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HOUSE BILL 2394

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State of Washington

65th Legislature

2018 Regular Session

By Representative Tharinger; by request of Office of Financial Management

Prefiled 01/05/18. Read first time 01/08/18. Referred to Committee on Capital Budget.

1 AN ACT Relating to state general obligation bonds and related  
2 accounts; amending RCW 43.99G.150 and 43.99G.170; adding a new  
3 section to chapter 43.99H RCW; adding a new section to chapter  
4 28B.14H RCW; adding a new chapter to Title 43 RCW; and declaring an  
5 emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** For the purpose of providing funds to  
8 finance the projects described and authorized by the legislature in  
9 the omnibus capital and operating appropriations acts for the  
10 2017-2019 fiscal biennium, and all costs incidental thereto, the  
11 state finance committee is authorized to issue general obligation  
12 bonds of the state of Washington in the sum of two billion nine  
13 hundred forty-five million eleven thousand dollars, or as much  
14 thereof as may be required, to finance these projects and all costs  
15 incidental thereto. Bonds authorized in this section may be sold at  
16 such price as the state finance committee shall determine. No bonds  
17 authorized in this section may be offered for sale without prior  
18 legislative appropriation of the net proceeds of the sale of the  
19 bonds.

1        NEW SECTION.    **Sec. 2.**    (1) The proceeds from the sale of bonds  
2 authorized in section 1 of this act shall be deposited in the state  
3 building construction account created by RCW 43.83.020. The proceeds  
4 shall be transferred as follows:

5        (a) Two billion seven hundred twenty million nine hundred twelve  
6 thousand dollars to remain in the state building construction account  
7 created by RCW 43.83.020;

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

33        (c) The treasurer shall transfer bond proceeds deposited in the  
34 state building construction account into the outdoor recreation  
35 account created by RCW 79A.25.060, the habitat conservation account  
36 created by RCW 79A.15.020, the farm and forest account created by RCW  
37 79A.15.130, and the early learning facilities development account, at  
38 various times and in various amounts necessary to support authorized  
39 expenditures from those accounts.

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

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

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

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

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

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

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

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

1 sections 2 and 3 of this act shall not be deemed to provide an  
2 exclusive method for the payment.

3 **Sec. 6.** RCW 43.99G.150 and 2006 c 167 s 101 are each amended to  
4 read as follows:

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

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

17 **Sec. 7.** RCW 43.99G.170 and 2006 c 167 s 301 are each amended to  
18 read as follows:

19 (1) For the purpose of providing funds for the Hood Canal aquatic  
20 rehabilitation program, the state finance committee is authorized to  
21 issue general obligation bonds of the state of Washington in the sum  
22 of six million nine hundred twenty thousand dollars, or as much  
23 thereof as may be required, to finance the projects and all costs  
24 incidental thereto. Bonds authorized in this section may be sold at  
25 such price as the state finance committee shall determine. No bonds  
26 authorized in this section may be offered for sale without prior  
27 legislative appropriation of the net proceeds of the sale of the  
28 bonds.

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

32 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.99H  
33 RCW to read as follows:

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

1        NEW SECTION.    **Sec. 9.**    A new section is added to chapter 28B.14H  
2    RCW to read as follows:

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

6        NEW SECTION.    **Sec. 10.**    Sections 1 through 5 of this act  
7    constitute a new chapter in Title 43 RCW.

8        NEW SECTION.    **Sec. 11.**    If any provision of this act or its  
9    application to any person or circumstance is held invalid, the  
10   remainder of the act or the application of the provision to other  
11   persons or circumstances is not affected.

12       NEW SECTION.    **Sec. 12.**    This act is necessary for the immediate  
13   preservation of the public peace, health, or safety, or support of  
14   the state government and its existing public institutions, and takes  
15   effect immediately.

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