
SUBSTITUTE HOUSE BILL 1166

State of Washington

56th Legislature

1999 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Murray, Mitchell, Hankins and O'Brien; by request of Governor Locke)

Read first time 04/1/1999.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.84.092 and 43.84.092; adding a new chapter to
3 Title 43 RCW; and declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
6 finance the projects described and authorized by the legislature in the
7 capital and operating appropriation acts for the 1999-01 fiscal
8 biennium only, and all costs incidental thereto, the state finance
9 committee is authorized to issue general obligation bonds of the state
10 of Washington in the sum of one billion two hundred four million two
11 hundred sixty-five thousand dollars, or as much thereof as may be
12 required, to finance these projects and all costs incidental thereto.
13 Bonds authorized in this section may be sold at such price as the state
14 finance committee shall determine. No bonds authorized in this section
15 may be offered for sale without prior legislative appropriation of the
16 net proceeds of the sale of the bonds.

17 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds
18 authorized in section 1 of this act shall be deposited in the state

1 building construction account created by RCW 43.83.020. The proceeds
2 shall be transferred as follows:

3 (1) Nine hundred fifty million dollars to remain in the state
4 building construction account created by RCW 43.83.020;

5 (2) Twenty-two million five hundred thousand dollars to the outdoor
6 recreation account created by RCW 43.99.060;

7 (3) Twenty-two million five hundred thousand dollars to the habitat
8 conservation account created by RCW 43.98A.020;

9 (4) One hundred thirty-six million eight hundred thirty-six
10 thousand dollars to the higher education construction account created
11 by RCW 28B.14D.040;

12 (5) Thirty-six million three hundred thousand dollars to the state
13 higher education construction account created by RCW 28B.10.851.

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

19 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
20 retirement account shall be used for the payment of the principal of
21 and interest on the bonds authorized in section 2 (1), (2), and (3) of
22 this act.

23 (2) The state finance committee shall, on or before June 30th of
24 each year, certify to the state treasurer the amount needed in the
25 ensuing twelve months to meet the bond retirement and interest
26 requirements on the bonds authorized in section 2 (1), (2), and (3) of
27 this act.

28 (3) On each date on which any interest or principal and interest
29 payment is due on bonds issued for the purposes of section 2 (1), (2),
30 and (3) of this act the state treasurer shall withdraw from any general
31 state revenues received in the state treasury and deposit in the debt-
32 limit general fund bond retirement account an amount equal to the
33 amount certified by the state finance committee to be due on the
34 payment date.

35 NEW SECTION. **Sec. 4.** (1) The nondebt-limit reimbursable bond
36 retirement account shall be used for the payment of the principal of

1 and interest on the bonds authorized in section 2 (4) and (5) of this
2 act.

3 (2) The state finance committee shall, on or before June 30th of
4 each year, certify to the state treasurer the amount needed in the
5 ensuing twelve months to meet the bond retirement and interest
6 requirements on the bonds authorized in section 2 (4) and (5) of this
7 act.

8 (3) On each date on which any interest or principal and interest
9 payment is due on bonds issued for the purposes of section 2(4) of this
10 act, the board of regents of the University of Washington shall cause
11 to be paid out of University of Washington nonappropriated local funds
12 to the state treasurer for deposit into the nondebt-limit reimbursement
13 bond retirement account the amount computed in subsection (2) of this
14 section for bonds issued for the purposes of section 2(4) of this act.

15 (4) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purposes of section 2(5) of this
17 act, the board of regents of Washington State University shall cause to
18 be paid out of the Washington State University nonappropriated funds to
19 the state treasurer for deposit into the nondebt-limit reimbursement
20 bond retirement account the amount computed in subsection (2) of this
21 section for bonds issued for the purposes of section 2(5) of this act.

22 NEW SECTION. **Sec. 5.** (1) Bonds issued under sections 1 through 4
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. 6.** 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 through
35 4 of this act shall not be deemed to provide an exclusive method for
36 the payment.

