H-3276.1

SUBSTITUTE HOUSE BILL 2334

State of Washington 61st Legislature 2009 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee, Williams, Hunt, Ormsby, White, Conway, Hudgins, and Chase)

READ FIRST TIME 04/15/09.

AN ACT Relating to creating jobs by funding construction of safety, health, and energy-saving improvements to public facilities; adding a new chapter to Title 43 RCW; creating new sections; and providing for submission of certain sections of this act to a vote of the people.

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

6 PART I

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7 SHORT TITLE AND INTENT

8 <u>NEW SECTION.</u> **Sec. 101.** This act may be known and cited as the 9 Washington works act.

NEW SECTION. Sec. 102. The legislature intends to create jobs and increase the quality of life of all Washington citizens by issuing bonds for the investment in safety, health, and energy efficient improvements to public facilities in all public K-12 school districts, community and technical colleges, state universities, regional universities, The Evergreen State College, and other public facilities.

16 This new source of funding for the critical capital needs of the

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state's public facilities furthers the policy goals of the state and is intended to enhance the ability of the state to fulfill its essential role in stimulating the state's economy by creating jobs.

It is the intent of the legislature that this new source of funding will not displace funding levels for the capital and operating budgets of the state. It is instead intended that the new funding will allow the public entities to use the current level of capital funding to provide for many of those urgent needs. The legislature also intends that the funds made available in this act be expended as quickly as possible consistent with good management practices in order to provide jobs for Washington families and realize long-term economic benefits for our state.

13 PART II

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BOND AUTHORIZATION

NEW SECTION. Sec. 201. (1) For the purpose of creating jobs by constructing needed capital improvements for the safety, health, and energy efficiency of public facilities, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of three billion dollars, or so much thereof as may be required, for this purpose and all costs incidental thereto. The bonds issued under the authority of this section shall be known as Washington works bonds.

- (2) Bonds authorized in this section shall be sold in the manner, at the time or times, in amounts, and at such prices as the state finance committee shall determine.
- (3) The authorization to issue bonds contained in this chapter does not expire until the full authorization has been issued.
- 28 (4) No bonds authorized in this section may be offered for sale 29 without prior legislative appropriation of the net proceeds of the sale 30 of the bonds.
- NEW SECTION. Sec. 202. (1) The nondebt-limit reimbursable bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 201 of this act.
- 34 (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 201 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 201 of this act, the state treasurer shall transfer from the stabilization debt payment account created in section 204 of this act for deposit into the nondebt-limit reimbursable bond retirement account the amount computed in subsection (2) of this section for bonds issued for the purposes of section 201 of this act.
- (4) If the stabilization debt payment account has insufficient revenues to pay the principal and interest computed in subsection (2) of this section, then the nondebt-limit general fund bond retirement account shall be used for the payment of the remaining principal and interest computed in subsection (2) of this section from any additional means provided by the legislature.
- NEW SECTION. Sec. 203. (1) Bonds issued under part II 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. 204. The stabilization debt payment account is created in the state treasury. All receipts from energy savings authorized in section 309 of this act must be deposited in the account. Moneys in the account may be spent only after appropriation.

31 PART III 32 APPROPRIATIONS

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33 NEW SECTION. Sec. 301. FOR THE SUPERINTENDENT OF PUBLIC

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INSTRUCTION

K-12 School Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations:

- (1) The appropriation is provided solely for modernization and renovation of school facilities to address the safety and health needs and to improve the energy efficiency of school facilities. Immediate safety and health improvements shall be considered the highest priority. Within the total amount, the office of the superintendent of public instruction shall provide \$100,000 to each school district and distribute the remainder by equal amounts per full-time equivalent student in each school district.
- (2) The superintendent of public instruction shall report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.
- 17 Appropriation:
- NEW SECTION. Sec. 302. FOR THE COMMUNITY AND TECHNICAL COLLEGE
 33 SYSTEM
- Community and Technical College Safety, Health, and Energy Efficiency

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for improvements related to safety, health, and energy efficiency of facilities. Energy efficiency projects shall take priority for the funds received from this appropriation. The state board for community and technical colleges system board shall report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.

