
SUBSTITUTE HOUSE BILL 2299

State of Washington **59th Legislature** **2005 Regular Session**

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee and Jarrett; by request of Office of Financial Management)

READ FIRST TIME 04/14/05.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 28B.14H.050; adding a new chapter to Title 43
3 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 2003-2005 and 2005-
8 2007 fiscal bienniums, and all costs incidental thereto, the state
9 finance committee is authorized to issue general obligation bonds of
10 the state of Washington in the sum of one billion three hundred one
11 million dollars, or as much thereof as may be required, to finance
12 these projects and all costs incidental thereto. Bonds authorized in
13 this section may be sold at such price as the state finance committee
14 shall determine. No bonds authorized in this section may be offered
15 for sale without prior legislative appropriation of the net proceeds of
16 the sale of the bonds.

17 NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds

1 authorized in section 1 of this act shall be deposited in the state
2 building construction account created by RCW 43.83.020. The proceeds
3 shall be transferred as follows:

4 (1) One billion one hundred five million dollars to remain in the
5 state building construction account created by RCW 43.83.020;

6 (2) Twenty-five million dollars to the outdoor recreation account
7 created by RCW 79A.25.060;

8 (3) Twenty-five million dollars to the habitat conservation account
9 created by RCW 79A.15.020;

10 (4) One hundred eight million two hundred thousand dollars to the
11 state taxable building construction account. All receipts from taxable
12 bond issues are to be deposited into the account. If the state finance
13 committee deems it necessary to issue more than the amount specified in
14 this subsection (4) as taxable bonds in order to comply with federal
15 internal revenue service rules and regulations pertaining to the use of
16 nontaxable bond proceeds, the proceeds of such additional taxable bonds
17 shall be transferred to the state taxable building construction account
18 in lieu of any transfer otherwise provided by this section. The state
19 treasurer shall submit written notice to the director of financial
20 management if it is determined that any such additional transfer to the
21 state taxable building construction account is necessary. Moneys in
22 the account may be spent only after appropriation.

23 These proceeds shall be used exclusively for the purposes specified
24 in this section and for the payment of expenses incurred in the
25 issuance and sale of the bonds issued for the purposes of this section,
26 and shall be administered by the office of financial management subject
27 to legislative appropriation.

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

32 (2) The state finance committee shall, on or before June 30th of
33 each year, certify to the state treasurer the amount needed in the
34 ensuing twelve months to meet the bond retirement and interest
35 requirements on the bonds authorized in section 2 (1), (2), (3), and
36 (4) of this act.

1 (3) On each date on which any interest or principal and interest
2 payment is due on bonds issued for the purposes of section 2 (1), (2),
3 (3), and (4) of this act the state treasurer shall withdraw from any
4 general state revenues received in the state treasury and deposit in
5 the debt-limit general fund bond retirement account an amount equal to
6 the amount certified by the state finance committee to be due on the
7 payment date.

8 NEW SECTION. **Sec. 4.** (1) Bonds issued under sections 1 through 3
9 of this act shall state that they are a general obligation of the state
10 of Washington, shall pledge the full faith and credit of the state to
11 the payment of the principal thereof and the interest thereon, and
12 shall contain an unconditional promise to pay the principal and
13 interest as the same shall become due.

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

18 NEW SECTION. **Sec. 5.** The legislature may provide additional means
19 for raising moneys for the payment of the principal of and interest on
20 the bonds authorized in section 1 of this act, and sections 2 and 3 of
21 this act shall not be deemed to provide an exclusive method for the
22 payment.

23 **Sec. 6.** RCW 28B.14H.050 and 2003 1st sp.s. c 18 s 7 are each
24 amended to read as follows:

25 (1)(a) The proceeds from the sale of the bonds authorized in RCW
26 28B.14H.020 shall be deposited in the Gardner-Evans higher education
27 construction account created in RCW 28B.14H.110.

28 (b) If the state finance committee deems it necessary to issue the
29 bonds authorized in RCW 28B.14H.020 as taxable bonds in order to comply
30 with federal internal revenue service rules and regulations pertaining
31 to the use of nontaxable bond proceeds, the proceeds of such taxable
32 bonds shall be deposited to the state taxable building construction
33 account in lieu of any deposit otherwise provided by this section. The
34 state treasurer shall submit written notice to the director of

1 financial management if it is determined that any such deposit to the
2 state taxable building construction account is necessary. Moneys in
3 the account may be spent only after appropriation.

4 (2) The proceeds shall be used exclusively for the purposes in RCW
5 28B.14H.020 and for the payment of the expenses incurred in connection
6 with the sale and issuance of the bonds.

7 NEW SECTION. Sec. 7. Sections 1 through 5 of this act constitute
8 a new chapter in Title 43 RCW.

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

13 NEW SECTION. Sec. 9. This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and takes effect
16 immediately.

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