

2SHB 1080 - H AMD 684

By Representative Tharinger

ADOPTED 01/18/2018

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I

4 CAPITAL PROJECTS BONDS

5 NEW SECTION. **Sec. 101.** For the purpose of providing funds to
6 finance the projects described and authorized by the legislature in
7 the omnibus capital and operating appropriations acts for the
8 2017-2019 fiscal biennium, and all costs incidental thereto, the
9 state finance committee is authorized to issue general obligation
10 bonds of the state of Washington in the sum of two billion nine
11 hundred thirty million two hundred thirty thousand dollars, or as
12 much thereof as may be required, to finance these projects and all
13 costs incidental thereto. Bonds authorized in this section may be
14 sold at such price as the state finance committee shall determine. No
15 bonds authorized in this section may be offered for sale without
16 prior legislative appropriation of the net proceeds of the sale of
17 the bonds.

18 NEW SECTION. **Sec. 102.** (1) The proceeds from the sale of bonds
19 authorized in section 101 of this act shall be deposited in the state
20 building construction account created by RCW 43.83.020. The proceeds
21 shall be transferred as follows:

22 (a) Two billion seven hundred six million one hundred thirty-one
23 thousand dollars to remain in the state building construction account
24 created by RCW 43.83.020;

25 (b) Two hundred twenty-four million ninety-nine thousand dollars
26 to the state taxable building construction account. All receipts from
27 taxable bonds issued are to be deposited into the account. If the
28 state finance committee deems it necessary or advantageous to issue
29 more than the amount specified in this subsection (1)(b) as taxable
30 bonds in order to comply with federal internal revenue service rules

1 and regulations pertaining to the use of nontaxable bond proceeds or
2 in order to reduce the total financing costs for bonds issued, the
3 proceeds of such additional taxable bonds shall be transferred to the
4 state taxable building construction account in lieu of any transfer
5 otherwise provided by this section. If the state finance committee
6 determines that a portion of the amount specified in this subsection
7 (1)(b) as taxable bonds may be issued as nontaxable bonds in
8 compliance with federal internal revenue service rules and
9 regulations pertaining to the use of nontaxable bond proceeds, then
10 such bond proceeds shall be transferred to the state building
11 construction account in lieu of the transfer to the state taxable
12 building construction account otherwise provided by this subsection
13 (1)(b). The state treasurer shall submit written notice to the
14 director of financial management if it is determined that any such
15 additional transfer to the state taxable building construction
16 account is necessary or that a transfer from the state taxable
17 building construction account to the state building construction
18 account may be made. Moneys in the account may be spent only after
19 appropriation.

20 (c) The treasurer shall transfer bond proceeds deposited in the
21 state building construction account into the outdoor recreation
22 account created by RCW 79A.25.060, the habitat conservation account
23 created by RCW 79A.15.020, the farm and forest account created by RCW
24 79A.15.130, and the early learning facilities development account, at
25 various times and in various amounts necessary to support authorized
26 expenditures from those accounts.

27 (d) The treasurer shall transfer bond proceeds deposited in the
28 state taxable building construction account into the early learning
29 facilities revolving account, at various times and in various amounts
30 necessary to support authorized expenditures from that account.

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

36 NEW SECTION. **Sec. 103.** (1) The debt-limit general fund bond
37 retirement account shall be used for the payment of the principal of
38 and interest on the bonds authorized in section 101 of this act.

1 (2) The state finance committee shall, on or before June 30th of
2 each year, certify to the state treasurer the amount needed in the
3 ensuing twelve months to meet the bond retirement and interest
4 requirements on the bonds authorized in section 101 of this act.

5 (3) On each date on which any interest or principal and interest
6 payment is due on bonds issued for the purposes of section 102(1) (a)
7 through (d) of this act the state treasurer shall withdraw from any
8 general state revenues received in the state treasury and deposit in
9 the debt-limit general fund bond retirement account an amount equal
10 to the amount certified by the state finance committee to be due on
11 the payment date.

12 NEW SECTION. **Sec. 104.** (1) Bonds issued under section 101 of
13 this act shall state that they are a general obligation of the state
14 of Washington, shall pledge the full faith and credit of the state to
15 the payment of the principal thereof and the interest thereon, and
16 shall contain an unconditional promise to pay the principal and
17 interest as the same shall become due.

18 (2) The owner and holder of each of the bonds or the trustee for
19 the owner and holder of any of the bonds may by mandamus or other
20 appropriate proceeding require the transfer and payment of funds as
21 directed in this section.

22 NEW SECTION. **Sec. 105.** The legislature may provide additional
23 means for raising moneys for the payment of the principal of and
24 interest on the bonds authorized in section 101 of this act, and
25 sections 102 and 103 of this act shall not be deemed to provide an
26 exclusive method for the payment.

27 **PART II**

28 **WATERSHED RESTORATION AND ENHANCEMENT BONDS**

29 NEW SECTION. **Sec. 201.** For the purpose of providing funds for
30 the watershed and fisheries restoration and enhancement program, the
31 state finance committee is authorized to issue general obligation
32 bonds of the state of Washington in the sum of three hundred million
33 dollars, or as much thereof as may be required, to finance the
34 projects and all costs incidental thereto. Bonds authorized in this
35 section may be sold at such price as the state finance committee
36 shall determine.

1 NEW SECTION. **Sec. 202.** It is the intent of the legislature that
2 the proceeds of the new bonds authorized in section 201 of this act
3 will be dispersed in phases of no more than twenty million dollars
4 per year over fifteen years, beginning with the 2017-2019 biennium.
5 This is not intended to limit the state's ability to disperse bond
6 proceeds if the full amount authorized in section 201 of this act has
7 not been dispersed after fifteen years. The authorization to issue
8 bonds contained in section 201 of this act does not expire until the
9 full authorization has been issued and dispersed.

