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ENGROSSED SUBSTITUTE SENATE BILL 5084

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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 \$3,971,290,793, 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) \$3,800,722,793 to remain in the state building construction  
2 account created by RCW 43.83.020;

3 (b) \$170,568,000 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)(a) The state treasurer shall transfer bond proceeds deposited  
28 in the state building construction account into the outdoor  
29 recreation account created by RCW 79A.25.060, the habitat  
30 conservation account created by RCW 79A.15.020, the farm and forest  
31 account created by RCW 79A.15.130, and the Ruth Lecocq Kagi early  
32 learning facilities development account created by RCW 43.31.569, at  
33 various times and in various amounts necessary to support authorized  
34 expenditures from those accounts.

35 (b) The state treasurer shall transfer bond proceeds deposited in  
36 the state taxable building construction account into the Ruth Lecocq  
37 Kagi early learning facilities revolving account created by RCW  
38 43.31.569 at various times and in various amounts necessary to  
39 support authorized expenditures from that account.

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

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

9 (2) The state finance committee shall, on or before June 30th of  
10 each year, certify to the state treasurer the amount needed in the  
11 ensuing twelve months to meet the bond retirement and interest  
12 requirements on the bonds authorized in section 1 of 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) and  
15 (2) of this act the state treasurer shall withdraw from any general  
16 state revenues received in the state treasury and deposit in the  
17 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 section 1 of this  
21 act shall state that they are a general obligation of the state of  
22 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  
31 means for raising moneys for the payment of the principal of and  
32 interest on the bonds authorized in section 1 of this act, and  
33 sections 2 and 3 of this act shall not be deemed to provide an  
34 exclusive method for the payment.

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

1        NEW SECTION.    **Sec. 7.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

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

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