
ENGROSSED HOUSE BILL 1730

State of Washington 62nd Legislature 2011 Regular Session

By Representatives Jenkins, Rodne, Haler, and Dunshee

Read first time 02/01/11. Referred to Committee on Local Government.

1 AN ACT Relating to the authorization of bonds issued by Washington
2 local governments; amending RCW 39.46.040, 35.33.131, 35.34.220,
3 35A.33.130, and 35A.34.220; and creating a new section.

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

5 **Sec. 1.** RCW 39.46.040 and 1983 c 167 s 4 are each amended to read
6 as follows:

7 (1) A local government authorized to issue bonds (~~shall~~) must
8 determine for the bond issue its amount, date or dates, terms not in
9 excess of the maximum term otherwise provided in law, conditions, bond
10 denominations, interest rate or rates, which may be fixed or variable,
11 interest payment dates, maturity or maturities, redemption rights,
12 registration privileges, manner of execution, price, manner of sale,
13 covenants, and form, including registration as to principal and
14 interest, registration as to principal only, or bearer. Registration
15 may be as provided in RCW 39.46.030.

16 (2) If an ordinance or resolution approving the issuance of bonds
17 authorizes an officer or employee of the local government to serve as
18 its designated representative and to accept, on behalf of the local
19 government, an offer to purchase those bonds, the acceptance of the

1 offer by the designated representative must be consistent with terms
2 established by the ordinance or resolution, and with additional
3 parameters set by the governing body of the local government in the
4 ordinance or resolution. That ordinance or resolution must establish
5 the following terms for the bonds or set forth parameters with respect
6 thereto: The amount, date or dates, denominations, interest rate or
7 rates (or mechanism for determining interest rate or rates), payment
8 dates, final maturity, redemption rights, price, minimum savings for
9 refunding bonds (if the refunding bonds are issued for savings
10 purposes), and any other terms and conditions deemed appropriate by the
11 legislative body of the local government. A county designating a
12 representative in accordance with this subsection must act in a manner
13 that is consistent with the approved county debt policy adopted in
14 accordance with RCW 36.48.070.

15 **Sec. 2.** RCW 35.33.131 and 1969 ex.s. c 95 s 19 are each amended to
16 read as follows:

17 Moneys received from the sale of bonds or warrants (~~shall~~) must
18 be used for no other purpose than that for which they were issued (~~and~~
19 ~~no expenditure shall be made for that purpose until the bonds have been~~
20 ~~duly authorized~~). If any unexpended fund balance remains from the
21 proceeds realized from the bonds or warrants after the accomplishment
22 of the purpose for which they were issued it (~~shall~~) must be used for
23 the (~~redemption of such bond or warrant indebtedness~~) payment of
24 principal of or interest on such indebtedness consistent with
25 applicable provisions of federal tax law. Where a budget contains an
26 expenditure program to be partially or wholly financed from a bond
27 issue to be authorized thereafter, (~~no such expenditure shall~~)
28 expenditures of amounts anticipated to be reimbursed from the proceeds
29 of the issuance and sale of such bonds must be made or incurred (~~until~~
30 ~~after the bonds have been duly authorized~~) consistent with any
31 applicable federal tax law requirements.

32 **Sec. 3.** RCW 35.34.220 and 1985 c 175 s 25 are each amended to read
33 as follows:

34 Moneys received from the sale of bonds or warrants (~~shall~~) must
35 be used for no other purpose than that for which they were issued (~~and~~
36 ~~no expenditure shall be made for that purpose until the bonds have been~~

1 ~~duly authorized~~). If any unexpended fund balance remains from the
2 proceeds realized from the bonds or warrants after the accomplishment
3 of the purpose for which they were issued, it (~~shall~~) must be used
4 for the (~~redemption of such bond or warrant indebtedness~~) payment of
5 principal of or interest on such indebtedness consistent with
6 applicable provisions of federal tax law. Where a budget contains an
7 expenditure program to be partially or wholly financed from a bond
8 issue to be authorized thereafter, (~~no such expenditure shall~~)
9 expenditures of amounts anticipated to be reimbursed from the proceeds
10 of the issuance and sale of such bonds must be made or incurred (~~until~~
11 ~~after the bonds have been duly authorized~~) consistent with any
12 applicable federal tax law requirements.

13 **Sec. 4.** RCW 35A.33.130 and 1967 ex.s. c 119 s 35A.33.130 are each
14 amended to read as follows:

15 Moneys received from the sale of bonds or warrants (~~shall~~) must
16 be used for no other purpose than that for which they were issued (~~and~~
17 ~~no expenditure shall be made for that purpose until the bonds have been~~
18 ~~duly authorized~~). If any unexpended fund balance remains from the
19 proceeds realized from the bonds or warrants after the accomplishment
20 of the purpose for which they were issued it (~~shall~~) must be used for
21 the (~~redemption of such bond or warrant indebtedness~~) payment of
22 principal of or interest on such indebtedness consistent with
23 applicable provisions of federal tax law. Where a budget contains an
24 expenditure program to be partially or wholly financed from a bond
25 issue to be authorized thereafter, (~~no such expenditure shall~~)
26 expenditures of amounts anticipated to be reimbursed from the proceeds
27 of the issuance and sale of such bonds must be made or incurred (~~until~~
28 ~~after the bonds have been duly authorized~~) consistent with any
29 applicable federal tax law requirements.

30 **Sec. 5.** RCW 35A.34.220 and 1985 c 175 s 54 are each amended to
31 read as follows:

32 Moneys received from the sale of bonds or warrants (~~shall~~) must
33 be used for no other purpose than that for which they were issued (~~and~~
34 ~~no expenditure shall be made for that purpose until the bonds have been~~
35 ~~duly authorized~~). If any unexpended fund balance remains from the
36 proceeds realized from the bonds or warrants after the accomplishment

1 of the purpose for which they were issued, it (~~shall~~) must be used
2 for the (~~redemption of such bond or warrant indebtedness~~) payment of
3 principal of or interest on such indebtedness consistent with
4 applicable provisions of federal tax law. Where a budget contains an
5 expenditure program to be partially or wholly financed from a bond
6 issue to be authorized thereafter, (~~no such expenditure shall~~)
7 expenditures of amounts anticipated to be reimbursed from the proceeds
8 of the issuance and sale of such bonds must be made or incurred (~~until~~
9 ~~after the bonds have been duly authorized~~) consistent with any
10 applicable federal tax law requirements.

11 NEW SECTION. **Sec. 6.** All bonds previously issued and any
12 reimbursements previously made with bond proceeds by any local
13 government and consistent with the provisions of this act are hereby
14 validated, ratified, and confirmed.

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