

1 **SHB 1288** - H AMD

2 By Representative Dunshee

3 Strike everything after the enacting clause and insert the
4 following:

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 capital and operating appropriations acts for the 2003-2005
8 fiscal biennium, and all costs incidental thereto, the state
9 finance committee is authorized to issue general obligation bonds
10 of the state of Washington in the sum of nine hundred eighty-six
11 million dollars, or as much thereof as may be required, to finance
12 these projects and all costs incidental thereto. Bonds authorized
13 in this section may be sold at such price as the state finance
14 committee shall determine. No bonds authorized in this section may
15 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
19 building construction account created by RCW 43.83.020. The net
20 proceeds shall be transferred as follows:

21 (1) Eight hundred twenty million dollars to remain in the state
22 building construction account created by RCW 43.83.020;

23 (2) Eighteen million seven hundred thousand dollars to the
24 outdoor recreation account created by RCW 79A.25.060;

25 (3) Twenty-six million three hundred thousand dollars to the
26 habitat conservation account created by RCW 79A.15.020;

27 (4) Eighty million dollars to the state taxable building
28 construction account created by RCW 43.99Q.020. All receipts from
29 taxable bond issues are to be deposited into the account. If the
30 state finance committee deems it necessary to issue more than
31 eighty million dollars of the bonds authorized in section 1 of this
32 act as taxable bonds in order to comply with federal internal

1 revenue service rules and regulations pertaining to the use of
2 nontaxable bond proceeds, the proceeds of such additional taxable
3 bonds shall be transferred to the state taxable building
4 construction account in lieu of any transfer otherwise provided by
5 this section. The state treasurer shall submit written notice to
6 the director of financial management if it is determined that any
7 such additional transfer to the state taxable building construction
8 account is necessary. Moneys in the account may be spent only
9 after appropriation;

10 (5) Four million dollars to the University of Washington
11 building account created by RCW 43.79.080 for the UW
12 Bothell/Cascadia Phase 2B Offramp; and

13 (6) Four million dollars to the capital projects account of the
14 state board for the community and technical colleges created by RCW
15 28B.50.360 for the UW Bothell/Cascadia Phase 2B Offramp.

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

21 NEW SECTION. **Sec. 3.** (1) The legislature intends to provide
22 additional resources for the capital needs of education above the
23 traditional bond-supported level of appropriations in the capital
24 budget. The increased level of bond-supported appropriations is
25 intended to be temporary, over approximately three biennia, before
26 returning to a more traditional base level to ensure the debt
27 service on total outstanding obligations stays well within debt
28 limit provisions.

29 (2) For the purpose of providing funds for necessary capital
30 costs of public higher education institutions and common schools,
31 the state finance committee is authorized to issue general
32 obligation bonds of the state of Washington in the sum of one
33 billion eighty-one million five hundred thousand dollars, or as
34 much thereof as may be required, to finance these projects and all
35 costs incidental thereto. Bonds authorized in this section may be
36 sold at such price as the state finance committee shall determine.
37 No bonds authorized in this section may be offered for sale without

1 prior legislative appropriation of the net proceeds of the sale of
2 the bonds.

3 NEW SECTION. **Sec. 4.** The proceeds from the sale of the bonds
4 authorized in section 3 of this act shall be deposited in the state
5 education building construction account created by section 9 of
6 this act. These proceeds shall be used exclusively for the
7 purposes specified in section 3 of this act and for the payment of
8 expenses incurred in the issuance and sale of the bonds issued for
9 the purposes of this section, and shall be administered by the
10 office of financial management subject to legislative
11 appropriation.

12 NEW SECTION. **Sec. 5.** (1) The debt-limit general fund bond
13 retirement account shall be used for the payment of the principal
14 of and interest on the bonds issued for the purposes of sections 2
15 (1) through (4) and 3 of this act.

16 (2) The state finance committee shall, on or before June 30th
17 of each year, certify to the state treasurer the amount needed in
18 the ensuing twelve months to meet the bond retirement and interest
19 requirements on the bonds issued for the purposes of sections 2 (1)
20 through (4) and 3 of this act.

21 (3) On each date on which any interest or principal and
22 interest payment is due on bonds issued for the purposes of
23 sections 2 (1) through (4) and 3 of this act the state treasurer
24 shall withdraw from any general state revenues received in the
25 state treasury and deposit in the debt-limit general fund bond
26 retirement account an amount equal to the amount certified by the
27 state finance committee to be due on the payment date.

28 NEW SECTION. **Sec. 6.** (1) The nondebt-limit reimbursable bond
29 retirement account shall be used for the payment of the principal
30 of and interest on the bonds authorized in section 2 (5) and (6) of
31 this act.

32 (2) The state finance committee shall, on or before June 30th
33 of each year, certify to the state treasurer the amount needed in
34 the ensuing twelve months to meet the bond retirement and interest
35 requirements on the bonds issued for the purposes of section 2 (5)
36 and (6) of this act.

1 (3)(a) On each date on which any interest or principal and
2 interest payment is due on bonds issued for the purposes of section
3 2(5) of this act, the board of regents of the university of
4 Washington shall cause to be paid out of the university of
5 Washington Bothell campus nonappropriated local funds to the state
6 treasurer for deposit into the nondebt-limit reimbursement bond
7 retirement account the amount computed in subsection (2) of this
8 section for bonds issued for the purposes of section 2(5) of this
9 act.

10 (b) On each date on which any interest or principal and
11 interest payment is due on bonds issued for the purposes of section
12 2(6) of this act, the state board for community and technical
13 colleges shall cause to be paid out of Cascadia Community College
14 nonappropriated local funds to the state treasurer for deposit into
15 the nondebt-limit reimbursement bond retirement account the amount
16 computed in subsection (2) of this section for bonds issued for the
17 purposes of section 2(6) of this act.

18 NEW SECTION. **Sec. 7.** (1) Bonds issued under sections 1 and 3
19 of this act shall state that they are a general obligation of the
20 state of Washington, shall pledge the full faith and credit of the
21 state to the payment of the principal thereof and the interest
22 thereon, and shall contain an unconditional promise to pay the
23 principal and interest as the same shall become due.

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

28 NEW SECTION. **Sec. 8.** The legislature may provide additional
29 means for raising moneys for the payment of the principal of and
30 interest on the bonds authorized in sections 1 and 3 of this act,
31 and sections 1 through 7 of this act shall not be deemed to provide
32 an exclusive method for the payment.

33 NEW SECTION. **Sec. 9.** The state education building
34 construction account is created in the state treasury. Proceeds
35 from bonds issued under section 3 of this act shall be deposited in
36 the account. The account shall be used for capital costs of public

1 higher education institutions and common schools. Moneys in the
2 account may be spent only after appropriation.

3 NEW SECTION. **Sec. 10.** Sections 1 through 9 of this act
4 constitute a new chapter in Title 43 RCW.

5 NEW SECTION. **Sec. 11.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of
11 the state government and its existing public institutions, and
12 takes effect immediately."

13 Correct the title.

EFFECT: Authorizes bonds to support approximately \$950 million in appropriations in the 2003-05 capital budget, authorizes \$1.05 billion in bonds for K-12 and higher education construction over about 3 biennia, with \$350 million appropriated in the 2003-05 capital budget, and provides for reimbursement bonds of \$8 million for the UW Bothell/Cascadia Community College offramp.