

SHB 1101 - S AMD 830
By Senator Frockt

ADOPTED 04/27/2019

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

3 "NEW SECTION. **Sec. 1.** For the purpose of providing funds to
4 finance the projects described and authorized by the legislature in
5 the omnibus capital and operating appropriations acts for the
6 2017-2019 and 2019-2021 fiscal biennia, and all costs incidental
7 thereto, the state finance committee is authorized to issue general
8 obligation bonds of the state of Washington in the sum of three
9 billion two hundred million nine hundred twenty-six thousand dollars,
10 or as much thereof as may be required, to finance these projects and
11 all costs incidental thereto. Bonds authorized in this section may be
12 sold at such price as the state finance committee shall determine. No
13 bonds authorized in this section may be offered for sale without
14 prior legislative appropriation of the net proceeds of the sale of
15 the bonds.

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

20 (a) Three billion twenty-four million two hundred ninety-two
21 thousand dollars to remain in the state building construction account
22 created by RCW 43.83.020;

23 (b) One hundred seventy-six million six hundred thirty-four
24 thousand dollars to the state taxable building construction account.
25 All receipts from taxable bonds issued are to be deposited into the
26 account. If the state finance committee deems it necessary or
27 advantageous to issue more than the amount specified in this
28 subsection (1)(b) as taxable bonds in order to comply with federal
29 internal revenue service rules and regulations pertaining to the use
30 of nontaxable bond proceeds or in order to reduce the total financing
31 costs for bonds issued, the proceeds of such additional taxable bonds

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

17 (2)(a) The treasurer shall transfer bond proceeds deposited in
18 the state building construction account into the outdoor recreation
19 account created by RCW 79A.25.060, the habitat conservation account
20 created by RCW 79A.15.020, the farm and forest account created by RCW
21 79A.15.130, and the early learning facilities development account
22 created by RCW 43.31.569, at various times and in various amounts
23 necessary to support authorized expenditures from those accounts.

24 (b) The treasurer shall transfer bond proceeds deposited in the
25 state taxable building construction account into the early learning
26 facilities revolving account created by RCW 43.31.569, at various
27 times and in various amounts necessary to support authorized
28 expenditures from that account.

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

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

37 (2) The state finance committee shall, on or before June 30th of
38 each year, certify to the state treasurer the amount needed in the

1 ensuing twelve months to meet the bond retirement and interest
2 requirements on the bonds authorized in section 1 of this act.

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

10 NEW SECTION. **Sec. 4.** (1) Bonds issued under section 1 of this
11 act shall state that they are a general obligation of the state of
12 Washington, shall pledge the full faith and credit of the state to
13 the payment of the principal thereof and the interest thereon, and
14 shall contain an unconditional promise to pay the principal and
15 interest as the same shall become due.

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

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

25 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act are each
26 added to chapter 43.100A RCW.

27 NEW SECTION. **Sec. 7.** If any provision of this act or its
28 application to any person or circumstance is held invalid, the
29 remainder of the act or the application of the provision to other
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of
33 the state government and its existing public institutions, and takes
34 effect immediately."

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1 On page 1, line 2 of the title, after "accounts;" strike the
2 remainder of the title and insert "adding new sections to chapter
3 43.100A RCW; and declaring an emergency."

EFFECT: Authorizes the State Finance Committee to issue up to \$3,200,926,000 in general obligation bonds to finance projects in the 2019-2021 capital budget, and to pay issuance and bond sale expenses.

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