

SHB 1148 - H AMD 775

By Representative Tharinger

ADOPTED 04/21/2023

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

3 **"PART I**

4 **2021-2023 AND 2023-2025 BIENNIAL BOND AUTHORIZATION**

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 2021-2023 and 2023-2025 fiscal biennia and future biennia, and all
9 costs incidental thereto, the state finance committee is authorized
10 to issue general obligation bonds of the state of Washington in the
11 sum of \$4,186,076,000, or as much thereof as may be required, to
12 finance these projects and all costs incidental thereto. Bonds
13 authorized in this section may be sold at such price as the state
14 finance committee shall determine. No bonds authorized in this
15 section may be offered for sale without prior legislative
16 appropriation of the net proceeds of the sale of the bonds.

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

21 (a) \$3,834,193,000 to remain in the state building construction
22 account created by RCW 43.83.020;

23 (b) \$351,883,000 to the state taxable building construction
24 account. All receipts from taxable bonds issued are to be deposited
25 into the account. If the state treasurer, on behalf of the state
26 finance committee, deems it necessary or advantageous to issue more
27 than the amount specified in this subsection (1)(b) as taxable bonds
28 in order to comply with federal internal revenue service rules and
29 regulations pertaining to the use of nontaxable bond proceeds or in
30 order to reduce the total financing costs for bonds issued, the

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

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

27 (b) The state treasurer shall transfer bond proceeds deposited in
28 the state taxable building construction account into the Ruth Lecocq
29 Kagi early learning facilities revolving account created by RCW
30 43.31.569 at various times and in various amounts necessary to
31 support authorized expenditures from that account.

32 (3) These proceeds shall be used exclusively for the purposes
33 specified in section 101 of this act and for the payment of expenses
34 incurred in the issuance and sale of the bonds issued for the
35 purposes of section 101 of this act, and shall be administered by the
36 office of financial management subject to legislative appropriation.

37 NEW SECTION. **Sec. 103.** (1) The debt-limit general fund bond
38 retirement account shall be used for the payment of the principal of
39 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 12 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)
7 and (2) 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 **UNISSUED BOND EXPIRATIONS**

29 **Sec. 201.** RCW 43.99U.010 and 2008 c 179 s 101 are each amended
30 to read as follows:

31 (1) For the purpose of providing state funds for federally
32 matched flood hazard mitigation and other projects throughout the
33 Chehalis river basin, the state finance committee is authorized to
34 issue general obligation bonds of the state of Washington in the sum
35 of (~~fifty million dollars~~) \$50,000,000, or as much thereof as may
36 be required, to finance the projects and all costs incidental

1 thereto. Bonds authorized in this section may be sold at such price
2 as the state finance committee shall determine. No bonds authorized
3 in this section may be offered for sale without prior legislative
4 appropriation of the net proceeds of the sale of the bonds.

5 (2) If any bonds authorized in this chapter have not been issued
6 by June 30, 2025, the authority of the state finance committee to
7 issue such remaining unissued bonds expires June 30, 2025.

8 **Sec. 202.** RCW 28A.527.010 and 2008 c 179 s 202 are each amended
9 to read as follows:

10 (1) For the purpose of providing school construction assistance
11 grants and needed capital improvements consisting of the predesign,
12 design, acquisition, construction, modification, renovation,
13 expansion, equipping, and other improvements of skill centers
14 facilities, including capital improvements to support satellite or
15 branch campus programs for underserved rural areas or high-density
16 areas, the state finance committee is authorized to issue general
17 obligation bonds of the state of Washington in the sum of (~~one~~
18 ~~hundred million dollars~~) \$100,000,000, or as much thereof as may be
19 required, to finance all or a part of these projects and all costs
20 incidental thereto. Bonds authorized in this section may be sold at
21 such price as the state finance committee shall determine. No bonds
22 authorized in this section may be offered for sale without prior
23 legislative appropriation of the net proceeds of the sale of the
24 bonds. If the state finance committee deems it necessary to issue
25 taxable bonds in order to comply with federal internal revenue
26 service rules and regulations pertaining to the use of nontaxable
27 bond proceeds, the proceeds of such taxable bonds shall be
28 transferred to the state taxable building construction account in
29 lieu of any deposits otherwise provided by this section. The state
30 treasurer shall submit written notice to the director of financial
31 management if it is determined that any such transfer to the state
32 taxable building construction account is necessary.

33 (2) If any bonds authorized in this chapter have not been issued
34 by June 30, 2025, the authority of the state finance committee to
35 issue such remaining unissued bonds expires June 30, 2025.

