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**HOUSE BILL 1148**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Tharinger, Callan, and Wylie; by request of Office of Financial Management

Prefiled 01/05/23. Read first time 01/09/23. Referred to Committee on Capital Budget.

1 AN ACT Relating to state general obligation bonds and related  
2 accounts; amending RCW 43.99U.010, 28A.527.010, 28A.527.020, and  
3 43.99V.010; adding new sections to chapter 43.100A RCW; repealing RCW  
4 43.100A.306; and declaring an emergency.

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

6 **PART I**  
7 **2021-2023 AND 2023-2025 BIENNIAL BOND AUTHORIZATION**

8 NEW SECTION. **Sec. 101.** For the purpose of providing funds to  
9 finance the projects described and authorized by the legislature in  
10 the omnibus capital and operating appropriations acts for the  
11 2021-2023 and 2023-2025 fiscal biennia, and all costs incidental  
12 thereto, the state finance committee is authorized to issue general  
13 obligation bonds of the state of Washington in the sum of  
14 \$3,977,065,000, or as much thereof as may be required, to finance  
15 these projects and all costs incidental thereto. Bonds authorized in  
16 this section may be sold at such price as the state finance committee  
17 shall determine. No bonds authorized in this section may be offered  
18 for sale without prior legislative appropriation of the net proceeds  
19 of the sale of the bonds.

1        NEW SECTION.    **Sec. 102.**    (1) The proceeds from the sale of bonds  
2 authorized in section 101 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) \$3,859,065,000 to remain in the state building construction  
6 account created by RCW 43.83.020;

7        (b) \$118,000,000 to the state taxable building construction  
8 account. All receipts from taxable bonds issued are to be deposited  
9 into the account. If the state treasurer, on behalf of the state  
10 finance committee, deems it necessary or advantageous to issue more  
11 than the amount specified in this subsection (1)(b) as taxable bonds  
12 in order to comply with federal internal revenue service rules and  
13 regulations pertaining to the use of nontaxable bond proceeds or in  
14 order to reduce the total financing costs for bonds issued, the  
15 proceeds of such additional taxable bonds shall be transferred to the  
16 state taxable building construction account in lieu of any transfer  
17 otherwise provided by this section. If the state treasurer, on behalf  
18 of the state finance committee, determines that a portion of the  
19 amount specified in this subsection (1)(b) as taxable bonds may be  
20 issued as nontaxable bonds in compliance with federal internal  
21 revenue service rules and regulations pertaining to the use of  
22 nontaxable bond proceeds, then such bond proceeds shall be  
23 transferred to the state building construction account in lieu of the  
24 transfer to the state taxable building construction account otherwise  
25 provided by this subsection (1)(b). The state treasurer, on behalf of  
26 the state finance committee, shall submit written notice to the  
27 director of the office of financial management if it is determined  
28 that any such additional transfer to the state taxable building  
29 construction account is necessary or that a transfer from the state  
30 taxable building construction account to the state building  
31 construction account may be made. Moneys in the account may be spent  
32 only after appropriation.

33        (2)(a) The state treasurer shall transfer bond proceeds deposited  
34 in the state building construction account into the outdoor  
35 recreation account created by RCW 79A.25.060, the habitat  
36 conservation account created by RCW 79A.15.020, the farm and forest  
37 account created by RCW 79A.15.130, and the Ruth Lecocq Kagi early  
38 learning facilities development account created by RCW 43.31.569, at  
39 various times and in various amounts necessary to support authorized  
40 expenditures from those accounts.

1 (b) The state treasurer shall transfer bond proceeds deposited in  
2 the state taxable building construction account into the Ruth Lecocq  
3 Kagi early learning facilities revolving account created by RCW  
4 43.31.569 at various times and in various amounts necessary to  
5 support authorized expenditures from that account.

6 (3) These proceeds shall be used exclusively for the purposes  
7 specified in section 101 of this act and for the payment of expenses  
8 incurred in the issuance and sale of the bonds issued for the  
9 purposes of section 101 of this act, and shall be administered by the  
10 office of financial management subject to legislative appropriation.

11 NEW SECTION. **Sec. 103.** (1) The debt-limit general fund bond  
12 retirement account shall be used for the payment of the principal of  
13 and interest on the bonds authorized in section 101 of this act.

