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SENATE BILL 5603

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State of Washington                      61st Legislature                      2009 Regular Session

By Senators Fraser, Brandland, and Shin; by request of Office of  
Financial Management

Read first time 01/27/09. Referred to Committee on Ways & Means.

1            AN ACT Relating to economic stimulus bonds and related accounts;  
2 adding a new chapter to Title 43 RCW; and declaring an emergency.

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

4            NEW SECTION.    **Sec. 1.**    For the purpose of providing funds to  
5 finance the projects described and authorized by the legislature in the  
6 economic stimulus capital budget, and all costs incidental thereto, the  
7 state finance committee is authorized to issue general obligation bonds  
8 of the state of Washington in the sum of three hundred ninety-eight  
9 million dollars, or as much thereof as may be required, to finance  
10 these projects and all costs incidental thereto. Bonds authorized in  
11 this section may be sold at such price as the state finance committee  
12 shall determine. No bonds authorized in this section may be offered  
13 for sale without prior legislative appropriation of the net proceeds of  
14 the sale of the bonds.

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

1 (1) Three hundred ninety-five million seven hundred thousand  
2 dollars to remain in the state building construction account created by  
3 RCW 43.83.020;

4 (2) Two million three hundred thousand dollars to the outdoor  
5 recreation account created by RCW 79A.25.060.

6 If the state finance committee deems it necessary to issue taxable  
7 bonds in order to comply with federal internal revenue service rules  
8 and regulations pertaining to the use of nontaxable bond proceeds, the  
9 proceeds of such additional taxable bonds shall be transferred to the  
10 state taxable building construction account in lieu of any transfer  
11 otherwise provided by this section. The state treasurer shall submit  
12 written notice to the director of financial management if it is  
13 determined that any such additional transfer to the state taxable  
14 building construction account is necessary. Moneys in the account may  
15 be spent only after appropriation.

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

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

25 (2) The state finance committee shall, on or before June 30th of  
26 each year, certify to the state treasurer the amount needed in the  
27 ensuing twelve months to meet the bond retirement and interest  
28 requirements on the bonds authorized in section 2 (1) and (2) of this  
29 act.

30 (3) On each date on which any interest or principal and interest  
31 payment is due on bonds issued for the purposes of section 2 (1) and  
32 (2) of this act the state treasurer shall withdraw from any general  
33 state revenues received in the state treasury and deposit in the debt-  
34 limit general fund bond retirement account an amount equal to the  
35 amount certified by the state finance committee to be due on the  
36 payment date.

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

7        (2) The owner and holder of each of the bonds or the trustee for  
8 the owner and holder of any of the bonds may by mandamus or other  
9 appropriate proceeding require the transfer and payment of funds as  
10 directed in this section.

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

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

18        NEW SECTION.    **Sec. 7.**    If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

22        NEW SECTION.    **Sec. 8.**    This act is necessary for the immediate  
23 preservation of the public peace, health, or safety, or support of the  
24 state government and its existing public institutions, and takes effect  
25 immediately.

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