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SENATE BILL 5127

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Kilmer, Parlette, Murray, and Zarelli; by request of Governor Gregoire

Read first time 01/14/11. Referred to Committee on Ways & Means.

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 2009-2011 and 2011-  
8 2013 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 nine hundred seventy-seven  
11 million two hundred ninety-nine thousand dollars, or as much thereof as  
12 may be required, to finance these projects and all costs incidental  
13 thereto. Bonds authorized in this section may be sold at such price as  
14 the state finance committee shall determine. No bonds authorized in  
15 this section may be offered for sale without prior legislative  
16 appropriation of the 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) Eight hundred ninety-nine million six hundred thirty-nine  
5 thousand dollars to remain in the state building construction account  
6 created by RCW 43.83.020; and

7 (2) Forty million eight hundred thousand dollars to the state  
8 taxable building construction account. All receipts from taxable bond  
9 issues are to be deposited into the account. If the state finance  
10 committee deems it necessary to issue more than the amount specified in  
11 this subsection (2) as taxable bonds in order to comply with federal  
12 internal revenue service rules and regulations pertaining to the use of  
13 nontaxable bond proceeds, the proceeds of such additional taxable bonds  
14 shall be transferred to the state taxable building construction account  
15 in lieu of any transfer otherwise provided by this section. The state  
16 treasurer shall submit written notice to the director of financial  
17 management if it is determined that any such additional transfer to the  
18 state taxable building construction account is necessary. Moneys in  
19 the account may be spent only after appropriation. These proceeds  
20 shall be used exclusively for the purposes specified in this section  
21 and for the payment of expenses incurred in the issuance and sale of  
22 the bonds issued for the purposes of this section, and shall be  
23 administered by the office of financial management subject to  
24 legislative appropriation.

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

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

34 (3) On each date on which any interest or principal and interest  
35 payment is due on bonds issued for the purposes of section 2 (1) and  
36 (2) of this act, the state treasurer shall withdraw from any general  
37 state revenues received in the state treasury and deposit in the debt-

1 limit general fund bond retirement account an amount equal to the  
2 amount certified by the state finance committee to be due on the  
3 payment date.

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

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

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

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

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

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

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