35 Appropriation:

1	Washington Works AccountState \$286,000,000
2	Prior Biennia (Expenditures)
3	Future Biennia (Projected Costs)
4	TOTAL
5	NEW SECTION. Sec. 303. FOR THE UNIVERSITY OF WASHINGTON
6	University of Washington Safety, Health, and Energy Efficiency
7	The appropriation in this section is subject to the following
8	conditions and limitations: The appropriation is provided solely for
9	improvements related to safety, health, and energy efficiency of
10	facilities. Energy efficiency projects shall take priority for the
11	funds received from this appropriation. The University of Washington
12	shall report to the appropriate committees of the legislature and the
13 14	office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.
15	Appropriation:
16	Washington Works AccountState
17	Prior Biennia (Expenditures)
18	Future Biennia (Projected Costs)
19	TOTAL
20	NEW SECTION. Sec. 304. FOR WASHINGTON STATE UNIVERSITY
21	Washington State University Safety, Health, and Energy Efficiency
22	The appropriation in this section is subject to the following
23	conditions and limitations: The appropriation is provided solely for
24	improvements related to safety, health, and energy efficiency of
25	facilities. Energy efficiency projects shall take priority for the
26	funds received from this appropriation. Washington State University
27	shall report to the appropriate committees of the legislature and the
28	office of financial management on the timing and use of the funds by
29	the end of each fiscal year, until the funds are fully expended.
30	Appropriation:
31	Washington Works AccountState \$45,700,000
32	Prior Biennia (Expenditures)
33	Future Biennia (Projected Costs)

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1	TOTAL
2	NEW SECTION. Sec. 305. FOR WESTERN WASHINGTON UNIVERSITY
3	Western Washington University Safety, Health, and Energy Efficiency
4	The appropriation in this section is subject to the following
5	conditions and limitations: The appropriation is provided solely for
6	improvements related to safety, health, and energy efficiency of
7 8	facilities. Energy efficiency projects shall take priority for the
9	funds received from this appropriation. Western Washington University shall report to the appropriate committees of the legislature and the
10	office of financial management on the timing and use of the funds by
11	the end of each fiscal year, until the funds are fully expended.
12	Appropriation:
13	Washington Works AccountState \$25,000,000
14	Prior Biennia (Expenditures)
15	Future Biennia (Projected Costs)
16	TOTAL
17	NEW SECTION. Sec. 306. FOR EASTERN WASHINGTON UNIVERSITY
18	Eastern Washington University Safety, Health, and Energy Efficiency
19	The appropriation in this section is subject to the following
20	conditions and limitations: The appropriation is provided solely for
21	improvements related to safety, health, and energy efficiency of
22	facilities. Energy efficiency projects shall take priority for the
23	funds received from this appropriation. Eastern Washington University
24 25	shall report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by
26	the end of each fiscal year, until the funds are fully expended.
27	Appropriation:
28	Washington Works AccountState \$19,100,000
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30	Prior Biennia (Expenditures)
31	TOTAL
32	NEW SECTION. Sec. 307. FOR CENTRAL WASHINGTON UNIVERSITY
33	Central Washington University Safety, Health, and Energy Efficiency

1	The appropriation in this section is subject to the following
2	conditions and limitations: The appropriation is provided solely for
3	improvements related to safety, health, and energy efficiency of
4	facilities. Energy efficiency projects shall take priority for the
5	funds received from this appropriation. Central Washington University
6	shall report to the appropriate committees of the legislature and the
7	office of financial management on the timing and use of the funds by
8	the end of each fiscal year, until the funds are fully expended.
9	Appropriation:
10	Washington Works AccountState \$18,800,000
11	Prior Biennia (Expenditures)
12	Future Biennia (Projected Costs)
13	TOTAL
14	NEW SECTION. Sec. 308. FOR THE EVERGREEN STATE COLLEGE
15	The Evergreen State College Safety, Health, and Energy Efficiency
16	The appropriation in this section is subject to the following
17	conditions and limitations: The appropriation is provided solely for
18	improvements related to safety, health, and energy efficiency of
19	facilities. Energy efficiency projects shall take priority for the
20	funds received from this appropriation. The Evergreen State College
21	shall report to the appropriate committees of the legislature and the
22	office of financial management on the timing and use of the funds by
23	the end of each fiscal year, until the funds are fully expended.
24	Appropriation:
25	Washington Works AccountState
26	Prior Biennia (Expenditures)
27	Future Biennia (Projected Costs)
28	TOTAL
29	NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF GENERAL
30	ADMINISTRATION
31	Public Facility Energy Efficiency
32	The appropriation in this section is subject to the following
33	conditions and limitations:

