
SENATE BILL 5184

State of Washington

56th Legislature

1999 Regular Session

By Senators Bauer, Loveland, Rossi and Rasmussen; by request of Governor Locke

Read first time 01/15/1999. Referred to Committee on Ways & Means.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99L.010, 43.99L.020, 43.99L.030, 43.84.092,
3 and 43.84.092; adding a new chapter to Title 43 RCW; providing an
4 effective date; providing an expiration date; and declaring an
5 emergency.

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

7 **PART I--NEW BOND AUTHORIZATION 1999-01 BUDGET**

8 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
9 finance the projects described and authorized by the legislature in the
10 capital and operating appropriation acts for the 1999-01 fiscal
11 biennium only, and all costs incidental thereto, the state finance
12 committee is authorized to issue general obligation bonds of the state
13 of Washington in the sum of one billion forty-nine million two hundred
14 fifty thousand dollars, or as much thereof as may be required, to
15 finance these projects and all costs incidental thereto. Bonds
16 authorized in this section may be sold at such price as the state
17 finance committee shall determine. No bonds authorized in this section

1 may be offered for sale without prior legislative appropriation of the
2 net proceeds of the sale of the bonds.

3 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds
4 authorized in section 1 of this act shall be deposited in the state
5 building construction account created by RCW 43.83.020. The proceeds
6 shall be transferred as follows:

7 (1) Nine hundred sixty-seven million seven hundred seventy-one
8 thousand dollars to remain in the state building construction account
9 created by RCW 43.83.020;

10 (2) Twenty-five million dollars to the outdoor recreation account
11 created by RCW 43.99.060.

12 (3) Twenty-five million dollars to the habitat conservation account
13 created by RCW 43.98A.020.

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

19 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
20 retirement account shall be used for the payment of the principal of
21 and interest on the bonds authorized in section 2 of this act.

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

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

32 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through 3
33 of this act shall state that they are a general obligation of the state
34 of Washington, shall pledge the full faith and credit of the state to
35 the payment of the principal thereof and the interest thereon, and

1 shall contain an unconditional promise to pay the principal and
2 interest as the same shall become due.

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

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

12 NEW SECTION. **Sec. 6.** The bonds authorized in section 1 of this
13 act shall be a legal investment for all state funds or funds under
14 state control and for all funds of any other public body.

15 **PART II--NEW BOND AUTHORIZATION FOR WASHINGTON STATE UNIVERSITY**

16 NEW SECTION. **Sec. 7.** For the purpose of providing funds to
17 finance the Washington State University Spokane Health Sciences
18 Building project described and authorized by the legislature in the
19 supplemental capital and operating appropriation acts for the 1997-99
20 fiscal biennium, and all costs incidental thereto, the state finance
21 committee is authorized to issue general obligation bonds of the state
22 of Washington in the sum of thirty-seven million four hundred twenty-
23 five thousand dollars, or as much thereof as may be required, to
24 finance this project and all costs incidental thereto. Bonds
25 authorized in this section may be sold at such price as the state
26 finance committee shall determine. No bonds authorized in this section
27 may be offered for sale without prior legislative appropriation of the
28 net proceeds of the sale of bonds.

29 NEW SECTION. **Sec. 8.** The proceeds from the sale of the bonds
30 authorized in section 7 of this act shall be deposited in the state
31 building construction account created by RCW 43.83.020 and thirty-six
32 million three hundred thousand dollars shall be transferred to the
33 state higher education construction account created by RCW 28B.10.851.
34 These proceeds shall be used exclusively for the purposes specified in

1 this section and for the payment of expenses incurred in the issuance
2 and sale of the bonds issued for the purposes of this section, and
3 shall be administered by the office of financial management subject to
4 legislative appropriation.

5 NEW SECTION. **Sec. 9.** (1) The nondebt-limit reimbursable bond
6 retirement account shall be used for the payment of the principal of
7 and interest on the bonds authorized in section 8 of this act.

8 (2) The state finance committee shall, on or before June 30th of
9 each year, certify to the state treasurer the amount needed in the
10 ensuing twelve months to meet the bond retirement and interest
11 requirements on the bonds authorized in section 8 of this act.

12 (3) On each date on which any interest or principal and interest
13 payment is due on bonds issued for the purposes of section 8 of this
14 act, the board of regents of Washington State University shall cause to
15 be paid out of Washington State University nonappropriated local funds
16 to the state treasurer for deposit into the nondebt-limit reimbursable
17 bond retirement account the amount computed in subsection (2) of this
18 section for bonds issued for the purposes of section 8 of this act.

