
SUBSTITUTE HOUSE BILL 1138

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Fromhold, McDonald, Ormsby and Moeller; by request of Office of Financial Management)

READ FIRST TIME 03/23/07.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; adding a new chapter to Title 43 RCW; and declaring an
3 emergency.

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

5 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
6 finance the projects described and authorized by the legislature in the
7 capital and operating appropriations acts for the 2005-2007 and
8 2007-2009 fiscal bienniums, and all costs incidental thereto, the state
9 finance committee is authorized to issue general obligation bonds of
10 the state of Washington in the sum of one billion nine hundred
11 seventy-two million dollars, or as much thereof as may be required, to
12 finance these projects and all costs incidental thereto. Bonds
13 authorized in this section may be sold at such price as the state
14 finance committee shall determine. No bonds authorized in this section
15 may be offered for sale without prior legislative appropriation of the
16 net proceeds of the sale of the bonds.

17 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds

1 authorized in section 1 of this act shall be deposited in the state
2 building construction account created by RCW 43.83.020. The proceeds
3 shall be transferred as follows:

4 (1) One billion six hundred ninety-three million dollars to remain
5 in the state building construction account created by RCW 43.83.020;

6 (2) Thirty-six million dollars to the outdoor recreation account
7 created by RCW 79A.25.060;

8 (3) Thirty-six million dollars to the habitat conservation account
9 created by RCW 79A.15.020;

10 (4) Nineteen million dollars to the riparian protection account
11 created by RCW 79A.15.120;

12 (5) Nine million dollars to the farmlands preservation account
13 created by RCW 79A.15.130;

14 (6) One hundred forty million dollars to the state taxable building
15 construction account. All receipts from taxable bond issues are to be
16 deposited into the account. If the state finance committee deems it
17 necessary to issue more than the amount specified in this subsection
18 (6) as taxable bonds in order to comply with federal internal revenue
19 service rules and regulations pertaining to the use of nontaxable bond
20 proceeds, the proceeds of such additional taxable bonds shall be
21 transferred to the state taxable building construction account in lieu
22 of any transfer otherwise provided by this section. The state
23 treasurer shall submit written notice to the director of financial
24 management if it is determined that any such additional transfer to the
25 state taxable building construction account is necessary. Moneys in
26 the account may be spent only after appropriation.

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 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
33 retirement account shall be used for the payment of the principal of
34 and interest on the bonds authorized in section 2 (1), (2), (3), (4),
35 (5), and (6) of this act.

36 (2) The state finance committee shall, on or before June 30th of
37 each year, certify to the state treasurer the amount needed in the

1 ensuing twelve months to meet the bond retirement and interest
2 requirements on the bonds authorized in section 2 (1), (2), (3), (4),
3 (5), and (6) of this act.

4 (3) On each date on which any interest or principal and interest
5 payment is due on bonds issued for the purposes of section 2 (1), (2),
6 (3), (4), (5), and (6) of this act the state treasurer shall withdraw
7 from any general state revenues received in the state treasury and
8 deposit in the debt-limit general fund bond retirement account an
9 amount equal to the amount certified by the state finance committee to
10 be due on the payment date.

11 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through 3
12 of this act shall state that they are a general obligation of the state
13 of Washington, shall pledge the full faith and credit of the state to
14 the payment of the principal thereof and the interest thereon, and
15 shall contain an unconditional promise to pay the principal and
16 interest as the same shall become due.

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

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

26 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute
27 a new chapter in Title 43 RCW.

28 NEW SECTION. **Sec. 7.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 8.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the
2 state government and its existing public institutions, and takes effect
3 immediately.

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