

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1071

Chapter 17, Laws of 1995

54th Legislature
1995 2nd Special Session

GENERAL OBLIGATION BONDS--AUTHORITY TO ISSUE FOR COSTS
ASSOCIATED WITH 1995-1997 BIENNIUM

EFFECTIVE DATE: 8/24/95

Passed by the House May 24, 1995
Yeas 67 Nays 26

CLYDE BALLARD

**Speaker of the
House of Representatives**

Passed by the Senate May 24, 1995
Yeas 30 Nays 17
CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1071** as passed by the House of Representatives and the Senate on the dates hereon set forth.

R. LORRAINE WOJAHN

President of the Senate
TIMOTHY A. MARTIN

Chief Clerk

Approved June 16, 1995
FILED

June 15, 1995 - 11:18 a.m.

MIKE LOWRY
Governor of the State of Washington
Secretary of State
State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 1071

Passed Legislature - 1995 2nd Special Session

State of Washington 54th Legislature 1995 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Sehlin, Ogden and Dellwo; by request of Office of Financial Management)

Read first time 03/24/95.

AN ACT Relating to general obligation bonds; amending RCW 39.52.010 and 39.52.020; and adding a new chapter to Title 43 RCW.

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 1995-97 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 eight hundred eleven million 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.** The proceeds from the sale of the 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:

(1) Seven hundred eighty million dollars to remain in the state building construction account created by RCW 43.83.020;

(2) Twenty million dollars to the outdoor recreation account created by RCW 43.99.060;

(3) Eighteen million six hundred thousand dollars to the habitat conservation account created by RCW 43.98A.020;

(4) Two million nine hundred twelve thousand dollars to the public safety reimbursable bond account; and

(5) Ten million dollars to the higher education construction account created by RCW 28B.14D.040.

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 state general obligation bond retirement fund shall be used for the payment of the principal of and interest on the bonds authorized in section 2 (1), (2), (3), (4), and (5) 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. Not less than thirty days prior to the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the general obligation bond retirement fund an amount equal to the amount certified by the state finance committee to be due on the payment date.

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 2(4) of this act, the state treasurer shall transfer from the public safety and education account to the general fund of the state treasury the amount computed in subsection (2) of this section for the bonds issued for the purposes of section 2(4) of this act.

(4) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 2(5) of this act, the board of regents of the University of Washington shall cause to be paid out of University of Washington nonappropriated local funds to the state treasurer for deposit into the general fund of the state treasury the amount computed in subsection (2) of this section for bonds issued for the purposes of section 2(5) of this act.

(5) Bonds issued under this section and sections 1 and 2 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.

(6) 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. 4.** 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 section 3 of this act shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. **Sec. 5.** The bonds authorized in section 1 of this act shall be a legal investment for all state funds or funds under state control and for all funds of any other public body.

Sec. 6. RCW 39.52.010 and 1984 c 186 s 36 are each amended to read as follows:

Any county, city, or town in the state of Washington which now has or may hereafter have an outstanding indebtedness evidenced by warrants or bonds, including warrants or bonds of any county, city, or town which are special fund obligations of and constitute a lien upon the waterworks or other public utilities of such county, city, or town, and are payable only from the income or funds derived or to be derived therefrom, whether issued originally within the limitations of the Constitution of this state, or of any law thereof, or whether such outstanding indebtedness has been or may hereafter be validated or legalized in the manner prescribed by law, may, by its corporate authorities, provide by ordinance or resolution for the issuance of funding bonds with which to take up and cancel such outstanding indebtedness in the manner hereinafter described, said bonds to constitute general obligations of such county, city, or town: PROVIDED, That special fund obligations payable only from the income funds of the public utility, shall not be refunded by the issuance of general municipal bonds where voter approval is required before general municipal bonds may be issued for such public utility purposes, unless such general municipal bonds shall have been previously authorized. Nothing

in this chapter shall be so construed as to prevent any such county, city, or town from funding its indebtedness as now provided by law.

Sec. 7. RCW 39.52.020 and 1984 c 186 s 37 are each amended to read as follows:

No bonds issued under this chapter shall be issued for a longer period than twenty years. Nothing in this chapter shall be deemed to authorize the issuing of any funding bonds which exceeds any constitutional or statutory limitations of indebtedness. Such bonds shall be issued and sold in accordance with chapters 39.46 and 39.53 RCW, exclusive of RCW 39.53.120.

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.** Sections 1 through 5 of this act shall constitute a new chapter in Title 43 RCW.

Passed the House May 24, 1995.

Passed the Senate May 24, 1995.

Approved by the Governor June 16, 1995.

Filed in Office of Secretary of State June 15, 1995.

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