19 NEW SECTION. **Sec. 10.** (1) Bonds issued under sections 7 through
20 9 of this act shall state that they are a general obligation of the
21 state of Washington, shall pledge the full faith and credit of the
22 state to the payment of the principal thereof and the interest thereon,
23 and shall contain an unconditional promise to pay the principal and
24 interest as the same shall become due.

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

29 NEW SECTION. **Sec. 11.** The legislature may provide additional
30 means for raising moneys for the payment of the principal of and
31 interest on the bonds authorized in section 7 of this act, and sections
32 8 and 9 of this act shall not be deemed to provide an exclusive method
33 for the payment.

1 NEW SECTION. **Sec. 16.** (1) The debt-limit general fund bond
2 retirement account shall be used for the payment of the principal of
3 and interest on the bonds authorized in section 15 of this act.

4 (2) The state finance committee shall, on or before June 30th of
5 each year, certify to the state treasurer the amount needed in the
6 ensuing twelve months to meet the bond retirement and interest
7 requirements on the bonds authorized in section 15 of this act.

8 (3) On each date on which any interest or principal and interest
9 payment is due on bonds issued for the purposes of section 15 of this
10 act the state treasurer shall withdraw from any general state revenues
11 received in the state treasury and deposit in the debt-limit general
12 fund bond retirement account an amount equal to the amount certified by
13 the state finance committee to be due on the payment date.

14 NEW SECTION. **Sec. 17.** (1) Bonds issued under sections 14 through
15 16 of this act shall state that they are a general obligation of the
16 state of Washington, shall pledge the full faith and credit of the
17 state to the payment of the principal thereof and the interest thereon,
18 and shall contain an unconditional promise to pay the principal and
19 interest as the same shall become due.

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

24 NEW SECTION. **Sec. 18.** The legislature may provide additional
25 means for raising moneys for the payment of the principal of and
26 interest on the bonds authorized in section 14 of this act, and
27 sections 15 and 16 of this act shall not be deemed to provide an
28 exclusive method for the payment.

29 NEW SECTION. **Sec. 19.** The bonds authorized in section 14 of this
30 act shall be a legal investment for all state funds or funds under
31 state control and for all funds of any other public body.

32 **PART IV--AMENDING 1997-99 BIENNIUM BOND AUTHORIZATION**
33 **AND INTEREST EARNINGS PROVISIONS OF THE**
34 **STATE HIGHER EDUCATION CONSTRUCTION ACCOUNT**

1 **Sec. 20.** RCW 43.99L.010 and 1997 c 456 s 1 are each amended to
2 read as follows:

3 For the purpose of providing funds to finance the projects
4 described and authorized by the legislature in the capital and
5 operating appropriations acts for the 1997-99 fiscal biennium only, and
6 all costs incidental thereto, the state finance committee is authorized
7 to issue general obligation bonds of the state of Washington in the sum
8 of ~~((nine hundred eighty-nine million))~~ one billion thirty-four million
9 four hundred thirty-five thousand dollars, or as much thereof as may be
10 required, to finance these projects and all costs incidental thereto.
11 Bonds authorized in this section may be sold at such price as the state
12 finance committee shall determine. No bonds authorized in this section
13 may be offered for sale without prior legislative appropriation of the
14 net proceeds of the sale of the bonds.

15 **Sec. 21.** RCW 43.99L.020 and 1997 c 456 s 2 are each amended to
16 read as follows:

17 The proceeds from the sale of the bonds authorized in RCW
18 43.99L.010 shall be deposited in the state building construction
19 account created by RCW 43.83.020. The proceeds shall be transferred as
20 follows:

21 (1) Nine hundred fifteen million dollars to remain in the state
22 building construction account created by RCW 43.83.020;

23 (2) One million six hundred thousand dollars to the public safety
24 reimbursable bond account; ~~((and))~~

25 (3) Forty-four million three hundred thousand dollars to the higher
26 education construction account created by RCW 28B.14D.040.

27 These proceeds shall be used exclusively for the purposes specified
28 in this section and for the payment of expenses incurred in the
29 issuance and sale of the bonds issued for the purposes of this section,
30 and shall be administered by the office of financial management subject
31 to legislative appropriation;

32 (4) Twenty million dollars to the outdoor recreation account
33 created by RCW 43.99.060; and

34 (5) Twenty-two million five hundred thousand dollars to the habitat
35 conservation account created by RCW 43.98A.020.

