
HOUSE BILL 1154

State of Washington

66th Legislature

2019 Regular Session

By Representative DeBolt

Read first time 01/15/19. Referred to Committee on Capital Budget.

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 43.84.092; adding a new section to chapter 43.21A
4 RCW; adding new sections to chapter 43.99G RCW; providing an
5 effective date; and providing an expiration date.

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

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

17 NEW SECTION. **Sec. 2.** PHASED APPROPRIATION OF BOND PROCEEDS. It
18 is the intent of the legislature that the proceeds of the new bonds
19 authorized in section 1 of this act will be appropriated in phases
20 over five biennia, beginning with the 2019-2021 biennium. This is not

1 intended to limit the legislature's ability to appropriate bond
2 proceeds if the full amount authorized in section 1 of this act has
3 not been appropriated after five biennia. The authorization to issue
4 bonds contained in section 1 of this act does not expire until the
5 full authorization has been appropriated and issued.

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

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

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

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

33 NEW SECTION. **Sec. 5.** PAYMENT OF DEBT SERVICE. (1) Bonds issued
34 under section 1 of this act shall state that they are a general
35 obligation of the state of Washington, shall pledge the full faith
36 and credit of the state to the payment of the principal thereof and

1 the interest thereon, and shall contain an unconditional promise to
2 pay the principal and interest as the same shall become due.

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

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

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

16 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.21A
17 RCW to read as follows:

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

27 **Sec. 8.** RCW 43.84.092 and 2018 c 275 s 10 and 2018 c 203 s 14
28 are each reenacted and amended to read as follows:

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

32 (2) The treasury income account shall be utilized to pay or
33 receive funds associated with federal programs as required by the
34 federal cash management improvement act of 1990. The treasury income
35 account is subject in all respects to chapter 43.88 RCW, but no
36 appropriation is required for refunds or allocations of interest
37 earnings required by the cash management improvement act. Refunds of

1 interest to the federal treasury required under the cash management
2 improvement act fall under RCW 43.88.180 and shall not require
3 appropriation. The office of financial management shall determine the
4 amounts due to or from the federal government pursuant to the cash
5 management improvement act. The office of financial management may
6 direct transfers of funds between accounts as deemed necessary to
7 implement the provisions of the cash management improvement act, and
8 this subsection. Refunds or allocations shall occur prior to the
9 distributions of earnings set forth in subsection (4) of this
10 section.

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

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

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

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

1 account beginning July 1, 2004, the public health supplemental
2 account, the public works assistance account, the Puget Sound capital
3 construction account, the Puget Sound ferry operations account, the
4 Puget Sound taxpayer accountability account, the real estate
5 appraiser commission account, the recreational vehicle account, the
6 regional mobility grant program account, the resource management cost
7 account, the rural arterial trust account, the rural mobility grant
8 program account, the rural Washington loan fund, the sexual assault
9 prevention and response account, the site closure account, the
10 skilled nursing facility safety net trust fund, the small city
11 pavement and sidewalk account, the special category C account, the
12 special wildlife account, the state employees' insurance account, the
13 state employees' insurance reserve account, the state investment
14 board expense account, the state investment board commingled trust
15 fund accounts, the state patrol highway account, the state route
16 number 520 civil penalties account, the state route number 520
17 corridor account, the state wildlife account, the statewide tourism
18 marketing account, the student achievement council tuition recovery
19 trust fund, the supplemental pension account, the Tacoma Narrows toll
20 bridge account, the teachers' retirement system plan 1 account, the
21 teachers' retirement system combined plan 2 and plan 3 account, the
22 tobacco prevention and control account, the tobacco settlement
23 account, the toll facility bond retirement account, the
24 transportation 2003 account (nickel account), the transportation
25 equipment fund, the transportation future funding program account,
26 the transportation improvement account, the transportation
27 improvement board bond retirement account, the transportation
28 infrastructure account, the transportation partnership account, the
29 traumatic brain injury account, the tuition recovery trust fund, the
30 University of Washington bond retirement fund, the University of
31 Washington building account, the volunteer firefighters' and reserve
32 officers' relief and pension principal fund, the volunteer
33 firefighters' and reserve officers' administrative fund, the
34 Washington judicial retirement system account, the Washington law
35 enforcement officers' and firefighters' system plan 1 retirement
36 account, the Washington law enforcement officers' and firefighters'
37 system plan 2 retirement account, the Washington public safety
38 employees' plan 2 retirement account, the Washington school
39 employees' retirement system combined plan 2 and 3 account, the
40 Washington state health insurance pool account, the Washington state

1 patrol retirement account, the Washington State University building
2 account, the Washington State University bond retirement fund, the
3 water pollution control revolving administration account, the water
4 pollution control revolving fund, the Western Washington University
5 capital projects account, the Yakima integrated plan implementation
6 account, the Yakima integrated plan implementation revenue recovery
7 account, and the Yakima integrated plan implementation taxable bond
8 account. Earnings derived from investing balances of the agricultural
9 permanent fund, the normal school permanent fund, the permanent
10 common school fund, the scientific permanent fund, the state
11 university permanent fund, and the state reclamation revolving
12 account shall be allocated to their respective beneficiary accounts.

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

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

22 **Sec. 9.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and
23 2018 c 203 s 14 are each reenacted and amended to read as follows:

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

27 (2) The treasury income account shall be utilized to pay or
28 receive funds associated with federal programs as required by the
29 federal cash management improvement act of 1990. The treasury income
30 account is subject in all respects to chapter 43.88 RCW, but no
31 appropriation is required for refunds or allocations of interest
32 earnings required by the cash management improvement act. Refunds of
33 interest to the federal treasury required under the cash management
34 improvement act fall under RCW 43.88.180 and shall not require
35 appropriation. The office of financial management shall determine the
36 amounts due to or from the federal government pursuant to the cash
37 management improvement act. The office of financial management may
38 direct transfers of funds between accounts as deemed necessary to
39 implement the provisions of the cash management improvement act, and

1 this subsection. Refunds or allocations shall occur prior to the
2 distributions of earnings set forth in subsection (4) of this
3 section.

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

13 (4) Monthly, the state treasurer shall distribute the earnings
14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the
16 treasury income account except:

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

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

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

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

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

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

16 NEW SECTION. **Sec. 10.** Sections 1 through 6 of this act are each
17 added to chapter 43.99G RCW and codified with the subchapter heading
18 of "2019 BOND ISSUE FOR FLOOD DAMAGE REDUCTION AND AQUATIC SPECIES
19 HABITAT RESTORATION PROJECTS."

20 NEW SECTION. **Sec. 11.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 12.** Section 8 of this act expires May 1,
25 2019.

26 NEW SECTION. **Sec. 13.** Section 9 of this act takes effect May 1,
27 2019.

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