1 NEW SECTION. **Sec. 7.** The bonds authorized in section 1 of this
2 act shall be a legal investment for all state funds or funds under
3 state control and for all funds of any other public body.

4 **Sec. 8.** RCW 43.84.092 and 1997 c 218 s 5 are each amended to read
5 as follows:

6 (1) All earnings of investments of surplus balances in the state
7 treasury shall be deposited to the treasury income account, which
8 account is hereby established in the state treasury.

9 (2) The treasury income account shall be utilized to pay or receive
10 funds associated with federal programs as required by the federal cash
11 management improvement act of 1990. The treasury income account is
12 subject in all respects to chapter 43.88 RCW, but no appropriation is
13 required for refunds or allocations of interest earnings required by
14 the cash management improvement act. Refunds of interest to the
15 federal treasury required under the cash management improvement act
16 fall under RCW 43.88.180 and shall not require appropriation. The
17 office of financial management shall determine the amounts due to or
18 from the federal government pursuant to the cash management improvement
19 act. The office of financial management may direct transfers of funds
20 between accounts as deemed necessary to implement the provisions of the
21 cash management improvement act, and this subsection. Refunds or
22 allocations shall occur prior to the distributions of earnings set
23 forth in subsection (4) of this section.

24 (3) Except for the provisions of RCW 43.84.160, the treasury income
25 account may be utilized for the payment of purchased banking services
26 on behalf of treasury funds including, but not limited to, depository,
27 safekeeping, and disbursement functions for the state treasury and
28 affected state agencies. The treasury income account is subject in all
29 respects to chapter 43.88 RCW, but no appropriation is required for
30 payments to financial institutions. Payments shall occur prior to
31 distribution of earnings set forth in subsection (4) of this section.

32 (4) Monthly, the state treasurer shall distribute the earnings
33 credited to the treasury income account. The state treasurer shall
34 credit the general fund with all the earnings credited to the treasury
35 income account except:

36 (a) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's and fund's
38 average daily balance for the period: The capitol building

1 construction account, the Cedar River channel construction and
2 operation account, the Central Washington University capital projects
3 account, the charitable, educational, penal and reformatory
4 institutions account, the common school construction fund, the county
5 criminal justice assistance account, the county sales and use tax
6 equalization account, the data processing building construction
7 account, the deferred compensation administrative account, the deferred
8 compensation principal account, the department of retirement systems
9 expense account, the drinking water assistance account, the Eastern
10 Washington University capital projects account, the education
11 construction fund, the emergency reserve fund, the federal forest
12 revolving account, the health services account, the public health
13 services account, the health system capacity account, the personal
14 health services account, the state higher education construction
15 account, the higher education construction account, the highway
16 infrastructure account, the industrial insurance premium refund
17 account, the judges' retirement account, the judicial retirement
18 administrative account, the judicial retirement principal account, the
19 local leasehold excise tax account, the local real estate excise tax
20 account, the local sales and use tax account, the medical aid account,
21 the mobile home park relocation fund, the municipal criminal justice
22 assistance account, the municipal sales and use tax equalization
23 account, the natural resources deposit account, the perpetual
24 surveillance and maintenance account, the public employees' retirement
25 system plan I account, the public employees' retirement system plan II
26 account, the Puyallup tribal settlement account, the resource
27 management cost account, the site closure account, the special wildlife
28 account, the state employees' insurance account, the state employees'
29 insurance reserve account, the state investment board expense account,
30 the state investment board commingled trust fund accounts, the
31 supplemental pension account, the teachers' retirement system plan I
32 account, the teachers' retirement system plan II account, the
33 transportation infrastructure account, the tuition recovery trust fund,
34 the University of Washington bond retirement fund, the University of
35 Washington building account, the volunteer fire fighters' relief and
36 pension principal account, the volunteer fire fighters' relief and
37 pension administrative account, the Washington judicial retirement
38 system account, the Washington law enforcement officers' and fire
39 fighters' system plan I retirement account, the Washington law