36 **Sec. 22.** RCW 43.99L.030 and 1997 c 456 s 3 are each amended to
37 read as follows:

1 (1) The debt-limit general fund bond retirement account shall be
2 used for the payment of the principal of and interest on the bonds
3 authorized in RCW 43.99L.020 (1), (3), and (4).

4 (2) The state finance committee shall, on or before June 30th of
5 each year, certify to the state treasurer the amount needed in the
6 ensuing twelve months to meet the bond retirement and interest
7 requirements on the bonds authorized in RCW 43.99L.020 (1), (3), and
8 (4).

9 (3) On each date on which any interest or principal and interest
10 payment is due on bonds issued for the purpose of RCW 43.99L.020(1),
11 the state treasurer shall withdraw from any general state revenues
12 received in the state treasury and deposit in the debt-limit general
13 fund bond retirement account an amount equal to the amount certified by
14 the state finance committee to be due on the payment date.

15 **Sec. 23.** RCW 43.84.092 and 1997 c 218 s 5 are each amended to read
16 as follows:

17 (1) All earnings of investments of surplus balances in the state
18 treasury shall be deposited to the treasury income account, which
19 account is hereby established in the state treasury.

20 (2) The treasury income account shall be utilized to pay or receive
21 funds associated with federal programs as required by the federal cash
22 management improvement act of 1990. The treasury income account is
23 subject in all respects to chapter 43.88 RCW, but no appropriation is
24 required for refunds or allocations of interest earnings required by
25 the cash management improvement act. Refunds of interest to the
26 federal treasury required under the cash management improvement act
27 fall under RCW 43.88.180 and shall not require appropriation. The
28 office of financial management shall determine the amounts due to or
29 from the federal government pursuant to the cash management improvement
30 act. The office of financial management may direct transfers of funds
31 between accounts as deemed necessary to implement the provisions of the
32 cash management improvement act, and this subsection. Refunds or
33 allocations shall occur prior to the distributions of earnings set
34 forth in subsection (4) of this section.

35 (3) Except for the provisions of RCW 43.84.160, the treasury income
36 account may be utilized for the payment of purchased banking services
37 on behalf of treasury funds including, but not limited to, depository,
38 safekeeping, and disbursement functions for the state treasury and

1 affected state agencies. The treasury income account is subject in all
2 respects to chapter 43.88 RCW, but no appropriation is required for
3 payments to financial institutions. Payments shall occur prior to
4 distribution of earnings set forth in subsection (4) of this section.

5 (4) Monthly, the state treasurer shall distribute the earnings
6 credited to the treasury income account. The state treasurer shall
7 credit the general fund with all the earnings credited to the treasury
8 income account except:

9 (a) The following accounts and funds shall receive their
10 proportionate share of earnings based upon each account's and fund's
11 average daily balance for the period: The capitol building
12 construction account, the Cedar River channel construction and
13 operation account, the Central Washington University capital projects
14 account, the charitable, educational, penal and reformatory
15 institutions account, the common school construction fund, the county
16 criminal justice assistance account, the county sales and use tax
17 equalization account, the data processing building construction
18 account, the deferred compensation administrative account, the deferred
19 compensation principal account, the department of retirement systems
20 expense account, the drinking water assistance account, the Eastern
21 Washington University capital projects account, the education
22 construction fund, the emergency reserve fund, the federal forest
23 revolving account, the health services account, the public health
24 services account, the health system capacity account, the personal
25 health services account, the state higher education construction
26 account, the highway infrastructure account, the industrial insurance
27 premium refund account, the judges' retirement account, the judicial
28 retirement administrative account, the judicial retirement principal
29 account, the local leasehold excise tax account, the local real estate
30 excise tax account, the local sales and use tax account, the medical
31 aid account, the mobile home park relocation fund, the municipal
32 criminal justice assistance account, the municipal sales and use tax
33 equalization account, the natural resources deposit account, the
34 perpetual surveillance and maintenance account, the public employees'
35 retirement system plan I account, the public employees' retirement
36 system plan II account, the Puyallup tribal settlement account, the
37 resource management cost account, the site closure account, the special
38 wildlife account, the state employees' insurance account, the state
39 employees' insurance reserve account, the state investment board

