
HOUSE BILL 1050

State of Washington

65th Legislature

2017 Regular Session

By Representative DeBolt

Prefiled 12/28/16.

1 AN ACT Relating to financing of Chehalis basin flood damage
2 reduction and habitat restoration projects; reenacting and amending
3 RCW 43.84.092; and adding new sections to chapter 43.99G RCW.

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

5 NEW SECTION. **Sec. 1.** BOND AUTHORIZATION. For the purpose of
6 providing funds to finance Chehalis basin flood damage reduction and
7 aquatic species habitat restoration projects, and all costs
8 incidental thereto, the state finance committee is authorized to
9 issue general obligation bonds of the state of Washington in the sum
10 of four hundred eighty million dollars, or as much thereof as may be
11 required. Bonds authorized in this section may be sold at such price
12 as the state finance committee shall determine. No bonds authorized
13 in this section may be offered for sale without prior legislative
14 appropriation of the net proceeds of the sale of the bonds.

15 NEW SECTION. **Sec. 2.** PHASED APPROPRIATION OF BOND PROCEEDS. It
16 is the intent of the legislature that the proceeds of the new bonds
17 authorized in section 1 of this act will be appropriated in phases
18 over five biennia, beginning with the 2017-2019 biennium. This is not
19 intended to limit the legislature's ability to appropriate bond
20 proceeds if the full amount authorized in section 1 of this act has

1 not been appropriated after five biennia. The authorization to issue
2 bonds contained in section 1 of this act does not expire until the
3 full authorization has been appropriated and issued.

4 NEW SECTION. **Sec. 3.** DEPOSIT OF BOND PROCEEDS. The proceeds
5 from the sale of the bonds authorized in section 1 of this act shall
6 be deposited in the Chehalis basin account created in RCW 43.21A.733.
7 If the state finance committee deems it necessary or advantageous to
8 issue the bonds authorized in section 1 of this act as taxable bonds
9 in order to comply with federal internal revenue service rules and
10 regulations pertaining to the use of nontaxable bond proceeds, the
11 proceeds of such taxable bonds shall be transferred to the Chehalis
12 basin taxable account created in section 7 of this act in lieu of any
13 deposit otherwise provided by this section. The state treasurer shall
14 submit written notice to the director of financial management if it
15 is determined that any such transfer to the Chehalis basin taxable
16 account is necessary.

17 NEW SECTION. **Sec. 4.** BOND RETIREMENT. (1) The debt-limit
18 general fund bond retirement account shall be used for the payment of
19 the principal of and interest on the bonds authorized in section 1 of
20 this act.

21 (2) The state finance committee shall, on or before June 30th of
22 each year, certify to the state treasurer the amount needed in the
23 ensuing twelve months to meet the bond retirement and interest
24 requirements.

25 (3) On each date on which any interest or principal and interest
26 payment is due, the state treasurer shall withdraw from any general
27 state revenues received in the state treasury and deposit in the
28 debt-limit general fund bond retirement account an amount equal to
29 the amount certified by the state finance committee to be due on the
30 payment date.

31 NEW SECTION. **Sec. 5.** PAYMENT OF DEBT SERVICE. (1) Bonds issued
32 under section 1 of this act shall state that they are a general
33 obligation of the state of Washington, shall pledge the full faith
34 and credit of the state to the payment of the principal thereof and
35 the interest thereon, and shall contain an unconditional promise to
36 pay the principal and interest as the same shall become due.

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

5 (3) The legislature may provide additional means for raising
6 moneys for the payment of the principal of and interest on the bonds
7 authorized in section 1 of this act, and subsection (1) of this
8 section shall not be deemed to provide an exclusive method for the
9 payment.

10 NEW SECTION. **Sec. 6.** LEGAL INVESTMENT. The bonds authorized in
11 section 1 of this act shall be a legal investment for all state funds
12 or funds under state control and for all funds of any other public
13 body.

14 NEW SECTION. **Sec. 7.** CHEHALIS BASIN TAXABLE ACCOUNT CREATED.
15 The Chehalis basin taxable account is created in the state treasury.
16 All receipts from the proceeds of taxable bonds issued as authorized
17 under section 1 of this act, or transferred as authorized under
18 section 3 of this act, must be deposited in the account. Interest
19 earned by deposits in the account will be retained in the account.
20 Moneys in the account may be spent only after appropriation.
21 Expenditures from the account may be used only for the purposes set
22 out in RCW 43.21A.730 and for the payment of expenses incurred in the
23 issuance and sale of the bonds.

