

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 2299

Chapter 487, Laws of 2005

59th Legislature
2005 Regular Session

GENERAL OBLIGATION BONDS

EFFECTIVE DATE: 5/16/05

Passed by the House April 22, 2005
Yeas 93 Nays 5

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 24, 2005
Yeas 45 Nays 2

BRAD OWEN

President of the Senate

Approved May 16, 2005.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2299** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 16, 2005 - 1:53 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 2299

Passed Legislature - 2005 Regular Session

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, 39.53.120, 43.99K.030, and
3 67.40.060; adding a new chapter to Title 43 RCW; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** For the purpose of providing funds to
7 finance the projects described and authorized by the legislature in the
8 capital and operating appropriation acts for the 2003-2005 and 2005-
9 2007 fiscal bienniums, and all costs incidental thereto, the state
10 finance committee is authorized to issue general obligation bonds of
11 the state of Washington in the sum of one billion four hundred thirty-
12 four million dollars, or as much thereof as may be required, to finance
13 these projects and all costs incidental thereto. Bonds authorized in
14 this section may be sold at such price as the state finance committee
15 shall determine. No bonds authorized in this section may be offered
16 for sale without prior legislative appropriation of the net proceeds of
17 the sale of the bonds.

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

5 (1) One billion two hundred thirty-four million dollars to remain
6 in the state building construction account created by RCW 43.83.020;

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

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

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

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

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

33 (2) The state finance committee shall, on or before June 30th of
34 each year, certify to the state treasurer the amount needed in the
35 ensuing twelve months to meet the bond retirement and interest
36 requirements on the bonds authorized in section 2 (1), (2), (3), and
37 (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 **Sec. 7.** RCW 39.53.120 and 1999 c 230 s 11 are each amended to read
8 as follows:

9 (1) Except as specifically provided in this chapter, refunding
10 bonds issued under this chapter shall be issued in accordance with the
11 provisions of law applicable to the type of bonds of the issuer to be
12 refunded, at the time of the issuance of either the refunding bonds or
13 the bonds to be refunded.

14 (2) For all refunding bonds previously or hereafter issued by the
15 state of Washington under this chapter, the state treasurer shall
16 transfer from the designated funds or accounts the amount necessary for
17 the payment of principal of and interest on the refunding bonds to the
18 applicable bond retirement account for such refunding bonds on each
19 date on which the interest or principal and interest payment is due on
20 such refunding bonds unless an earlier transfer date, as determined by
21 the state finance committee, is necessary or appropriate to the
22 financial framework of the refunding bonds.

23 **Sec. 8.** RCW 43.99K.030 and 1997 c 456 s 23 are each amended to
24 read as follows:

25 (1)(a) The debt-limit general fund bond retirement account shall be
26 used for the payment of the principal of and interest on the bonds
27 authorized in RCW 43.99K.020 (1), (2), and (3).

28 (b) The debt-limit reimbursable bond retirement account shall be
29 used for the payment of the principal of and interest on the bonds
30 authorized in RCW 43.99K.020(4).

31 (c) The nondebt-limit reimbursable bond retirement account shall be
32 used for the payment of the principal of and interest on the bonds
33 authorized in RCW 43.99K.020(5).

34 (2) The state finance committee shall, on or before June 30th of
35 each year, certify to the state treasurer the amount needed in the
36 ensuing twelve months to meet the bond retirement and interest

1 requirements. (~~Not less than thirty days prior to the~~) On each date
2 on which any interest or principal and interest payment is due, the
3 state treasurer shall withdraw from any general state revenues received
4 in the state treasury and deposit in the debt-limit general fund bond
5 retirement account, debt-limit reimbursable bond retirement account,
6 nondebt-limit reimbursable bond retirement account, as necessary, an
7 amount equal to the amount certified by the state finance committee to
8 be due on the payment date.

9 (3) On each date on which any interest or principal and interest
10 payment is due on bonds issued for the purposes of RCW 43.99K.020(4),
11 the state treasurer shall transfer from the public safety and education
12 account to the general fund of the state treasury the amount computed
13 in subsection (2) of this section for the bonds issued for the purposes
14 of RCW 43.99K.020(4).

15 (4) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purposes of RCW 43.99K.020(5),
17 the board of regents of the University of Washington shall cause to be
18 paid out of University of Washington nonappropriated local funds to the
19 state treasurer for deposit into the general fund of the state treasury
20 the amount computed in subsection (2) of this section for bonds issued
21 for the purposes of RCW 43.99K.020(5).

22 (5) Bonds issued under this section and RCW 43.99K.010 and
23 43.99K.020 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 (6) 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 **Sec. 9.** RCW 67.40.060 and 1997 c 456 s 25 are each amended to read
33 as follows:

34 The nondebt-limit proprietary appropriated bond retirement account
35 shall be used for the payment of the principal of and interest on the
36 bonds authorized in RCW 67.40.030.

1 The state finance committee shall, on or before June 30th of each
2 year, certify to the state treasurer the amount needed in the ensuing
3 twelve months to meet the bond retirement and interest requirements.
4 (~~Not less than thirty days prior to the~~) On each date on which any
5 interest or principal and interest payment is due, the state treasurer
6 shall withdraw from any general state revenues received in the state
7 treasury and deposit in the nondebt-limit proprietary appropriated bond
8 retirement account an amount equal to the amount certified by the state
9 finance committee to be due on that payment date. On each date on
10 which any interest or principal and interest is due, the state
11 treasurer shall cause an identical amount to be paid out of the state
12 convention and trade center account, or state convention and trade
13 center operations account, from the proceeds of the special excise tax
14 imposed under RCW 67.40.090, operating revenues of the state convention
15 and trade center, and bond proceeds and earnings on the investment of
16 bond proceeds, for deposit in the general fund of the state treasury.
17 Any deficiency in such transfer shall be made up as soon as special
18 excise taxes are available for transfer and shall constitute a
19 continuing obligation of the state convention and trade center account
20 until all deficiencies are fully paid.

21 Bonds issued under RCW 67.40.030 shall state that they are a
22 general obligation of the state of Washington, shall pledge the full
23 faith and credit of the state to the payment of the principal thereof
24 and the interest thereon, and shall contain an unconditional promise to
25 pay the principal and interest as the same shall become due.

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

30 NEW SECTION. **Sec. 10.** Sections 1 through 5 of this act constitute
31 a new chapter in Title 43 RCW.

32 NEW SECTION. **Sec. 11.** If any provision of this act or its
33 application to any person or circumstance is held invalid, the
34 remainder of the act or the application of the provision to other
35 persons or circumstances is not affected.

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

 Passed by the House April 22, 2005.

 Passed by the Senate April 24, 2005.

 Approved by the Governor May 16, 2005.

 Filed in Office of Secretary of State May 16, 2005.