
SUBSTITUTE HOUSE BILL 1088

State of Washington 63rd Legislature 2013 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee and Warnick; by request of Governor Gregoire)

READ FIRST TIME 04/12/13.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99G.162; adding a new chapter to Title 43
3 RCW; and declaring an 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 2011-2013 and the
8 2013-2015 fiscal biennia, 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 seven hundred four
11 million eight hundred three thousand dollars, or as much thereof as may
12 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.** (1) The proceeds from the sale of 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 (a) One billion five hundred five million nine hundred two thousand
5 dollars to remain in the state building construction account created by
6 RCW 43.83.020;

7 (b) Twenty-seven million dollars to the outdoor recreation account
8 created by RCW 79A.25.060;

9 (c) Twenty-seven million dollars to the habitat conservation
10 account created by RCW 79A.15.020;

11 (d) Ten million dollars to the riparian protection account created
12 by RCW 79A.15.120;

13 (e) Six million dollars to the farmlands preservation account
14 created by RCW 79A.15.130;

15 (f) Eighty-nine million five hundred thousand dollars to the state
16 taxable building construction account. All receipts from taxable bond
17 issues are to be deposited into the account. If the state finance
18 committee deems it necessary or advantageous to issue more than the
19 amount specified in this subsection (1)(f) as taxable bonds in order to
20 comply with federal internal revenue service rules and regulations
21 pertaining to the use of nontaxable bond proceeds or in order to reduce
22 the total financing costs for bonds issued, the proceeds of such
23 additional taxable bonds shall be transferred to the state taxable
24 building construction account in lieu of any transfer otherwise
25 provided by this section. If the state finance committee determines
26 that a portion of the amount specified in this subsection (1)(f) as
27 taxable bonds may be issued as nontaxable bonds in compliance with
28 federal internal revenue service rules and regulations pertaining to
29 the use of nontaxable bond proceeds, then such bond proceeds shall be
30 transferred to the state building construction account in lieu of the
31 transfer to the state taxable building construction account otherwise
32 provided by this subsection (1)(f). The state treasurer shall submit
33 written notice to the director of financial management if it is
34 determined that any such additional transfer to the state taxable
35 building construction account is necessary or that a transfer from the
36 state taxable building construction account to the state building
37 construction account may be made. Moneys in the account may be spent
38 only after appropriation.

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

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

10 (2) The state finance committee shall, on or before June 30th of
11 each year, certify to the state treasurer the amount needed in the
12 ensuing twelve months to meet the bond retirement and interest
13 requirements on the bonds authorized in section 2(1) (a) through (f) of
14 this act.

15 (3) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purposes of section 2(1) (a)
17 through (f) of this act the state treasurer shall withdraw from any
18 general state revenues received in the state treasury and deposit in
19 the debt-limit general fund bond retirement account an amount equal to
20 the amount certified by the state finance committee to be due on the
21 payment date.

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

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

32 NEW SECTION. **Sec. 5.** The legislature may provide additional means
33 for raising moneys for the payment of the principal of and interest on
34 the bonds authorized in section 1 of this act, and sections 2 and 3 of

1 this act shall not be deemed to provide an exclusive method for the
2 payment.

3 **Sec. 6.** RCW 43.99G.162 and 2006 c 167 s 203 are each amended to
4 read as follows:

5 The proceeds from the sale of the bonds authorized in RCW
6 43.99G.160 shall be deposited in the Columbia river basin water supply
7 development account created in chapter 6, Laws of 2006. If the state
8 finance committee deems it necessary to issue the bonds authorized in
9 RCW 43.99G.160 as taxable bonds in order to comply with federal
10 internal revenue service rules and regulations pertaining to the use of
11 nontaxable bond proceeds, the proceeds of such taxable bonds shall be
12 transferred to the (~~state taxable building construction~~) Columbia
13 river basin taxable bond water supply development account in lieu of
14 any deposit otherwise provided by this section. The state treasurer
15 shall submit written notice to the director of financial management if
16 it is determined that any such transfer to the (~~state taxable building~~
17 ~~construction~~) Columbia river basin taxable bond water supply
18 development account is necessary. Moneys in the account may be spent
19 only after appropriation. The proceeds shall be used exclusively for
20 the purposes specified in RCW 43.99G.160 and for the payment of
21 expenses incurred in the issuance and sale of the bonds. These
22 proceeds shall be administered by the office of financial management,
23 subject to legislative appropriation.

24 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act constitute
25 a new chapter in Title 43 RCW.

26 NEW SECTION. **Sec. 8.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect

1 immediately.

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