1 expense account, the state investment board commingled trust fund
2 accounts, the supplemental pension account, the teachers' retirement
3 system plan I account, the teachers' retirement system plan II account,
4 the transportation infrastructure account, the tuition recovery trust
5 fund, the University of Washington bond retirement fund, the University
6 of Washington building account, the volunteer fire fighters' relief and
7 pension principal account, the volunteer fire fighters' relief and
8 pension administrative account, the Washington judicial retirement
9 system account, the Washington law enforcement officers' and fire
10 fighters' system plan I retirement account, the Washington law
11 enforcement officers' and fire fighters' system plan II retirement
12 account, the Washington state patrol retirement account, the Washington
13 State University building account, the Washington State University bond
14 retirement fund, the water pollution control revolving fund, and the
15 Western Washington University capital projects account. Earnings
16 derived from investing balances of the agricultural permanent fund, the
17 normal school permanent fund, the permanent common school fund, the
18 scientific permanent fund, and the state university permanent fund
19 shall be allocated to their respective beneficiary accounts. All
20 earnings to be distributed under this subsection (4)(a) shall first be
21 reduced by the allocation to the state treasurer's service fund
22 pursuant to RCW 43.08.190.

23 (b) The following accounts and funds shall receive eighty percent
24 of their proportionate share of earnings based upon each account's or
25 fund's average daily balance for the period: The aeronautics account,
26 the aircraft search and rescue account, the central Puget Sound public
27 transportation account, the city hardship assistance account, the
28 county arterial preservation account, the department of licensing
29 services account, the economic development account, the essential rail
30 assistance account, the essential rail banking account, the ferry bond
31 retirement fund, the gasohol exemption holding account, the grade
32 crossing protective fund, the high capacity transportation account, the
33 highway bond retirement fund, the highway construction stabilization
34 account, the highway safety account, the marine operating fund, the
35 motor vehicle fund, the motorcycle safety education account, the
36 pilotage account, the public transportation systems account, the Puget
37 Sound capital construction account, the Puget Sound ferry operations
38 account, the recreational vehicle account, the rural arterial trust
39 account, the safety and education account, the small city account, the

1 special category C account, the state patrol highway account, the
2 transfer relief account, the transportation capital facilities account,
3 the transportation equipment fund, the transportation fund, the
4 transportation improvement account, the transportation revolving loan
5 account, and the urban arterial trust account.

6 (5) In conformance with Article II, section 37 of the state
7 Constitution, no treasury accounts or funds shall be allocated earnings
8 without the specific affirmative directive of this section.

9 **Sec. 24.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to
10 read as follows:

11 (1) All earnings of investments of surplus balances in the state
12 treasury shall be deposited to the treasury income account, which
13 account is hereby established in the state treasury.

14 (2) The treasury income account shall be utilized to pay or receive
15 funds associated with federal programs as required by the federal cash
16 management improvement act of 1990. The treasury income account is
17 subject in all respects to chapter 43.88 RCW, but no appropriation is
18 required for refunds or allocations of interest earnings required by
19 the cash management improvement act. Refunds of interest to the
20 federal treasury required under the cash management improvement act
21 fall under RCW 43.88.180 and shall not require appropriation. The
22 office of financial management shall determine the amounts due to or
23 from the federal government pursuant to the cash management improvement
24 act. The office of financial management may direct transfers of funds
25 between accounts as deemed necessary to implement the provisions of the
26 cash management improvement act, and this subsection. Refunds or
27 allocations shall occur prior to the distributions of earnings set
28 forth in subsection (4) of this section.

29 (3) Except for the provisions of RCW 43.84.160, the treasury income
30 account may be utilized for the payment of purchased banking services
31 on behalf of treasury funds including, but not limited to, depository,
32 safekeeping, and disbursement functions for the state treasury and
33 affected state agencies. The treasury income account is subject in all
34 respects to chapter 43.88 RCW, but no appropriation is required for
35 payments to financial institutions. Payments shall occur prior to
36 distribution of earnings set forth in subsection (4) of this section.

