
SUBSTITUTE SENATE BILL 6468

State of Washington

65th Legislature

2018 Regular Session

By Senate Ways & Means (originally sponsored by Senators Braun, Frockt, Fain, Darneille, Rolfes, Walsh, Becker, Brown, Zeiger, Billig, Warnick, Honeyford, Keiser, Miloscia, O'Ban, Short, and Sheldon)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to expanding community-based behavioral health
2 facilities through issuance of state bonds; adding a new chapter to
3 Title 43 RCW; providing an effective date; providing a contingent
4 effective date; and providing for submission of certain sections of
5 this act to a vote of the people.

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

7 **PART I**
8 **COMMUNITY-BASED BEHAVIORAL HEALTH FACILITIES**

9 NEW SECTION. **Sec. 101.** The legislature finds there is a growing
10 need for high quality community behavioral health services. The
11 growing demand for state hospital beds has strained the state's
12 capacity to provide sufficient services in both the state hospitals
13 and in the community for individuals suffering from acute behavioral
14 and substance use disorders. The legislature intends to address the
15 needs of adults and children with mental disorders through a
16 comprehensive set of evidence-based practices that are effective in
17 serving individuals in their community and will reduce the need for
18 placements in and facilitate timely discharge from state mental
19 hospitals.

1 The legislature finds further that local facilities and services
2 that keep Washington residents closer to their families and
3 communities improve outcomes. These services may be provided in
4 community settings including, but not limited to, evaluation and
5 treatment centers, crisis triage and stabilization centers, less
6 restrictive alternative step-down beds, enhanced service facilities,
7 detoxification centers, transitional and long-term housing,
8 residential treatment centers, and other such facilities. Additional
9 resources for these community settings help prevent the need for an
10 inpatient level of care at a state hospital or other long-term
11 inpatient hospital setting.

12 NEW SECTION. **Sec. 102.** The department of commerce, in
13 collaboration with the department of social and health services,
14 shall administer grants to community hospitals or other community
15 entities to expand and establish new capacity for behavioral health
16 services in communities including children's mental health services.
17 Amounts authorized in this act may be used for construction and
18 equipment costs associated with establishment of the facilities.
19 Amounts authorized in this act may not be used for operating costs
20 associated with the treatment of patients using these services. The
21 department shall establish criteria for the issuance of the grants,
22 which must include:

23 (1) Evidence that the application was developed in collaboration
24 with one or more behavioral health organizations, as defined in RCW
25 71.24.025;

26 (2) Evidence that the applicant has assessed and would meet gaps
27 in geographical behavioral health services needs in their region;

28 (3) A commitment by applicants to serve persons who are publicly
29 funded and persons detained under the involuntary treatment act under
30 chapter 71.05 RCW;

31 (4) A commitment by the applicant to maintain the beds or
32 facility for at least a ten-year period;

33 (5) The date upon which structural modifications or construction
34 would begin and the anticipated date of completion of the project;

35 (6) A detailed estimate of the costs associated with opening the
36 beds; and

37 (7) The applicant's commitment to work with local courts and
38 prosecutors to ensure that prosecutors and courts in the area served

1 by the hospital or facility will be available to conduct involuntary
2 commitment hearings and proceedings under chapter 71.05 RCW.

3 **PART II**
4 **BOND AUTHORIZATION**

5 NEW SECTION. **Sec. 201.** (1) For the purposes of providing needed
6 capital improvements to increase behavioral health services in
7 community settings, the state finance committee is authorized to
8 issue general obligation bonds of the state of Washington in the sum
9 of two hundred fifty million dollars, or so much thereof as may be
10 required, to finance all or a part of the cost of these projects and
11 all costs incidental thereto. The bonds issued under the authority of
12 this section shall be known as Washington behavioral health bonds.

13 (2) Bonds authorized in this section must be sold in the manner,
14 at the time or times, in amounts, and at such prices as the state
15 finance committee determines.

16 (3) The authorization to issue bonds contained in this chapter
17 does not expire until the full authorization has been issued.

18 (4) No bonds authorized in this section may be offered for sale
19 without prior legislative appropriation of the net proceeds of the
20 sale of the bonds.

21 NEW SECTION. **Sec. 202.** If the people ratify section 201 of this
22 act as specified under section 301(1) of this act, section 201 of
23 this act takes effect July 1, 2019.

24 NEW SECTION. **Sec. 203.** (1) For the purposes of providing needed
25 capital improvements to increase behavioral health services in
26 community settings, the state finance committee is authorized to
27 issue general obligation bonds of the state of Washington in the sum
28 of two hundred fifty million dollars, or so much thereof as may be
29 required, to finance all or a part of the cost of these projects and
30 all costs incidental thereto. The bonds issued under the authority of
31 this section shall be known as Washington behavioral health bonds.

32 (2) Bonds authorized in this section must be sold in the manner,
33 at the time or times, in amounts, and at such prices as the state
34 finance committee determines.

35 (3) The authorization to issue bonds contained in this chapter
36 does not expire until the full authorization has been issued.

1 (4) No bonds authorized in this section may be offered for sale
2 without prior legislative appropriation of the net proceeds of the
3 sale of the bonds.

4 NEW SECTION. **Sec. 204.** It is the intent of the legislature that
5 the proceeds of the new bonds authorized in sections 201 and 203 of
6 this act will be dispersed in phases of one hundred million dollars
7 per biennium over five biennia, beginning with the 2019-2021
8 biennium. This is not intended to limit the state's ability to
9 disperse bond proceeds if the full amount authorized in sections 201
10 and 203 of this act has not been dispersed after five biennia. The
11 authorization to issue bonds contained in sections 201 and 203 of
12 this act does not expire until the full authorization has been issued
13 and dispersed.

