 and 2011-2013 fiscal biennia, shoreline update technical assistance;

(xiv) During the 2009-2011 fiscal biennium, multijurisdictional permitting teams; and

(xv) During the 2011-2013 fiscal biennium, actions for reducing public exposure to toxic air pollution.

(3) The following moneys shall be deposited into the local toxics control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 ((and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent)) and are transferred to the local toxics control account under section 2006 of this act.

(a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority:

(i) Remedial actions;

(ii) Hazardous waste plans and programs under chapter 70.105 RCW;

(iii) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

(iv) Funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and

(v) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment.

(b) Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters
70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that
is a Puget Sound partner, as defined in RCW 90.71.010, along with any
project that is referenced in the action agenda developed by the Puget
Sound partnership under RCW 90.71.310, shall, except as conditioned by
RCW 70.105D.120, receive priority for any available funding for any
grant or funding programs or sources that use a competitive bidding
process. During the 2007-2009 fiscal biennium, moneys in the account
may also be used for grants to local governments to retrofit public
sector diesel equipment and for storm water planning and implementation
activities.

(c) To expedite cleanups throughout the state, the department shall
partner with local communities and liable parties for cleanups. The
department is authorized to use the following additional strategies in
order to ensure a healthful environment for future generations:

(i) The director may alter grant-matching requirements to create
incentives for local governments to expedite cleanups when one of the
following conditions exists:

(A) Funding would prevent or mitigate unfair economic hardship
imposed by the clean-up liability;

(B) Funding would create new substantial economic development,
public recreational, or habitat restoration opportunities that would
not otherwise occur; or

(C) Funding would create an opportunity for acquisition and
redevelopment of vacant, orphaned, or abandoned property under RCW
70.105D.040(5) that would not otherwise occur;

(ii) The use of outside contracts to conduct necessary studies;

(iii) The purchase of remedial action cost-cap insurance, when
necessary to expedite multiparty clean-up efforts.

(d) To facilitate and expedite cleanups using funds from the local
toxics control account, during the 2009-2011 fiscal biennium the
director may establish grant-funded accounts to hold and disperse local
toxics control account funds and funds from local governments to be
used for remedial actions.

(4) Except for unanticipated receipts under RCW 43.79.260 through
43.79.282, moneys in the state and local toxics control accounts may be
spent only after appropriation by statute.

(5) Except during the 2009-2011 fiscal biennium, one percent of the
moneys deposited into the state and local toxics control accounts shall
be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.

(6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation, or, after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.

(7) The department shall adopt rules for grant or loan issuance and performance.

(8) During the 2007-2009 and 2009-2011 fiscal biennia, the legislature may transfer from the local toxics control account to either the state general fund or the oil spill prevention account, or both such amounts as reflect excess fund balance in the account.

(9) During the 2009-2011 fiscal biennium, the local toxics control account may also be used for a standby rescue tug at Neah Bay, local government shoreline update grants, private and public sector diesel equipment retrofit, and oil spill prevention, preparedness, and response activities.

(10) During the 2009-2011 fiscal biennium, the legislature may transfer from the state toxics control account to the state general fund such amounts as reflect the excess fund balance in the account.

(11) During the 2011-2013 fiscal biennium, the local toxics control account may also be used for local government shoreline update grants and actions for reducing public exposure to toxic air pollution.

(9) During the 2011-2013 fiscal biennium, the legislature may transfer from the local toxics control account and the state toxics
control account to the 2012 jobs act credit enhancement reserve account such amounts as reflect the excess fund balance of the account.

PART III
RESERVE FUND

NEW SECTION. Sec. 3001. RESERVE ACCOUNT ESTABLISHED. (1) The 2012 jobs act credit enhancement reserve account is hereby created in the state treasury. Moneys in the account must be used exclusively to secure the payment of debt service on all bonds issued by the state pursuant to this act, including, without limitation, for transfers to the bond retirement account as required under the provisions of section 2005 of this act.