37 (4) Monthly, the state treasurer shall distribute the earnings
38 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the treasury
2 income account except:

3 (a) The following accounts and funds shall receive their
4 proportionate share of earnings based upon each account's and fund's
5 average daily balance for the period: The capitol building
6 construction account, the Cedar River channel construction and
7 operation account, the Central Washington University capital projects
8 account, the charitable, educational, penal and reformatory
9 institutions account, the common school construction fund, the county
10 criminal justice assistance account, the county sales and use tax
11 equalization account, the data processing building construction
12 account, the deferred compensation administrative account, the deferred
13 compensation principal account, the department of retirement systems
14 expense account, the drinking water assistance account, the Eastern
15 Washington University capital projects account, the education
16 construction fund, the emergency reserve fund, the federal forest
17 revolving account, the health services account, the public health
18 services account, the health system capacity account, the personal
19 health services account, the state higher education construction
20 account, the highway infrastructure account, the industrial insurance
21 premium refund account, the judges' retirement account, the judicial
22 retirement administrative account, the judicial retirement principal
23 account, the local leasehold excise tax account, the local real estate
24 excise tax account, the local sales and use tax account, the medical
25 aid account, the mobile home park relocation fund, the municipal
26 criminal justice assistance account, the municipal sales and use tax
27 equalization account, the natural resources deposit account, the
28 perpetual surveillance and maintenance account, the public employees'
29 retirement system plan I account, the public employees' retirement
30 system plan II account, the Puyallup tribal settlement account, the
31 resource management cost account, the site closure account, the special
32 wildlife account, the state employees' insurance account, the state
33 employees' insurance reserve account, the state investment board
34 expense account, the state investment board commingled trust fund
35 accounts, the supplemental pension account, the teachers' retirement
36 system plan I account, the teachers' retirement system combined plan II
37 and plan III account, the transportation infrastructure account, the
38 tuition recovery trust fund, the University of Washington bond
39 retirement fund, the University of Washington building account, the

1 volunteer fire fighters' relief and pension principal account, the
2 volunteer fire fighters' relief and pension administrative account, the
3 Washington judicial retirement system account, the Washington law
4 enforcement officers' and fire fighters' system plan I retirement
5 account, the Washington law enforcement officers' and fire fighters'
6 system plan II retirement account, the Washington school employees'
7 retirement system combined plan II and III account, the Washington
8 state patrol retirement account, the Washington State University
9 building account, the Washington State University bond retirement fund,
10 the water pollution control revolving fund, and the Western Washington
11 University capital projects account. Earnings derived from investing
12 balances of the agricultural permanent fund, the normal school
13 permanent fund, the permanent common school fund, the scientific
14 permanent fund, and the state university permanent fund shall be
15 allocated to their respective beneficiary accounts. All earnings to be
16 distributed under this subsection (4)(a) shall first be reduced by the
17 allocation to the state treasurer's service fund pursuant to RCW
18 43.08.190.

19 (b) The following accounts and funds shall receive eighty percent
20 of their proportionate share of earnings based upon each account's or
21 fund's average daily balance for the period: The aeronautics account,
22 the aircraft search and rescue account, the central Puget Sound public
23 transportation account, the city hardship assistance account, the
24 county arterial preservation account, the department of licensing
25 services account, the economic development account, the essential rail
26 assistance account, the essential rail banking account, the ferry bond
27 retirement fund, the gasohol exemption holding account, the grade
28 crossing protective fund, the high capacity transportation account, the
29 highway bond retirement fund, the highway construction stabilization
30 account, the highway safety account, the marine operating fund, the
31 motor vehicle fund, the motorcycle safety education account, the
32 pilotage account, the public transportation systems account, the Puget
33 Sound capital construction account, the Puget Sound ferry operations
34 account, the recreational vehicle account, the rural arterial trust
35 account, the safety and education account, the small city account, the
36 special category C account, the state patrol highway account, the
37 transfer relief account, the transportation capital facilities account,
38 the transportation equipment fund, the transportation fund, the

1 transportation improvement account, the transportation revolving loan
2 account, and the urban arterial trust account.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no treasury accounts or funds shall be allocated earnings
5 without the specific affirmative directive of this section.

6 **PART V--OTHER**

7 NEW SECTION. **Sec. 25.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 26.** Part headings used in this act are not any
12 part of the law.

13 NEW SECTION. **Sec. 27.** Sections 1 through 19 of this act shall
14 constitute a new chapter in Title 43 RCW.

15 NEW SECTION. **Sec. 28.** Section 23 of this act expires September 1,
16 2000.

17 NEW SECTION. **Sec. 29.** (1) Section 24 of this act takes effect
18 September 1, 2000.

19 (2) Sections 1 through 24 of this act are necessary for the
20 immediate preservation of the public peace, health, or safety, or
21 support of the state government and its existing public institutions,
22 and take effect immediately.

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