14 (2) The state finance committee shall, on or before June 30th of  
15 each year, certify to the state treasurer the amount needed in the  
16 ensuing 12 months to meet the bond retirement and interest  
17 requirements on the bonds authorized in section 101 of this act.

18 (3) On each date on which any interest or principal and interest  
19 payment is due on bonds issued for the purposes of section 102 (1)  
20 and (2) of this act the state treasurer shall withdraw from any  
21 general state revenues received in the state treasury and deposit in  
22 the debt-limit general fund bond retirement account an amount equal  
23 to the amount certified by the state finance committee to be due on  
24 the payment date.

25 NEW SECTION. **Sec. 104.** (1) Bonds issued under section 101 of  
26 this act shall state that they are a general obligation of the state  
27 of Washington, shall pledge the full faith and credit of the state to  
28 the payment of the principal thereof and the interest thereon, and  
29 shall contain an unconditional promise to pay the principal and  
30 interest as the same shall become due.

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

35 NEW SECTION. **Sec. 105.** The legislature may provide additional  
36 means for raising moneys for the payment of the principal of and  
37 interest on the bonds authorized in section 101 of this act, and

1 sections 102 and 103 of this act shall not be deemed to provide an  
2 exclusive method for the payment.

3 **PART II**

4 **HOSPITAL BOND AUTHORIZATION**

5 NEW SECTION. **Sec. 201.** For the purpose of providing funds to  
6 finance the construction of a new forensic hospital at western state  
7 hospital, and all costs incidental thereto, the state finance  
8 committee is authorized to issue general obligation bonds of the  
9 state of Washington in the sum of \$895,000,000, or as much thereof as  
10 may be required, to finance this project and all costs incidental  
11 thereto. Bonds authorized in this section may be sold at such price  
12 as the state finance committee shall determine. No bonds authorized  
13 in this section may be offered for sale without prior legislative  
14 appropriation of the net proceeds of the sale of the bonds.

15 NEW SECTION. **Sec. 202.** (1) The proceeds from the sale of bonds  
16 authorized in section 201 of this act shall be deposited in the state  
17 building construction account created by RCW 43.83.020.

18 (2) The state treasurer, on behalf of the state finance  
19 committee, may, if it deems it necessary or advantageous, issue any  
20 of the amount specified in subsection (1) of this section as taxable  
21 bonds in order to comply with federal internal revenue service rules  
22 and regulations pertaining to the use of nontaxable bond proceeds or  
23 in order to reduce the total financing costs for bonds issued. The  
24 proceeds of such taxable bonds shall be transferred to the state  
25 taxable building construction account in lieu of any transfer or  
26 deposit otherwise provided by this section. The state treasurer, on  
27 behalf of the state finance committee, shall submit written notice to  
28 the director of the office of financial management if it is  
29 determined that any such transfer to the state taxable building  
30 construction account is necessary. Moneys in the account may be spent  
31 only after appropriation.

32 (3) These proceeds shall be used exclusively for the purpose  
33 specified in section 201 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 201 of this act, and shall be administered by the  
36 office of financial management subject to legislative appropriation.



1 issue general obligation bonds of the state of Washington in the sum  
2 of (~~fifty million dollars~~) \$50,000,000, or as much thereof as may  
3 be required, to finance the projects and all costs incidental  
4 thereto. Bonds authorized in this section may be sold at such price  
5 as the state finance committee shall determine. No bonds authorized  
6 in this section may be offered for sale without prior legislative  
7 appropriation of the net proceeds of the sale of the bonds.

8 (2) If any bonds authorized in this chapter have not been issued  
9 by June 30, 2024, the authority of the state finance committee to  
10 issue such remaining unissued bonds expires June 30, 2024.

11 **Sec. 302.** RCW 28A.527.010 and 2008 c 179 s 202 are each amended  
12 to read as follows:

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

36 (2) If any bonds authorized in this chapter have not been issued  
37 by June 30, 2024, the authority of the state finance committee to  
38 issue such remaining unissued bonds expires June 30, 2024.



1        NEW SECTION.    **Sec. 404.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of  
3    the state government and its existing public institutions, and takes  
4    effect immediately.

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