(2) The 2012 jobs act credit enhancement reserve account constitutes a reserve account for limited tax obligation bonds issued by the state pursuant to section 2002 of this act. The amount on deposit in the 2012 jobs act credit enhancement reserve account shall be maintained in an amount equal to maximum annual debt service on all outstanding bonds secured thereby or in such other amount as may be required by the bond proceedings. Any withdrawal from the 2012 jobs act credit enhancement reserve account to pay debt service on bonds secured thereby shall be replenished within six months after the withdrawal or in such other manner as may be required by the bond proceedings by transfers from the public works assistance account required by section 3002 of this act.

(3) By July 1st of each year, the state treasurer must transfer sufficient amounts from loan repayment revenues received in the public works assistance account under RCW 43.155.060(1) to the 2012 jobs act credit enhancement reserve account so that the account balance is equal to the sum of the amounts certified in sections 2005 of this act.

Sec. 3002. RCW 43.155.050 and 2011 1st sp.s. c 50 s 951 are each amended to read as follows:

PUBLIC WORKS ASSISTANCE ACCOUNT LOAN REPAYMENTS DEDICATED TO RESERVE. (1) The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source.
(2) Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects.

(3) Repayments of loans made under this chapter must be deposited in the public works assistance account. Moneys in the account received from loan repayments under RCW 43.155.060(1) also must be transferred to the 2012 jobs act credit enhancement reserve account as required to maintain a balance therein as provided by section 3001 of this act and to secure payment of debt service on all bonds issued by the state under this act in accordance with the bond proceedings. The legislature pledges to continue and maintain and not to impair the statutory and financial framework contained in this act and in this chapter to provide loan repayments under RCW 43.155.060(1) and to fund transfers to the 2012 jobs act credit enhancement reserve account as required to secure payment of debt service on limited tax obligation bonds issued by the state under this act in accordance with the bond proceedings. The legislature further pledges to continue to use amounts held in the public works assistance account to make loans to local governments for public works projects in a manner that is reasonably calculated to produce loan repayments in amounts at least sufficient to meet the requirements of this subsection (3) in accordance with the bond proceedings.

(4) Moneys in the account may also be appropriated or transferred to provide for state match requirements under federal law for projects (and activities conducted and financed by the board under) funded by the drinking water assistance account and the water pollution control revolving account.

(5) Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. (For the 2007-2009 biennium, moneys in the account may be used for grants for projects identified in section 138, chapter 488, Laws of 2005 and section 1033, chapter 520, Laws of 2007. During the 2009-2011 fiscal biennium, sums in the public works
assistance account may be used for the water pollution control revolving fund program match in section 3013, chapter 36, Laws of 2010 1st sp. sess. During the 2009-2011 fiscal biennium, the legislature may transfer from the job development fund to the general fund such amounts as reflect the excess fund balance of the fund.) During the 2011-2013 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund((, the water pollution control revolving account, and the drinking water assistance account)) and the 2012 jobs act credit enhancement reserve account such amounts as reflect the excess fund balance of the account.

NEW SECTION. Sec. 3003. FOR THE STATE TREASURER--TRANSFERS. No later than June 30, 2012, the state treasurer shall transfer the sum of nine million five hundred thousand dollars from the local toxics control account to the 2012 jobs act credit enhancement reserve account.

NEW SECTION. Sec. 3004. FOR THE STATE TREASURER--TRANSFERS. No later than June 30, 2012, the state treasurer shall transfer the sum of seven million five hundred thousand dollars from the state toxics control account to the 2012 jobs act credit enhancement reserve account.

PART IV
MISCELLANEOUS

NEW SECTION. Sec. 4001. CODIFICATION. (1) Sections 1001 through 1005 of this act constitute a new chapter in Title 43 RCW.
(2) Sections 2001 through 2007 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 4002. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 4003. EFFECTIVE DATE. This act is necessary
for the immediate preservation of the public peace, health, or safety,
or support of the state government and its existing public
institutions, and takes effect immediately.

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