
SENATE BILL 5537

State of Washington

66th Legislature

2019 Regular Session

By Senators Braun, Keiser, Darneille, Palumbo, Frockt, Rolfes, Conway, Becker, Brown, Wagoner, Warnick, Honeyford, Cleveland, Dhingra, O'Ban, and Zeiger

Read first time 01/23/19. Referred to Committee on Ways & Means.

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; and providing for submission of certain sections of
4 this act to a vote of the people.

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

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

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

19 The legislature finds further that local facilities and services
20 that keep Washington residents closer to their families and

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

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PART II
BOND AUTHORIZATION

12 NEW SECTION. **Sec. 201.** (1) For the purposes of providing needed
13 capital improvements to increase behavioral health services for
14 adults and children in community settings, the state finance
15 committee is authorized to issue general obligation bonds of the
16 state of Washington in the sum of five hundred million dollars, or so
17 much thereof as may be required, to finance all or a part of the cost
18 of these projects and all costs incidental thereto. The bonds issued
19 under the authority of this section shall be known as Washington
20 behavioral health bonds.

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

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

26 (4) No bonds authorized in this section may be offered for sale
27 without prior legislative appropriation of the net proceeds of the
28 sale of the bonds.

29 NEW SECTION. **Sec. 202.** (1) The proceeds from the sale of bonds
30 authorized in section 201 of this act shall be deposited in the
31 community behavioral health bond account, created in section 402 of
32 this act.

33 (2) If the state finance committee deems it necessary or
34 advantageous to issue taxable bonds in order to comply with federal
35 internal revenue service rules and regulations pertaining to the use
36 of nontaxable bond proceeds or in order to reduce the total financing
37 costs for bonds issued, the proceeds of taxable bonds shall be

1 transferred to the community behavioral health taxable bond account
2 created in section 401 of this act. The state treasurer shall submit
3 written notice to the director of financial management if it is
4 determined that any transfer to the community behavioral health
5 taxable bond account is necessary or that a transfer from the
6 community behavioral health taxable bond account to the community
7 behavioral health bond account may be made.

8 NEW SECTION. **Sec. 203.** (1) The nondebt-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 201 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 201 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 201 of
17 this act, the state treasurer shall withdraw from any general state
18 revenues received in the state treasury and deposit in the nondebt-
19 limit general fund bond retirement account an amount equal to the
20 amount certified by the state finance committee to be due on the
21 payment date.

22 NEW SECTION. **Sec. 204.** (1) Bonds issued under section 201 of
23 this act must state that they are a general obligation of the state
24 of Washington, must pledge the full faith and credit of the state to
25 the payment of the principal thereof and the interest thereon, and
26 must contain an unconditional promise to pay the principal and
27 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. 205.** 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 section 201 of this act.

35 NEW SECTION. **Sec. 206.** 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 section 201 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 section 201 of this act as specified
13 under subsection (1) of this section, revenues generated shall be
14 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 adults and children with behavioral
21 health disorders."

22 **PART IV**

23 **TECHNICAL PROVISIONS**

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

13 NEW SECTION. **Sec. 403.** Sections 101 through 206, 401, and 402
14 of this act constitute a new chapter in Title 43 RCW.

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