1 enforcement officers' and fire fighters' system plan II retirement
2 account, the Washington state patrol retirement account, the Washington
3 State University building account, the Washington State University bond
4 retirement fund, the water pollution control revolving fund, and the
5 Western Washington University capital projects account. Earnings
6 derived from investing balances of the agricultural permanent fund, the
7 normal school permanent fund, the permanent common school fund, the
8 scientific permanent fund, and the state university permanent fund
9 shall be allocated to their respective beneficiary accounts. All
10 earnings to be distributed under this subsection (4)(a) shall first be
11 reduced by the allocation to the state treasurer's service fund
12 pursuant to RCW 43.08.190.

13 (b) The following accounts and funds shall receive eighty percent
14 of their proportionate share of earnings based upon each account's or
15 fund's average daily balance for the period: The aeronautics account,
16 the aircraft search and rescue account, the central Puget Sound public
17 transportation account, the city hardship assistance account, the
18 county arterial preservation account, the department of licensing
19 services account, the economic development account, the essential rail
20 assistance account, the essential rail banking account, the ferry bond
21 retirement fund, the gasohol exemption holding account, the grade
22 crossing protective fund, the high capacity transportation account, the
23 highway bond retirement fund, the highway construction stabilization
24 account, the highway safety account, the marine operating fund, the
25 motor vehicle fund, the motorcycle safety education account, the
26 pilotage account, the public transportation systems account, the Puget
27 Sound capital construction account, the Puget Sound ferry operations
28 account, the recreational vehicle account, the rural arterial trust
29 account, the safety and education account, the small city account, the
30 special category C account, the state patrol highway account, the
31 transfer relief account, the transportation capital facilities account,
32 the transportation equipment fund, the transportation fund, the
33 transportation improvement account, the transportation revolving loan
34 account, and the urban arterial trust account.

35 (5) In conformance with Article II, section 37 of the state
36 Constitution, no treasury accounts or funds shall be allocated earnings
37 without the specific affirmative directive of this section.

1 **Sec. 9.** RCW 43.84.092 and 1998 c 341 s 708 are each amended to
2 read as follows:

3 (1) All earnings of investments of surplus balances in the state
4 treasury shall be deposited to the treasury income account, which
5 account is hereby established in the state treasury.

6 (2) The treasury income account shall be utilized to pay or receive
7 funds associated with federal programs as required by the federal cash
8 management improvement act of 1990. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for refunds or allocations of interest earnings required by
11 the cash management improvement act. Refunds of interest to the
12 federal treasury required under the cash management improvement act
13 fall under RCW 43.88.180 and shall not require appropriation. The
14 office of financial management shall determine the amounts due to or
15 from the federal government pursuant to the cash management improvement
16 act. The office of financial management may direct transfers of funds
17 between accounts as deemed necessary to implement the provisions of the
18 cash management improvement act, and this subsection. Refunds or
19 allocations shall occur prior to the distributions of earnings set
20 forth in subsection (4) of this section.

21 (3) Except for the provisions of RCW 43.84.160, the treasury income
22 account may be utilized for the payment of purchased banking services
23 on behalf of treasury funds including, but not limited to, depository,
24 safekeeping, and disbursement functions for the state treasury and
25 affected state agencies. The treasury income account is subject in all
26 respects to chapter 43.88 RCW, but no appropriation is required for
27 payments to financial institutions. Payments shall occur prior to
28 distribution of earnings set forth in subsection (4) of this section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the treasury
32 income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital projects
38 account, the charitable, educational, penal and reformatory
39 institutions account, the common school construction fund, the county