24 **Sec. 8.** RCW 43.84.092 and 2016 c 194 s 5, 2016 c 161 s 20, and
25 2016 c 112 s 4 are each reenacted and amended to read as follows:

26 (1) All earnings of investments of surplus balances in the state
27 treasury shall be deposited to the treasury income account, which
28 account is hereby established in the state treasury.

29 (2) The treasury income account shall be utilized to pay or
30 receive funds associated with federal programs as required by the
31 federal cash management improvement act of 1990. The treasury income
32 account is subject in all respects to chapter 43.88 RCW, but no
33 appropriation is required for refunds or allocations of interest
34 earnings required by the cash management improvement act. Refunds of
35 interest to the federal treasury required under the cash management
36 improvement act fall under RCW 43.88.180 and shall not require
37 appropriation. The office of financial management shall determine the

1 amounts due to or from the federal government pursuant to the cash
2 management improvement act. The office of financial management may
3 direct transfers of funds between accounts as deemed necessary to
4 implement the provisions of the cash management improvement act, and
5 this subsection. Refunds or allocations shall occur prior to the
6 distributions of earnings set forth in subsection (4) of this
7 section.

8 (3) Except for the provisions of RCW 43.84.160, the treasury
9 income account may be utilized for the payment of purchased banking
10 services on behalf of treasury funds including, but not limited to,
11 depository, safekeeping, and disbursement functions for the state
12 treasury and affected state agencies. The treasury income account is
13 subject in all respects to chapter 43.88 RCW, but no appropriation is
14 required for payments to financial institutions. Payments shall occur
15 prior to distribution of earnings set forth in subsection (4) of this
16 section.

17 (4) Monthly, the state treasurer shall distribute the earnings
18 credited to the treasury income account. The state treasurer shall
19 credit the general fund with all the earnings credited to the
20 treasury income account except:

21 (a) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's and fund's
23 average daily balance for the period: The aeronautics account, the
24 aircraft search and rescue account, the Alaskan Way viaduct
25 replacement project account, the brownfield redevelopment trust fund
26 account, the budget stabilization account, the capital vessel
27 replacement account, the capitol building construction account, the
28 Cedar River channel construction and operation account, the Central
29 Washington University capital projects account, the charitable,
30 educational, penal and reformatory institutions account, the Chehalis
31 basin account, the Chehalis basin taxable account, the cleanup
32 settlement account, the Columbia river basin water supply development
33 account, the Columbia river basin taxable bond water supply
34 development account, the Columbia river basin water supply revenue
35 recovery account, the common school construction fund, the community
36 forest trust account, the connecting Washington account, the county
37 arterial preservation account, the county criminal justice assistance
38 account, the deferred compensation administrative account, the
39 deferred compensation principal account, the department of licensing
40 services account, the department of retirement systems expense

1 account, the developmental disabilities community trust account, the
2 diesel idle reduction account, the drinking water assistance account,
3 the drinking water assistance administrative account, the drinking
4 water assistance repayment account, the Eastern Washington University
5 capital projects account, the Interstate 405 express toll lanes
6 operations account, the education construction fund, the education
7 legacy trust account, the election account, the electric vehicle
8 charging infrastructure account, the energy freedom account, the
9 energy recovery act account, the essential rail assistance account,
10 The Evergreen State College capital projects account, the federal
11 forest revolving account, the ferry bond retirement fund, the freight
12 mobility investment account, the freight mobility multimodal account,
13 the grade crossing protective fund, the public health services
14 account, the high capacity transportation account, the state higher
15 education construction account, the higher education construction
16 account, the highway bond retirement fund, the highway infrastructure
17 account, the highway safety fund, the high occupancy toll lanes
18 operations account, the hospital safety net assessment fund, the
19 industrial insurance premium refund account, the judges' retirement
20 account, the judicial retirement administrative account, the judicial
21 retirement principal account, the local leasehold excise tax account,
22 the local real estate excise tax account, the local sales and use tax
23 account, the marine resources stewardship trust account, the medical
24 aid account, the mobile home park relocation fund, the money-purchase
25 retirement savings administrative account, the money-purchase
26 retirement savings principal account, the motor vehicle fund, the
27 motorcycle safety education account, the multimodal transportation
28 account, the multiuse roadway safety account, the municipal criminal
29 justice assistance account, the natural resources deposit account,
30 the oyster reserve land account, the pension funding stabilization
31 account, the perpetual surveillance and maintenance account, the
32 pollution liability insurance agency underground storage tank
33 revolving account, the public employees' retirement system plan 1
34 account, the public employees' retirement system combined plan 2 and
35 plan 3 account, the public facilities construction loan revolving
36 account beginning July 1, 2004, the public health supplemental
37 account, the public works assistance account, the Puget Sound capital
38 construction account, the Puget Sound ferry operations account, the
39 Puget Sound taxpayer accountability account, the real estate
40 appraiser commission account, the recreational vehicle account, the

