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ENGROSSED SUBSTITUTE SENATE BILL 5036

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State of Washington                      63rd Legislature                      2013 2nd Special Session

By Senate Ways & Means (originally sponsored by Senators Honeyford, Nelson, and Shin; by request of Governor Gregoire)

READ FIRST TIME 04/15/13.

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

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

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

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

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

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