1 criminal justice assistance account, the county sales and use tax
2 equalization account, the data processing building construction
3 account, the deferred compensation administrative account, the deferred
4 compensation principal account, the department of retirement systems
5 expense account, the drinking water assistance account, the Eastern
6 Washington University capital projects account, the education
7 construction fund, the emergency reserve fund, the federal forest
8 revolving account, the health services account, the public health
9 services account, the health system capacity account, the personal
10 health services account, the state higher education construction
11 account, the higher education construction account, the highway
12 infrastructure account, the industrial insurance premium refund
13 account, the judges' retirement account, the judicial retirement
14 administrative account, the judicial retirement principal account, the
15 local leasehold excise tax account, the local real estate excise tax
16 account, the local sales and use tax account, the medical aid account,
17 the mobile home park relocation fund, the municipal criminal justice
18 assistance account, the municipal sales and use tax equalization
19 account, the natural resources deposit account, the perpetual
20 surveillance and maintenance account, the public employees' retirement
21 system plan I account, the public employees' retirement system plan II
22 account, the Puyallup tribal settlement account, the resource
23 management cost account, the site closure account, the special wildlife
24 account, the state employees' insurance account, the state employees'
25 insurance reserve account, the state investment board expense account,
26 the state investment board commingled trust fund accounts, the
27 supplemental pension account, the teachers' retirement system plan I
28 account, the teachers' retirement system combined plan II and plan III
29 account, the transportation infrastructure account, the tuition
30 recovery trust fund, the University of Washington bond retirement fund,
31 the University of Washington building account, the volunteer fire
32 fighters' relief and pension principal account, the volunteer fire
33 fighters' relief and pension administrative account, the Washington
34 judicial retirement system account, the Washington law enforcement
35 officers' and fire fighters' system plan I retirement account, the
36 Washington law enforcement officers' and fire fighters' system plan II
37 retirement account, the Washington school employees' retirement system
38 combined plan II and III account, the Washington state patrol
39 retirement account, the Washington State University building account,

1 the Washington State University bond retirement fund, the water
2 pollution control revolving fund, and the Western Washington University
3 capital projects account. Earnings derived from investing balances of
4 the agricultural permanent fund, the normal school permanent fund, the
5 permanent common school fund, the scientific permanent fund, and the
6 state university permanent fund shall be allocated to their respective
7 beneficiary accounts. All earnings to be distributed under this
8 subsection (4)(a) shall first be reduced by the allocation to the state
9 treasurer's service fund pursuant to RCW 43.08.190.

10 (b) The following accounts and funds shall receive eighty percent
11 of their proportionate share of earnings based upon each account's or
12 fund's average daily balance for the period: The aeronautics account,
13 the aircraft search and rescue account, the central Puget Sound public
14 transportation account, the city hardship assistance account, the
15 county arterial preservation account, the department of licensing
16 services account, the economic development account, the essential rail
17 assistance account, the essential rail banking account, the ferry bond
18 retirement fund, the gasohol exemption holding account, the grade
19 crossing protective fund, the high capacity transportation account, the
20 highway bond retirement fund, the highway construction stabilization
21 account, the highway safety account, the marine operating fund, the
22 motor vehicle fund, the motorcycle safety education account, the
23 pilotage account, the public transportation systems account, the Puget
24 Sound capital construction account, the Puget Sound ferry operations
25 account, the recreational vehicle account, the rural arterial trust
26 account, the safety and education account, the small city account, the
27 special category C account, the state patrol highway account, the
28 transfer relief account, the transportation capital facilities account,
29 the transportation equipment fund, the transportation fund, the
30 transportation improvement account, the transportation revolving loan
31 account, and the urban arterial trust account.

32 (5) In conformance with Article II, section 37 of the state
33 Constitution, no treasury accounts or funds shall be allocated earnings
34 without the specific affirmative directive of this section.

35 NEW SECTION. **Sec. 10.** If any provision of this act or its
36 application to any person or circumstance is held invalid, the
37 remainder of the act or the application of the provision to other
38 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act constitute
2 a new chapter in Title 43 RCW.

3 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 immediately.

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