1 regional mobility grant program account, the resource management cost
2 account, the rural arterial trust account, the rural mobility grant
3 program account, the rural Washington loan fund, the site closure
4 account, the skilled nursing facility safety net trust fund, the
5 small city pavement and sidewalk account, the special category C
6 account, the special wildlife account, the state employees' insurance
7 account, the state employees' insurance reserve account, the state
8 investment board expense account, the state investment board
9 commingled trust fund accounts, the state patrol highway account, the
10 state route number 520 civil penalties account, the state route
11 number 520 corridor account, the state wildlife account, the
12 supplemental pension account, the Tacoma Narrows toll bridge account,
13 the teachers' retirement system plan 1 account, the teachers'
14 retirement system combined plan 2 and plan 3 account, the tobacco
15 prevention and control account, the tobacco settlement account, the
16 toll facility bond retirement account, the transportation 2003
17 account (nickel account), the transportation equipment fund, the
18 transportation fund, the transportation future funding program
19 account, the transportation improvement account, the transportation
20 improvement board bond retirement account, the transportation
21 infrastructure account, the transportation partnership account, the
22 traumatic brain injury account, the tuition recovery trust fund, the
23 University of Washington bond retirement fund, the University of
24 Washington building account, the volunteer firefighters' and reserve
25 officers' relief and pension principal fund, the volunteer
26 firefighters' and reserve officers' administrative fund, the
27 Washington judicial retirement system account, the Washington law
28 enforcement officers' and firefighters' system plan 1 retirement
29 account, the Washington law enforcement officers' and firefighters'
30 system plan 2 retirement account, the Washington public safety
31 employees' plan 2 retirement account, the Washington school
32 employees' retirement system combined plan 2 and 3 account, the
33 Washington state health insurance pool account, the Washington state
34 patrol retirement account, the Washington State University building
35 account, the Washington State University bond retirement fund, the
36 water pollution control revolving administration account, the water
37 pollution control revolving fund, the Western Washington University
38 capital projects account, the Yakima integrated plan implementation
39 account, the Yakima integrated plan implementation revenue recovery
40 account, and the Yakima integrated plan implementation taxable bond

1 account. Earnings derived from investing balances of the agricultural
2 permanent fund, the normal school permanent fund, the permanent
3 common school fund, the scientific permanent fund, the state
4 university permanent fund, and the state reclamation revolving
5 account shall be allocated to their respective beneficiary accounts.

6 (b) Any state agency that has independent authority over accounts
7 or funds not statutorily required to be held in the state treasury
8 that deposits funds into a fund or account in the state treasury
9 pursuant to an agreement with the office of the state treasurer shall
10 receive its proportionate share of earnings based upon each account's
11 or fund's average daily balance for the period.

12 (5) In conformance with Article II, section 37 of the state
13 Constitution, no treasury accounts or funds shall be allocated
14 earnings without the specific affirmative directive of this section.

15 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act are each
16 added to chapter 43.99G RCW and codified with the subchapter heading
17 of "2017 BOND ISSUE FOR FLOOD DAMAGE REDUCTION AND AQUATIC SPECIES
18 HABITAT RESTORATION PROJECTS."

19 NEW SECTION. **Sec. 10.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

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