14 NEW SECTION. **Sec. 205.** (1) The proceeds from the sale of bonds
15 authorized in sections 201 and 203 of this act shall be deposited in
16 the community behavioral health bond account, created in section 402
17 of this act.

18 (2) If the state finance committee deems it necessary or
19 advantageous to issue taxable bonds in order to comply with federal
20 internal revenue service rules and regulations pertaining to the use
21 of nontaxable bond proceeds or in order to reduce the total financing
22 costs for bonds issued, the proceeds of taxable bonds shall be
23 transferred to the community behavioral health taxable bond account
24 created in section 401 of this act. The state treasurer shall submit
25 written notice to the director of financial management if it is
26 determined that any transfer to the community behavioral health
27 taxable bond account is necessary or that a transfer from the
28 community behavioral health taxable bond account to the community
29 behavioral health bond account may be made.

30 NEW SECTION. **Sec. 206.** (1) The nondebt-limit general fund bond
31 retirement account must be used for the payment of the principal of
32 and interest on the bonds authorized in section 201 of this act.

33 (2) The state finance committee must, on or before June 30th of
34 each year, certify to the state treasurer the amount needed in the
35 ensuing twelve months to meet the bond retirement and interest
36 requirements on the bonds authorized in section 201 of this act.

1 (3) On each date on which any interest or principal and interest
2 payment is due on bonds issued for the purposes of section 201 of
3 this act, the state treasurer shall withdraw from any general state
4 revenues received in the state treasury and deposit in the nondebt-
5 limit general fund bond retirement account an amount equal to the
6 amount certified by the state finance committee to be due on the
7 payment date.

8 NEW SECTION. **Sec. 207.** (1) The debt-limit general fund bond
9 retirement account must be used for the payment of the principal of
10 and interest on the bonds authorized in section 203 of this act.

11 (2) The state finance committee must, on or before June 30th of
12 each year, certify to the state treasurer the amount needed in the
13 ensuing twelve months to meet the bond retirement and interest
14 requirements on the bonds authorized in section 203 of 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 203 of
17 this act, the state treasurer shall withdraw from any general state
18 revenues received in the state treasury and deposit in the debt-limit
19 general fund bond retirement account an amount equal to the amount
20 certified by the state finance committee to be due on the payment
21 date.

22 NEW SECTION. **Sec. 208.** (1) Bonds issued under sections 201 and
23 203 of this act must state that they are a general obligation of the
24 state of Washington, must pledge the full faith and credit of the
25 state to the payment of the principal thereof and the interest
26 thereon, and must contain an unconditional promise to pay the
27 principal and 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. 209.** The legislature may provide additional
33 means for raising moneys for the payment of the principal of and
34 interest on the bonds authorized in sections 201 and 203 of this act.

35 NEW SECTION. **Sec. 210.** The state finance committee is
36 authorized to prescribe the form, terms, conditions, and covenants of

1 the bonds provided for in this chapter, the time or times of sale of
2 all or any portion of them, and the conditions and manner of their
3 sale and issuance.

4 **PART III**
5 **REFERENDUM PROVISIONS**

6 NEW SECTION. **Sec. 301.** (1) The secretary of state shall submit
7 sections 201 and 202 of this act to the people for their adoption and
8 ratification, or rejection, at the next general election to be held
9 in this state, in accordance with Article II, section 1 and Article
10 VIII, section 3 of the state Constitution and the laws adopted to
11 facilitate their operation.

12 (2) If the people ratify sections 201 and 202 of this act as
13 specified under subsection (1) of this section, revenues generated
14 shall be spent as detailed in this act.

15 (3) Pursuant to RCW 29A.72.050(6), the statement of subject and
16 concise description for the ballot title shall read: "The legislature
17 has passed Senate Bill No. . . . (this act), concerning community-
18 based behavioral health facilities throughout the state. This bill
19 would authorize bonds to expand community-based behavioral health
20 facilities to serve and treat the mentally ill."

21 **PART IV**
22 **TECHNICAL PROVISIONS**

23 NEW SECTION. **Sec. 401.** The community behavioral health taxable
24 bond account is created in the state treasury. All receipts from
25 direct appropriations from the legislature or moneys directed to the
26 account from any other source must be deposited in the account.
27 Moneys in the account may be spent only after appropriation. The
28 account is intended to fund projects using taxable bonds.
29 Expenditures from the account are for community-based mental health
30 facilities, including but not limited to, evaluation and treatment
31 centers, crisis triage and stabilization centers, less restrictive
32 alternative step-down beds, enhanced service facilities,
33 detoxification centers, transitional and long-term housing, and
34 residential treatment centers.

1 NEW SECTION. **Sec. 402.** The community behavioral health bond
2 account is created in the state treasury. All receipts from direct
3 appropriations from the legislature or moneys directed to the account
4 from any other source must be deposited in the account. Moneys in the
5 account may be spent only after appropriation. The account is
6 intended to fund projects using tax exempt bonds. Expenditures from
7 the account are for community-based mental health facilities
8 including, but not limited to, evaluation and treatment centers,
9 crisis triage and stabilization centers, less restrictive alternative
10 step-down beds, enhanced service facilities, detoxification centers,
11 transitional and long-term housing, and residential treatment
12 centers.

13 NEW SECTION. **Sec. 403.** Sections 101 through 210, 401, and 402
14 of this act constitute a new chapter in Title 43 RCW.

15 NEW SECTION. **Sec. 404.** Sections 101, 102, 203 through 210, 401,
16 and 402 of this act take effect July 1, 2019.

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