
ENGROSSED SUBSTITUTE HOUSE BILL 1071

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Sehlin, Ogden and Dellwo; by request of Office of Financial Management)

Read first time 03/24/95.

1 AN ACT Relating to general obligation bonds; amending RCW 39.52.010
2 and 39.52.020; and adding a new chapter to Title 43 RCW.

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

4 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
5 finance the projects described and authorized by the legislature in the
6 capital and operating appropriations acts for the 1995-97 fiscal
7 biennium, and all costs incidental thereto, the state finance committee
8 is authorized to issue general obligation bonds of the state of
9 Washington in the sum of eight hundred eleven million dollars, or as
10 much thereof as may be required, to finance these projects and all
11 costs incidental thereto. Bonds authorized in this section may be sold
12 at such price as the state finance committee shall determine. No bonds
13 authorized in this section may be offered for sale without prior
14 legislative appropriation of the net proceeds of the sale of the bonds.

15 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds
16 authorized in section 1 of this act shall be deposited in the state
17 building construction account created by RCW 43.83.020. The proceeds
18 shall be transferred as follows:

1 (1) Seven hundred eighty million dollars to remain in the state
2 building construction account created by RCW 43.83.020;

3 (2) Twenty million dollars to the outdoor recreation account
4 created by RCW 43.99.060;

5 (3) Eighteen million six hundred thousand dollars to the habitat
6 conservation account created by RCW 43.98A.020;

7 (4) Two million nine hundred twelve thousand dollars to the public
8 safety reimbursable bond account; and

9 (5) Ten million dollars to the higher education construction
10 account created by RCW 28B.14D.040.

11 These proceeds shall be used exclusively for the purposes specified
12 in this section and for the payment of expenses incurred in the
13 issuance and sale of the bonds issued for the purposes of this section,
14 and shall be administered by the office of financial management subject
15 to legislative appropriation.

16 NEW SECTION. **Sec. 3.** (1) The state general obligation bond
17 retirement fund shall be used for the payment of the principal of and
18 interest on the bonds authorized in section 2 (1), (2), (3), (4), and
19 (5) of this act.

20 (2) The state finance committee shall, on or before June 30th of
21 each year, certify to the state treasurer the amount needed in the
22 ensuing twelve months to meet the bond retirement and interest
23 requirements. Not less than thirty days prior to the date on which any
24 interest or principal and interest payment is due, the state treasurer
25 shall withdraw from any general state revenues received in the state
26 treasury and deposit in the general obligation bond retirement fund an
27 amount equal to the amount certified by the state finance committee to
28 be due on the payment date.

29 (3) On each date on which any interest or principal and interest
30 payment is due on bonds issued for the purposes of section 2(4) of this
31 act, the state treasurer shall transfer from the public safety and
32 education account to the general fund of the state treasury the amount
33 computed in subsection (2) of this section for the bonds issued for the
34 purposes of section 2(4) of this act.

35 (4) On each date on which any interest or principal and interest
36 payment is due on bonds issued for the purposes of section 2(5) of this
37 act, the board of regents of the University of Washington shall cause
38 to be paid out of University of Washington nonappropriated local funds

1 to the state treasurer for deposit into the general fund of the state
2 treasury the amount computed in subsection (2) of this section for
3 bonds issued for the purposes of section 2(5) of this act.

4 (5) Bonds issued under this section and sections 1 and 2 of this
5 act shall state that they are a general obligation of the state of
6 Washington, shall pledge the full faith and credit of the state to the
7 payment of the principal thereof and the interest thereon, and shall
8 contain an unconditional promise to pay the principal and interest as
9 the same shall become due.

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

14 NEW SECTION. **Sec. 4.** The legislature may provide additional means
15 for raising moneys for the payment of the principal of and interest on
16 the bonds authorized in section 1 of this act, and section 3 of this
17 act shall not be deemed to provide an exclusive method for the payment.

18 NEW SECTION. **Sec. 5.** The bonds authorized in section 1 of this
19 act shall be a legal investment for all state funds or funds under
20 state control and for all funds of any other public body.

21 **Sec. 6.** RCW 39.52.010 and 1984 c 186 s 36 are each amended to read
22 as follows:

23 Any county, city, or town in the state of Washington which now has
24 or may hereafter have an outstanding indebtedness evidenced by warrants
25 or bonds, including warrants or bonds of any county, city, or town
26 which are special fund obligations of and constitute a lien upon the
27 waterworks or other public utilities of such county, city, or town, and
28 are payable only from the income or funds derived or to be derived
29 therefrom, whether issued originally within the limitations of the
30 Constitution of this state, or of any law thereof, or whether such
31 outstanding indebtedness has been or may hereafter be validated or
32 legalized in the manner prescribed by law, may, by its corporate
33 authorities, provide by ordinance or resolution for the issuance of
34 funding bonds with which to take up and cancel such outstanding
35 indebtedness in the manner hereinafter described, said bonds to
36 constitute general obligations of such county, city, or town:

1 PROVIDED, That special fund obligations payable only from the income
2 funds of the public utility, shall not be refunded by the issuance of
3 general municipal bonds where voter approval is required before general
4 municipal bonds may be issued for such public utility purposes, unless
5 such general municipal bonds shall have been previously authorized.
6 Nothing in this chapter shall be so construed as to prevent any such
7 county, city, or town from funding its indebtedness as now provided by
8 law.

9 **Sec. 7.** RCW 39.52.020 and 1984 c 186 s 37 are each amended to read
10 as follows:

11 No bonds issued under this chapter shall be issued for a longer
12 period than twenty years. Nothing in this chapter shall be deemed to
13 authorize the issuing of any funding bonds which exceeds any
14 constitutional or statutory limitations of indebtedness. Such bonds
15 shall be issued and sold in accordance with chapters 39.46 and 39.53
16 RCW, exclusive of RCW 39.53.120.

17 NEW SECTION. **Sec. 8.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 9.** Sections 1 through 5 of this act shall
22 constitute a new chapter in Title 43 RCW.

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