

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5036

Chapter 20, Laws of 2013

63rd Legislature
2013 2nd Special Session

GENERAL OBLIGATION BONDS

EFFECTIVE DATE: 07/01/13

Passed by the Senate June 29, 2013
YEAS 46 NAYS 1

BRAD OWEN

President of the Senate

Passed by the House June 29, 2013
YEAS 79 NAYS 4

FRANK CHOPP

Speaker of the House of Representatives

Approved July 1, 2013, 1:40 p.m.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5036** as passed by the Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

July 2, 2013

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5036

Passed Legislature - 2013 2nd Special Session

State of Washington 63rd Legislature 2013 2nd Special Session

By Senate Ways & Means (originally sponsored by Senators Honeyford, Nelson, and Shin; by request of Governor Gregoire)

READ FIRST TIME 04/15/13.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; amending RCW 43.99G.162; 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 appropriations acts for the 2011-2013 and 2013-
8 2015 fiscal biennia, 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 two billion thirty-six million
11 dollars, or as much thereof as may be required, to finance these
12 projects and all costs incidental thereto. Bonds authorized in this
13 section may be sold at such price as the state finance committee shall
14 determine. No bonds authorized in this section may be offered for sale
15 without prior legislative appropriation of the net proceeds of the sale
16 of the bonds.

17 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of 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 (a) One billion six hundred seventy million six hundred eighty-five
5 thousand dollars to remain in the state building construction account
6 created by RCW 43.83.020;

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

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

11 (d) Eight million five hundred thousand dollars to the riparian
12 protection account created by RCW 79A.15.120;

13 (e) Five million five hundred thousand dollars to the farmlands
14 preservation account created by RCW 79A.15.130;

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

37 (2) These proceeds shall be used exclusively for the purposes
38 specified in this section and for the payment of expenses incurred in

1 the issuance and sale of the bonds issued for the purposes of this
2 section, and shall be administered by the office of financial
3 management subject to legislative appropriation.

4 NEW SECTION. **Sec. 3.** (1) The debt-limit general fund bond
5 retirement account shall be used for the payment of the principal of
6 and interest on the bonds authorized in section 2(1) (a) through (f) of
7 this act.

8 (2) The state finance committee shall, on or before June 30th of
9 each year, certify to the state treasurer the amount needed in the
10 ensuing twelve months to meet the bond retirement and interest
11 requirements on the bonds authorized in section 2(1) (a) through (f) of
12 this act.

13 (3) On each date on which any interest or principal and interest
14 payment is due on bonds issued for the purposes of section 2(1) (a)
15 through (f) of this act the state treasurer shall withdraw from any
16 general state revenues received in the state treasury and deposit in
17 the debt-limit general fund bond retirement account an amount equal to
18 the amount certified by the state finance committee to be due on the
19 payment date.

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

26 (2) The owner and holder of each of the bonds or the trustee for
27 the 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. 5.** The legislature may provide additional means
31 for raising moneys for the payment of the principal of and interest on
32 the bonds authorized in section 1 of this act, and sections 2 and 3 of
33 this act shall not be deemed to provide an exclusive method for the
34 payment.

1 **Sec. 6.** RCW 43.99G.162 and 2006 c 167 s 203 are each amended to
2 read as follows:

3 The proceeds from the sale of the bonds authorized in RCW
4 43.99G.160 shall be deposited in the Columbia river basin water supply
5 development account created in chapter 6, Laws of 2006. If the state
6 finance committee deems it necessary to issue the bonds authorized in
7 RCW 43.99G.160 as taxable bonds in order to comply with federal
8 internal revenue service rules and regulations pertaining to the use of
9 nontaxable bond proceeds, the proceeds of such taxable bonds shall be
10 transferred to the (~~state taxable building construction~~) Columbia
11 river basin taxable bond water supply development account in lieu of
12 any deposit otherwise provided by this section. The state treasurer
13 shall submit written notice to the director of financial management if
14 it is determined that any such transfer to the (~~state taxable building~~
15 ~~construction~~) Columbia _ river _ basin _ taxable _ bond _ water _ supply
16 development account is necessary. Moneys in the account may be spent
17 only after appropriation. The proceeds shall be used exclusively for
18 the purposes specified in RCW 43.99G.160 and for the payment of
19 expenses incurred in the issuance and sale of the bonds. These
20 proceeds shall be administered by the office of financial management,
21 subject to legislative appropriation.

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

24 NEW SECTION. **Sec. 8.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

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

Passed by the Senate June 29, 2013.

Passed by the House June 29, 2013.

Approved by the Governor July 1, 2013.

Filed in Office of Secretary of State July 2, 2013.