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**SUBSTITUTE SENATE BILL 5537**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Braun, Keiser, Darneille, Palumbo, Frockt, Rolfes, Conway, Becker, Brown, Wagoner, Warnick, Honeyford, Cleveland, Dhingra, O'Ban, and Zeiger)

AN ACT Relating to expanding community-based behavioral health facilities through issuance of state bonds; adding a new chapter to Title 43 RCW; making appropriations; providing a contingent effective date; and providing for submission of certain sections of this act to a vote of the people.

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

**PART I**

**COMMUNITY-BASED BEHAVIORAL HEALTH FACILITIES**

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

The legislature finds further that local facilities and services that keep Washington residents closer to their families and communities improve outcomes. These services may be provided in community settings including, but not limited to, evaluation and treatment centers, crisis triage and stabilization centers, less restrictive alternative step-down beds, enhanced service facilities, detoxification centers, transitional and long-term housing, residential treatment centers, and other such facilities. Additional resources for these community settings help prevent the need for an inpatient level of care at a state hospital or other long-term inpatient hospital setting.

NEW SECTION. **Sec.**  The department of commerce, in collaboration with the health care authority and department of social and health services, shall administer grants to community hospitals or other community entities to expand and establish new capacity for behavioral health services in communities. Amounts authorized in this act may be used for construction and equipment costs associated with establishment of the facilities. Amounts authorized in this act may not be used for operating costs associated with the treatment of patients using these services. The department shall establish criteria for the issuance of the grants, which must include:

(1) Evidence that the services provided as a result of the grant may reduce the demand for treatment and services at state mental hospitals;

(2) Evidence that the application was developed in collaboration with one or more behavioral health organizations, as defined in RCW 71.24.025;

(3) Evidence that the applicant has assessed and would meet gaps in geographical behavioral health services needs in their region;

(4) A commitment by applicants to serve persons who are publicly funded and persons detained under the involuntary treatment act under chapter 71.05 RCW;

(5) A commitment by the applicant to maintain the beds or facility for at least a ten-year period;

(6) The date upon which structural modifications or construction would begin and the anticipated date of completion of the project;

(7) A detailed estimate of the costs associated with opening the beds; and

(8) The applicant's commitment to work with local courts and prosecutors to ensure that prosecutors and courts in the area served by the hospital or facility will be available to conduct involuntary commitment hearings and proceedings under chapter 71.05 RCW.

**PART II**

**BOND AUTHORIZATION**

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

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

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

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

NEW SECTION. **Sec.**  (1) The proceeds from the sale of bonds authorized in section 201 of this act shall be deposited in the community behavioral health bond account, created in section 502 of this act.

(2) If the state finance committee deems it necessary or advantageous to issue taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds or in order to reduce the total financing costs for bonds issued, the proceeds of taxable bonds shall be transferred to the community behavioral health taxable bond account created in section 501 of this act. The state treasurer shall submit written notice to the director of financial management if it is determined that any transfer to the community behavioral health taxable bond account is necessary or that a transfer from the community behavioral health taxable bond account to the community behavioral health bond account may be made.

NEW SECTION. **Sec.**  (1) The nondebt-limit general fund bond retirement account must be used for the payment of the principal of and interest on the bonds authorized in section 201 of this act.

(2) The state finance committee must, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements on the bonds authorized in section 201 of this act.

(3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 201 of this act, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the nondebt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

NEW SECTION. **Sec.**  (1) Bonds issued under section 201 of this act must state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay the principal and interest as the same shall become due.

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

NEW SECTION. **Sec.**  The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 201 of this act.

NEW SECTION. **Sec.**  The state finance committee is authorized to prescribe the form, terms, conditions, and covenants of the bonds provided for in this chapter, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

**PART III**

**REFERENDUM PROVISIONS**

NEW SECTION. **Sec.**  (1) The secretary of state shall submit section 201 of this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 and Article VIII, section 3 of the state Constitution and the laws adopted to facilitate their operation.

(2) If the people ratify section 201 of this act as specified under subsection (1) of this section, revenues generated shall be spent as detailed in this act.

(3) Pursuant to RCW 29A.72.050(6), the statement of subject and concise description for the ballot title shall read: "The legislature has passed Senate Bill No. . . . . (this act), concerning community-based behavioral health facilities throughout the state. This bill would authorize bonds to expand community-based behavioral health facilities to serve and treat adults and children with behavioral health disorders."

**PART IV**

**APPROPRIATIONS**

NEW SECTION. **Sec.**  (1) The sum of two hundred million dollars, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2021, from the community behavioral health bond account, created in section 502 of this act, to the university of Washington for the design and construction of a behavioral health teaching hospital to be located in Seattle.

(2) The sum of three hundred million dollars, or as much thereof as may be necessary, is appropriated for the fiscal biennium ending June 30, 2021, from the community behavioral health bond account, created in section 502 of this act, to the department of commerce for the purpose of grants to community-based behavioral health facilities consistent with section 102 of this act.

**PART V**

**TECHNICAL PROVISIONS**

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

NEW SECTION. **Sec.**  The community behavioral health bond account is created in the state treasury. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source must be deposited in the account. Moneys in the account may be spent only after appropriation. The account is intended to fund projects using tax exempt bonds. Expenditures from the account are for community-based behavioral health facilities for adults or children including, but not limited to, evaluation and treatment centers, crisis triage and stabilization centers, less restrictive alternative step-down beds, enhanced service facilities, detoxification centers, transitional and long-term housing, and residential treatment centers.

NEW SECTION. **Sec.**  Sections 101 through 206, 501, and 502 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec.**  If the people ratify section 201 of this act as specified under section 301(1) of this act, sections 101 through 206, 401, 501, and 502 of this act take effect January 1, 2020.

**--- END ---**