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- (1) The appropriation is provided solely for energy efficiency improvements to public facilities. The director of general administration, in consultation with the Washington State University energy extension program and the department of community, trade, and economic development, shall provide energy efficiency services as soon as practicable for all public facilities. Performance-based contracting shall be the preferred method of delivering energy efficiency services, unless the department of general administration finds another method of delivering energy efficiency services will be more efficient or cost-effective.
 - (2) One-half of the funds provided from the Washington works bonds for energy efficiency improvements must be repaid from the energy savings within ten years. The repayments shall be deposited into the stabilization debt payment account.
 - (3) Up to \$200,000,000 of the appropriation is provided for energy efficiency improvements in public schools, including K-12 schools, community and technical colleges, state universities, regional universities, and The Evergreen State College.
 - (4) The department shall report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.
- 23 (5) The definitions in this section apply throughout this act 24 unless the context clearly requires otherwise.
 - (a) "Energy-saving performance contracting" means the process authorized by chapter 39.35C RCW by which a company contracts with a state agency to conduct no-cost energy audits, guarantee energy savings from energy efficiency, provide financing for energy efficiency improvements, and agree to be paid for its investment solely from savings resulted from the energy efficiency improvement installed or implemented.
- 32 (b) "Energy efficiency services" includes energy audits, 33 weatherization, energy efficiency retrofits, and energy efficiency 34 measures or improvements.
- 35 (c) "Public facilities" means buildings, building components, and 36 major equipment or systems.
- 37 Appropriation:

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1	Prior Biennia (Expenditures)
2	Future Biennia (Projected Costs)
3	TOTAL
4	PART IV
5	TECHNICAL PROVISIONS
6	NEW SECTION. Sec. 401. (1) The legislature may provide additional
7	means for raising moneys for the payment of the principal of and
8	interest on the bonds authorized in section 201 of this act, and
9	section 309 of this act shall not be deemed to provide an exclusive
10	method for their payment.
11	(2) The issuance of bonds under this chapter is not deemed to be
12	the only method to fund projects under this chapter.
13	(3) The office of the state treasurer shall determine a mechanism
14	to allow individual Washington state residents to purchase Washington
15	works bonds.
16	NEW SECTION. Sec. 402. The bonds authorized by this chapter shall
17	constitute a legal investment for all state funds or for funds under
18	state control and all funds of municipal corporations.
19	NEW SECTION. Sec. 403. The state finance committee is authorized
20	to prescribe the form, terms, conditions, and covenants of the bonds
21	provided for in this act, the time or times of sale of all or any
22	portion of them, and the conditions and manner of their sale and
23	issuance.
24	NEW SECTION. Sec. 404. The Washington works account is created in
25	the state treasury. All receipts from bonds authorized under section
26	201 of this act must be deposited in the account. Moneys in the
27	account may be spent only after appropriation. The proceeds from the
28	sale of the bonds authorized in section 201 of this act shall be
29	deposited in the account. Moneys in the account shall be used
30	exclusively for:

(1) The purposes of part III of this act, which includes the

safety, health, and energy efficiency improvements to schools and other

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public facilities; and

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1 (2) The payment of the expenses incurred in connection with the 2 sale and issuance of the bonds.

3 PART V

4 REFERENDUM PROVISIONS

- NEW SECTION. Sec. 501. (1) The secretary of state shall submit parts I and II of this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 and Article VIII, section 3 of the state Constitution and the laws adopted to facilitate their operation.
- 11 (2) If the people ratify this act as specified under subsection (1) 12 of this section, revenues generated shall be spent as detailed in this 13 act.
- (3) Pursuant to RCW 29A.72.050(6), the statement of subject and concise description for the ballot title shall read: "The legislature has passed House Bill No . . . (this act), concerning funding improvements for schools and other public facilities. This bill would authorize bonds to construct safety, health, and energy efficiency improvements to schools and other public facilities."
- NEW SECTION. Sec. 502. This act is contingent upon approval by the voters of parts I and II of this act. If parts I and II of this act are not approved by the voters by December 1, 2009, this act is null and void.
- NEW SECTION. Sec. 503. Part headings used in this act are not any part of the law.
- NEW SECTION. Sec. 504. Sections 201 through 204 and 401 through 403 of this act constitute a new chapter in Title 43 RCW.

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