10 NEW SECTION. **Sec. 203.** The proceeds from the sale of the bonds
11 authorized in section 201 of this act must be deposited in the
12 watershed restoration and enhancement bond account. If the state
13 finance committee deems it necessary to issue the bonds authorized in
14 section 201 of this act as taxable bonds in order to comply with
15 federal internal revenue service rules and regulations pertaining to
16 the use of nontaxable bond proceeds, the proceeds of such taxable
17 bonds must be deposited into the watershed restoration and
18 enhancement taxable bond account. The state treasurer shall submit
19 written notice to the director of financial management if it is
20 determined that any such transfer to the watershed restoration and
21 enhancement taxable bond account is necessary. The proceeds shall be
22 used exclusively for the purposes specified in section 201 of this
23 act and for the payment of expenses incurred in the issuance and sale
24 of the bonds. These proceeds shall be administered by the office of
25 financial management.

26 NEW SECTION. **Sec. 204.** The debt-limit general fund bond
27 retirement account shall be used for the payment of the principal of
28 and interest on the bonds authorized in section 201 of this act. The
29 state finance committee shall, on or before June 30th of each year,
30 certify to the state treasurer the amount needed in the ensuing
31 twelve months to meet the bond retirement and interest requirements.
32 On each date on which any interest or principal and interest payment
33 is due, the state treasurer shall withdraw from any general state
34 revenues received in the state treasury and deposit in the debt-limit
35 general fund bond retirement account an amount equal to the amount
36 certified by the state finance committee to be due on the payment
37 date. Bonds issued under section 201 of this act shall state that
38 they are a general obligation of the state of Washington, shall

1 pledge the full faith and credit of the state to the payment of the
2 principal thereof and the interest thereon, and shall contain an
3 unconditional promise to pay the principal and interest as the same
4 shall become due.

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

9 NEW SECTION. **Sec. 205.** The legislature may provide additional
10 means for raising moneys for the payment of the principal of and
11 interest on the bonds authorized in section 201 of this act, and
12 section 204 of this act shall not be deemed to provide an exclusive
13 method for the payment.

14 NEW SECTION. **Sec. 206.** The bonds authorized in section 201 of
15 this act shall be a legal investment for all state funds or funds
16 under state control and for all funds of any other public body.

17 NEW SECTION. **Sec. 207.** Sections 201 through 206 of this act
18 constitute a new chapter in Title 43 RCW.

19 **PART III**
20 **MISCELLANEOUS**

21 **Sec. 301.** RCW 43.99G.150 and 2006 c 167 s 101 are each amended
22 to read as follows:

23 (1) For the purpose of providing funds for state correctional
24 facilities, the state finance committee is authorized to issue
25 general obligation bonds of the state of Washington in the sum of
26 fifty-nine million three hundred thousand dollars, or as much thereof
27 as may be required, to finance the projects and all costs incidental
28 thereto. Bonds authorized in this section may be sold at such price
29 as the state finance committee shall determine. No bonds authorized
30 in this section may be offered for sale without prior legislative
31 appropriation of the net proceeds of the sale of the bonds.

32 (2) If any bonds authorized in this chapter have not been issued
33 by June 30, 2018, the authority of the state finance committee to
34 issue such remaining unissued bonds expires June 30, 2018.

1 **Sec. 302.** RCW 43.99G.170 and 2006 c 167 s 301 are each amended
2 to read as follows:

3 (1) For the purpose of providing funds for the Hood Canal aquatic
4 rehabilitation program, the state finance committee is authorized to
5 issue general obligation bonds of the state of Washington in the sum
6 of six million nine hundred twenty thousand dollars, or as much
7 thereof as may be required, to finance the projects and all costs
8 incidental thereto. Bonds authorized in this section may be sold at
9 such price as the state finance committee shall determine. No bonds
10 authorized in this section may be offered for sale without prior
11 legislative appropriation of the net proceeds of the sale of the
12 bonds.

13 (2) If any bonds authorized in this chapter have not been issued
14 by June 30, 2018, the authority of the state finance committee to
15 issue such remaining unissued bonds expires June 30, 2018.

16 NEW SECTION. **Sec. 303.** A new section is added to chapter 43.99H
17 RCW to read as follows:

18 If any bonds authorized in this chapter have not been issued by
19 June 30, 2018, the authority of the state finance committee to issue
20 such remaining unissued bonds expires June 30, 2018.

21 NEW SECTION. **Sec. 304.** A new section is added to chapter
22 28B.14H RCW to read as follows:

23 If any bonds authorized in this chapter have not been issued by
24 June 30, 2018, the authority of the state finance committee to issue
25 such remaining unissued bonds expires June 30, 2018.

26 NEW SECTION. **Sec. 305.** Sections 101 through 105 of this act
27 constitute a new chapter in Title 43 RCW.

28 NEW SECTION. **Sec. 306.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 307.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect immediately."

3 Correct the title.

EFFECT: Authorizes the State Finance Committee to issue up to \$2,930,230,000 in state general obligation bonds to finance projects in the 2017-2019 Capital Budget and to pay expenses incurred in the issuance and sale of the bonds. Adds a June 30, 2018, expiration date to several bond authorizations that remain unissued.

Authorizes the State Finance Committee to issue up to \$300,000,000 in state general obligation bonds for the Watershed and Fisheries Restoration and Enhancement Program. The bond sale and bond proceeds are not subject to appropriation. Expresses the intent that the bond proceeds are dispersed in phases with no more than \$20 million per year over fifteen years, beginning with 2017-2019 biennium.

--- END ---