
SUBSTITUTE SENATE BILL 5084

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Frockt, Mullet, and Wilson, C.; by request of Office of Financial Management)

READ FIRST TIME 03/29/21.

1 AN ACT Relating to state general obligation bonds and related
2 accounts; adding a new chapter to Title 43 RCW; and declaring an
3 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
7 the omnibus capital and operating appropriations acts for the
8 2019-2021 and 2021-2023 fiscal biennia, and all costs incidental
9 thereto, the state finance committee is authorized to issue general
10 obligation bonds of the state of Washington in the sum of
11 \$3,968,924,000, 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
16 of the sale of the bonds.

17 NEW SECTION. **Sec. 2.** (1) The proceeds from the sale of 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 proceeds
20 shall be transferred as follows:

1 (a) \$3,750,601,000 to remain in the state building construction
2 account created by RCW 43.83.020;

3 (b) \$218,323,000 to the state taxable building construction
4 account. All receipts from taxable bonds issued are to be deposited
5 into the account. If the state finance committee deems it necessary
6 or advantageous to issue more than the amount specified in this
7 subsection (1)(b) as taxable bonds in order to comply with federal
8 internal revenue service rules and regulations pertaining to the use
9 of nontaxable bond proceeds or in order to reduce the total financing
10 costs for bonds issued, the proceeds of such additional taxable bonds
11 shall be transferred to the state taxable building construction
12 account in lieu of any transfer otherwise provided by this section.
13 If the state finance committee determines that a portion of the
14 amount specified in this subsection (1)(b) as taxable bonds may be
15 issued as nontaxable bonds in compliance with federal internal
16 revenue service rules and regulations pertaining to the use of
17 nontaxable bond proceeds, then such bond proceeds shall be
18 transferred to the state building construction account in lieu of the
19 transfer to the state taxable building construction account otherwise
20 provided by this subsection (1)(b). The state treasurer shall submit
21 written notice to the director of financial management if it is
22 determined that any such additional transfer to the state taxable
23 building construction account is necessary or that a transfer from
24 the state taxable building construction account to the state building
25 construction account may be made. Moneys in the account may be spent
26 only after appropriation.

27 (2) The treasurer shall transfer bond proceeds deposited in the
28 state building construction account into the outdoor recreation
29 account created by RCW 79A.25.060, the habitat conservation account
30 created by RCW 79A.15.020, the farm and forest account created by RCW
31 79A.15.130, and the early learning facilities development account
32 created by RCW 43.31.569, at various times and in various amounts
33 necessary to support authorized expenditures from those accounts.

34 (3) These proceeds shall be used exclusively for the purposes
35 specified in this section and for the payment of expenses incurred in
36 the issuance and sale of the bonds issued for the purposes of this
37 section, and shall be administered by the office of financial
38 management subject to legislative appropriation.

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

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

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

15 NEW SECTION. **Sec. 4.** (1) Bonds issued under section 1 of this
16 act shall state that they are a general obligation of the state of
17 Washington, shall pledge the full faith and credit of the state to
18 the payment of the principal thereof and the interest thereon, and
19 shall contain an unconditional promise to pay the principal and
20 interest as the same shall become due.

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

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

30 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act
31 constitute a new chapter in Title 43 RCW.

32 NEW SECTION. **Sec. 7.** 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. 8.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect immediately.

--- END ---