BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2453.1/15

ATTY/TYPIST: AL:lel

BRIEF DESCRIPTION: Concerning state general obligation bonds and related accounts.
AN ACT Relating to state general obligation bonds and related accounts; amending RCW 43.99Y.010 and 43.99Y.020; 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 omnibus capital and operating appropriations acts for the 2015-2017 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 two billion two hundred nine million fifty-two 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) Two billion thirty-nine million seven hundred seventy-seven thousand dollars to remain in the state building construction account created by RCW 43.83.020;

(b) One hundred fourteen million one hundred thousand dollars to the state taxable building construction account. All receipts from taxable bond issued 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.

(c) The treasurer shall transfer bond proceeds deposited in the state building construction account into the outdoor recreation account created by RCW 79A.25.060, the habitat conservation account created by RCW 79A.15.020, the riparian protection account created by RCW 79A.15.120, and the farmlands preservation account created by RCW 79A.15.130 at various times and in various amounts necessary to support authorized expenditures from those accounts.

(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 (c)
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 (c)
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 (c) 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 43.99Y.010 and 2013 2nd sp.s. c 20 s 1 are each
amended to read as follows:
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 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 ((two billion thirty-six)) one billion nine hundred thirteen million three hundred ninety-six 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.

Sec. 7. RCW 43.99Y.020 and 2013 2nd sp.s. c 20 s 2 are each amended to read as follows:

(1) The proceeds from the sale of bonds authorized in RCW 43.99Y.010 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 ((six hundred seventy)) five hundred forty-nine million ((six)) two hundred ((eighty-five)) twenty-nine thousand dollars to remain in the state building construction account created by RCW 43.83.020;

(b) Twenty-five million five hundred thousand dollars to the outdoor recreation account created by RCW 79A.25.060;

(c) Twenty-five million five hundred thousand dollars to the habitat conservation account created by RCW 79A.15.020;

(d) Eight million five hundred thousand dollars to the riparian protection account created by RCW 79A.15.120;

(e) Five million five hundred thousand dollars to the farmlands preservation account created by RCW 79A.15.130;

(f) Two hundred seventy-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. 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. 8. Sections 1 through 5 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION.  Sec. 9. 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. 10. 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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