
SUBSTITUTE HOUSE BILL 1348

State of Washington 62nd Legislature 2011 Regular Session

By House Capital Budget (originally sponsored by Representatives Dunshee, Warnick, and Ormsby; by request of Governor Gregoire)

READ FIRST TIME 04/13/11.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99Q.130; adding a new section to chapter
3 43.99I RCW; adding a new section to chapter 43.99N RCW; adding a new
4 section to chapter 43.99P RCW; adding a new section to chapter 43.99Q
5 RCW; adding a new chapter to Title 43 RCW; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
8 finance the projects described and authorized by the legislature in the
9 capital and operating appropriations acts for the 2009-2011 and 2011-
10 2013 fiscal bienniums, and all costs incidental thereto, the state
11 finance committee is authorized to issue general obligation bonds of
12 the state of Washington in the sum of one billion four hundred forty-
13 four million nine hundred fifty-three thousand dollars, or as much
14 thereof as may be required, to finance these projects and all costs
15 incidental thereto. Bonds authorized in this section may be sold at
16 such price as the state finance committee shall determine. No bonds
17 authorized in this section may be offered for sale without prior
18 legislative appropriation of the net proceeds of the sale of the bonds.

1 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of the bonds
2 authorized in section 1 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) One billion three hundred twenty million six hundred forty-
6 seven thousand dollars to remain in the state building construction
7 account created by RCW 43.83.020;

8 (b) Twenty-one million dollars to the outdoor recreation account
9 created by RCW 79A.25.060;

10 (c) Twenty-one million dollars to the habitat conservation account
11 created by RCW 79A.15.020;

12 (d) Four million dollars to the riparian protection account created
13 by RCW 79A.15.120;

14 (e) Four million dollars to the farmlands preservation account
15 created by RCW 79A.15.130;

16 (f) Sixty million dollars to the state taxable building
17 construction account. All receipts from taxable bond issues are to be
18 deposited into the account. If the state finance committee deems it
19 necessary or advantageous to issue more than the amount specified in
20 this subsection (1)(f) as taxable bonds in order to comply with federal
21 internal revenue service rules and regulations pertaining to the use of
22 nontaxable bond proceeds or in order to reduce the total financing
23 costs for bonds issued, the proceeds of such additional taxable bonds
24 shall be transferred to the state taxable building construction account
25 in lieu of any transfer otherwise provided by this section. If the
26 state finance committee determines that a portion of the amount
27 specified in this subsection (1)(f) as taxable bonds may be issued as
28 nontaxable bonds in compliance with federal internal revenue service
29 rules and regulations pertaining to the use of nontaxable bond
30 proceeds, then such bond proceeds shall be transferred to the state
31 building construction account in lieu of the transfer to the state
32 taxable building construction account otherwise provided by this
33 subsection (1)(f). The state treasurer shall submit written notice to
34 the director of financial management if it is determined that any such
35 additional transfer to the state taxable building construction account
36 is necessary or that a transfer from the state taxable building
37 construction account to the state building construction account may be
38 made. Moneys in the account may be spent only after appropriation.

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

6 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
7 retirement account shall be used for the payment of the principal of
8 and interest on the bonds authorized in section 2(1) (a) through (f) of
9 this act.

10 (2) The state finance committee shall, on or before June 30th of
11 each year, certify to the state treasurer the amount needed in the
12 ensuing twelve months to meet the bond retirement and interest
13 requirements on the bonds authorized in section 2(1) (a) through (f) of
14 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 2(1) (a)
17 through (f) of this act, the state treasurer shall withdraw from any
18 general state revenues received in the state treasury and deposit in
19 the debt-limit general fund bond retirement account an amount equal to
20 the amount certified by the state finance committee to be due on the
21 payment date.

22 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through 3
23 of this act shall state that they are a general obligation of the state
24 of Washington, shall pledge the full faith and credit of the state to
25 the payment of the principal thereof and the interest thereon, and
26 shall 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. 5.** The legislature may provide additional means
33 for raising moneys for the payment of the principal of and interest on
34 the bonds authorized in section 1 of this act, and sections 2 and 3 of

1 this act shall not be deemed to provide an exclusive method for the
2 payment.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.99I RCW
4 to read as follows:

5 If any bonds authorized in this act have not been issued by June
6 30, 2013, the authority of the state finance committee to issue such
7 remaining unissued bonds shall expire June 30, 2013.

8 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.99N RCW
9 to read as follows:

10 If any bonds authorized in this act have not been issued by June
11 30, 2013, the authority of the state finance committee to issue such
12 remaining unissued bonds shall expire June 30, 2013.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.99P RCW
14 to read as follows:

15 If any bonds authorized in this act have not been issued by June
16 30, 2013, the authority of the state finance committee to issue such
17 remaining unissued bonds shall expire June 30, 2013.

18 **Sec. 9.** RCW 43.99Q.130 and 2009 c 500 s 10 are each amended to
19 read as follows:

20 (1) For the purpose of providing funds for the planning, design,
21 construction, and other necessary costs for the rehabilitation of the
22 state legislative building, the state finance committee is authorized
23 to issue general obligation bonds of the state of Washington in the sum
24 of eighty-two million five hundred ten thousand dollars or as much
25 thereof as may be required to finance the rehabilitation and
26 improvements to the legislative building and all costs incidental
27 thereto. The approved rehabilitation plan includes costs associated
28 with earthquake repairs and future earthquake mitigation and allows for
29 associated relocation costs and the acquisition of appropriate
30 relocation space. Bonds authorized in this section may be sold at a
31 price the state finance committee determines. No bonds authorized in
32 this section may be offered for sale without prior legislative
33 appropriation of the net proceeds of the sale of the bonds. The
34 proceeds of the sale of the bonds issued for the purposes of this

1 section shall be deposited in the capitol historic district
2 construction account hereby created in the state treasury. These
3 proceeds shall be used exclusively for the purposes specified in this
4 section and for the payment of expenses incurred in the issuance and
5 sale of the bonds issued for the purposes of this section, and shall be
6 administered by the office of financial management subject to
7 legislative appropriation.

8 (2) If any bonds authorized in this act have not been issued by
9 June 30, 2013, the authority of the state finance committee to issue
10 such remaining unissued bonds shall expire June 30, 2013.

11 NEW SECTION. Sec. 10. A new section is added to chapter 43.99Q
12 RCW to read as follows:

13 If any bonds authorized pursuant to RCW 43.99Q.020(5) have not been
14 issued by June 30, 2013, the authority of the state finance committee
15 to issue such remaining unissued bonds shall expire June 30, 2013.

16 NEW SECTION. Sec. 11. Sections 1 through 5 of this act constitute
17 a new chapter in Title 43 RCW.

18 NEW SECTION. Sec. 12. If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. Sec. 13. This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

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