36 **Sec. 203.** RCW 28A.527.020 and 2008 c 179 s 203 are each amended
37 to read as follows:

1 This chapter is not intended to limit the legislature's ability
2 to appropriate bond proceeds if the full amount authorized in this
3 chapter has not been appropriated after one biennia (~~(, and the~~
4 ~~authorization to issue bonds contained in this chapter does not~~
5 ~~expire until the full authorization has been appropriated and~~
6 ~~issued)~~).

7 **Sec. 204.** RCW 43.99V.010 and 2009 c 6 s 1 are each amended to
8 read as follows:

9 (1) For the purpose of providing funds to finance the school
10 construction assistance grant program described and authorized by the
11 legislature in the capital appropriations acts for the 2007-2009 and
12 2009-2011 fiscal biennia and future biennia, and all costs incidental
13 thereto, the state finance committee is authorized to issue general
14 obligation bonds of the state of Washington in the sum of (~~one~~
15 ~~hundred thirty-three million dollars~~) \$133,000,000, or as much
16 thereof as may be required, to finance these projects and all costs
17 incidental thereto. Bonds authorized in this section may be sold at
18 such price as the state finance committee shall determine. No bonds
19 authorized in this section may be offered for sale without prior
20 legislative appropriation of the net proceeds of the sale of the
21 bonds.

22 (2) If any bonds authorized in this chapter have not been issued
23 by June 30, 2025, the authority of the state finance committee to
24 issue such remaining unissued bonds expires June 30, 2025.

25 PART III

26 ADJUSTING CAPACITY FOR BONDS PREVIOUSLY AUTHORIZED BUT NOT YET ISSUED

27 **Sec. 301.** RCW 43.100A.316 and 2021 c 331 s 1 are each amended to
28 read as follows:

29 For the purpose of providing funds to finance the projects
30 described and authorized by the legislature in the omnibus capital
31 and operating appropriations acts for the 2019-2021 and 2021-2023
32 fiscal biennia and future biennia, and all costs incidental thereto,
33 the state finance committee is authorized to issue general obligation
34 bonds of the state of Washington in the sum of \$3,971,290,793, or as
35 much thereof as may be required, to finance these projects and all
36 costs incidental thereto. Bonds authorized in this section may be
37 sold at such price as the state finance committee shall determine. No

1 bonds authorized in this section may be offered for sale without
2 prior legislative appropriation of the net proceeds of the sale of
3 the bonds.

4 **Sec. 302.** RCW 43.100A.311 and 2019 c 414 s 1 are each amended to
5 read as follows:

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

19 NEW SECTION. **Sec. 303.** A new section is added to chapter
20 43.100A RCW to read as follows:

21 The legislature acknowledges that legislation authorizing the
22 issuance of general obligation bonds of the state requires the
23 legislature to appropriate the proceeds of sale of the bonds before
24 the bonds may be issued. The legislature finds that the state has not
25 fully expended all appropriations for capital projects that could
26 have been supported by the issuance of state general obligation
27 bonds, and that over time this under utilization of appropriation
28 authority and the related bond issuance authority has resulted in a
29 cumulative difference between the amount of general obligation bonds
30 authorized and the amount of bonds actually issued. This difference
31 is reflected in LEAP Document No. BOND-1-HB-2023, which documents a
32 cumulative amount of unused appropriation authority and related bond
33 issuance authority.

34 The difference between the amount of bonds authorized and the
35 amount of appropriations actually expended has not been reflected in
36 the calculation of available debt capacity under the state debt
37 limit, and has resulted in an understatement of available debt
38 capacity of the state. The legislature intends to address this

1 understatement by making a one-time adjustment of \$400,000,000 to the
2 legislative balance sheet to reflect previously unused bond issuance
3 authority enacted for the 2019-2021 and 2021-2023 fiscal biennia, and
4 to utilize that bond issuance authority by authorizing appropriations
5 for the 2023-2025 fiscal biennium that will be supported by that bond
6 issuance authority.

7 **PART IV**
8 **MISCELLANEOUS**

9 NEW SECTION. **Sec. 401.** RCW 43.100A.306 (Bond issuance—Intent)
10 and 2018 c 3 s 202 are each repealed.

11 NEW SECTION. **Sec. 402.** Sections 101 through 105 of this act are
12 each added to chapter 43.100A RCW.

13 NEW SECTION. **Sec. 403.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 404.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of
19 the state government and its existing public institutions, and takes
20 effect immediately."

21 Correct the title.

EFFECT: Revises the amount of bond proceeds to be deposited into
the state building construction account and the state taxable
building construction account to reflect the appropriation levels
assumed in the 2023-25 capital budget.

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