State of Washington 63rd Legislature 2013 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee and Warnick; by request of Governor Gregoire)

READ FIRST TIME 04/12/13.

AN ACT Relating to state general obligation bonds and related accounts; amending RCW 43.99G.162; adding a new chapter to Title 43 RCW; and declaring an emergency.

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

NEW SECTION. Sec. 1. 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 and the 2013-2015 fiscal biennia, 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 one billion seven hundred four million eight hundred three 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. 2. (1) The proceeds from the sale of bonds
authorized in section 1 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) One billion five hundred five million nine hundred two thousand
dollars to remain in the state building construction account created by
RCW 43.83.020;
(b) Twenty-seven million dollars to the outdoor recreation account
created by RCW 79A.25.060;
(c) Twenty-seven million dollars to the habitat conservation
account created by RCW 79A.15.020;
(d) Ten million dollars to the riparian protection account created
by RCW 79A.15.120;
(e) Six million dollars to the farmlands preservation account
created by RCW 79A.15.130;
(f) Eighty-nine 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)(f) 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)(f) 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)(f). 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. 3. (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 2(1) (a) through (f) 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 2(1) (a) through (f) 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 2(1) (a) through (f) 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. 4. (1) Bonds issued under sections 1 through 3 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. 5. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 2 and 3 of
this act shall not be deemed to provide an exclusive method for the payment.

**Sec. 6.** RCW 43.99G.162 and 2006 c 167 s 203 are each amended to read as follows:

The proceeds from the sale of the bonds authorized in RCW 43.99G.160 shall be deposited in the Columbia river basin water supply development account created in chapter 6, Laws of 2006. If the state finance committee deems it necessary to issue the bonds authorized in RCW 43.99G.160 as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the Columbia river basin taxable bond water supply development account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the Columbia river basin taxable bond water supply development account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in RCW 43.99G.160 and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

**NEW SECTION. Sec. 7.** Sections 1 through 5 of this act constitute a new chapter in Title 43 RCW.

**NEW SECTION. Sec. 8.** 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. 9.** 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
1 immediately.