
SUBSTITUTE SENATE BILL 5133

State of Washington

66th Legislature

2019 Regular Session

By Senate Ways & Means (originally sponsored by Senators Frockt, Honeyford, and Sheldon; by request of Office of Financial Management)

READ FIRST TIME 04/03/19.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; adding new sections to chapter 43.100A RCW; and declaring
3 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
7 the omnibus capital and operating appropriations acts for the
8 2017-2019 and 2019-2021 fiscal biennia, and all costs incidental
9 thereto, the state finance committee is authorized to issue general
10 obligation bonds of the state of Washington in the sum of three
11 billion sixty million five hundred forty-nine thousand dollars, or as
12 much thereof as may be required, to finance these projects and all
13 costs incidental thereto. Bonds authorized in this section may be
14 sold at such price as the state finance committee shall determine. No
15 bonds authorized in this section may be offered for sale without
16 prior legislative appropriation of the net proceeds of the sale of
17 the bonds.

18 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of bonds
19 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 (a) Two billion eight hundred seventy-eight million five hundred
4 thirty-four thousand dollars to remain in the state building
5 construction account created by RCW 43.83.020;

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

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

38 (b) The treasurer shall transfer bond proceeds deposited in the
39 state taxable building construction account into the early learning
40 facilities revolving account created by RCW 43.31.569, at various

1 times and in various amounts necessary to support authorized
2 expenditures from that account.

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

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

11 (2) The state finance committee shall, on or before June 30th of
12 each year, certify to the state treasurer the amount needed in the
13 ensuing twelve months to meet the bond retirement and interest
14 requirements on the bonds authorized in section 1 of 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) and
17 (2) of this act the state treasurer shall withdraw from any general
18 state revenues received in the state treasury and deposit in the
19 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 section 1 of this
23 act shall state that they are a general obligation of the state of
24 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
33 means for raising moneys for the payment of the principal of and
34 interest on the bonds authorized in section 1 of this act, and
35 sections 2 and 3 of this act shall not be deemed to provide an
36 exclusive method for the payment.

1 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act are each
2 added to chapter 43.100A RCW.

3 NEW SECTION. **Sec. 7.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of
9 the state government and its existing public institutions, and takes
10 effect immediately.

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