
HOUSE BILL 1088

State of Washington 63rd Legislature 2013 Regular Session

By Representatives Dunshee and Warnick; by request of Governor Gregoire

Read first time 01/16/13. Referred to Committee on Capital Budget.

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 2013-2015 fiscal
8 biennium, and all costs incidental thereto, the state finance committee
9 is authorized to issue general obligation bonds of the state of
10 Washington in the sum of one billion six hundred ninety-eight million
11 four hundred seventy-five 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 fifty-four million five hundred
5 twenty-nine thousand dollars to remain in the state building
6 construction account created by 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) Seven million four hundred fifty thousand dollars to the
12 riparian protection account created by RCW 79A.15.120;

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

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

37 (2) These proceeds shall be used exclusively for the purposes
38 specified in this section and for the payment of expenses incurred in

1 the issuance and sale of the bonds issued for the purposes of this
2 section, and shall be administered by the office of financial
3 management subject to legislative appropriation.

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

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

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

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

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

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

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

3 The proceeds from the sale of the bonds authorized in RCW
4 43.99G.160 shall be deposited in the Columbia river basin water supply
5 development account created in chapter 6, Laws of 2006. If the state
6 finance committee deems it necessary to issue the bonds authorized in
7 RCW 43.99G.160 as taxable bonds in order to comply with federal
8 internal revenue service rules and regulations pertaining to the use of
9 nontaxable bond proceeds, the proceeds of such taxable bonds shall be
10 transferred to the (~~state taxable building construction~~) Columbia
11 river basin taxable bond water supply development account in lieu of
12 any deposit otherwise provided by this section. The state treasurer
13 shall submit written notice to the director of financial management if
14 it is determined that any such transfer to the (~~state taxable building~~
15 ~~construction~~) Columbia river basin taxable bond water supply
16 development account is necessary. Moneys in the account may be spent
17 only after appropriation. The proceeds shall be used exclusively for
18 the purposes specified in RCW 43.99G.160 and for the payment of
19 expenses incurred in the issuance and sale of the bonds. These
20 proceeds shall be administered by the office of financial management,
21 subject to legislative appropriation.

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

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

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

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