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SENATE BILL 5999

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State of Washington

65th Legislature

2018 Regular Session

By Senator Honeyford

Prefiled 12/05/17.

1 AN ACT Relating to prohibiting the use of state bond proceeds for  
2 state employee compensation; amending RCW 43.83.020, 79A.25.060,  
3 79A.15.020, 79A.15.130, 90.90.010, 43.31.569, 79A.15.030, and  
4 28B.142.010; reenacting and amending RCW 79A.15.120; and adding a new  
5 section to chapter 43.88 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.88  
8 RCW to read as follows:

9 Proceeds from the sale of state bonds may not be expended for  
10 salary, benefits, or other compensation of employees of the state of  
11 Washington.

12 **Sec. 2.** RCW 43.83.020 and 2015 1st sp.s. c 4 s 33 are each  
13 amended to read as follows:

14 ((+1)) The state building construction account is hereby  
15 established in the state treasury and shall be used exclusively for  
16 the purposes of carrying out the provisions of the capital  
17 appropriation acts. Proceeds from the sale of state bonds may not be  
18 expended for salary, benefits, or other compensation of employees of  
19 the state of Washington.

1       (~~(2) During the 2003-2005 biennium, the legislature may transfer~~  
2 ~~moneys from the state building construction account to the~~  
3 ~~conservation assistance revolving account such amounts as reflect the~~  
4 ~~excess fund balance of the account.))~~

5       **Sec. 3.** RCW 79A.25.060 and 2007 c 241 s 43 are each amended to  
6 read as follows:

7       The outdoor recreation account is created in the state treasury.  
8 Moneys in the account are subject to legislative appropriation. The  
9 board shall administer the account in accordance with chapter 79A.15  
10 RCW and this chapter, and shall hold it separate and apart from all  
11 other money, funds, and accounts of the board. Proceeds from the sale  
12 of state bonds may not be expended for salary, benefits, or other  
13 compensation of employees of the state of Washington.

14       Grants, gifts, or other financial assistance, proceeds received  
15 from public bodies as administrative cost contributions, and moneys  
16 made available to the state of Washington by the federal government  
17 for outdoor recreation, may be deposited into the account.

18       **Sec. 4.** RCW 79A.15.020 and 2007 c 241 s 27 are each amended to  
19 read as follows:

20       The habitat conservation account is established in the state  
21 treasury. The board shall administer the account in accordance with  
22 chapter 79A.25 RCW and this chapter, and shall hold it separate and  
23 apart from all other money, funds, and accounts of the board.  
24 Proceeds from the sale of state bonds may not be expended for salary,  
25 benefits, or other compensation of employees of the state of  
26 Washington.

27       **Sec. 5.** RCW 79A.15.120 and 2009 c 341 s 4 and 2009 c 16 s 2 are  
28 each reenacted and amended to read as follows:

29       (1) The riparian protection account is established in the state  
30 treasury. The board must administer the account in accordance with  
31 chapter 79A.25 RCW and this chapter, and hold it separate and apart  
32 from all other money, funds, and accounts of the board.

33       (2) Moneys appropriated for this chapter to the riparian  
34 protection account must be distributed for the acquisition or  
35 enhancement or restoration of riparian habitat. All enhancement or  
36 restoration projects, except those qualifying under subsection (9)(a)

1 of this section, must include the acquisition of a real property  
2 interest in order to be eligible.

3 (3) State and local agencies and lead entities under chapter  
4 77.85 RCW, nonprofit nature conservancy organizations or  
5 associations, and the conservation commission may apply for  
6 acquisition and enhancement or restoration funds for riparian habitat  
7 projects under subsection (1) of this section. Other state agencies  
8 not defined in RCW 79A.15.010, such as the department of  
9 transportation and the department of corrections, may enter into  
10 interagency agreements with state agencies to apply in partnership  
11 for funds under this section.

12 (4) The board may adopt rules establishing acquisition policies  
13 and priorities for distributions from the riparian protection  
14 account.

15 (5) Except as provided in RCW 79A.15.030(~~((7))~~) (8), moneys  
16 appropriated for this section may not be used by the board to fund  
17 staff positions or other overhead expenses, or by a state, regional,  
18 or local agency to fund operation or maintenance of areas acquired  
19 under this chapter. Proceeds from the sale of state bonds may not be  
20 expended for salary, benefits, or other compensation of employees of  
21 the state of Washington.

22 (6) Moneys appropriated for this section may be used by grant  
23 recipients for costs incidental to restoration and acquisition,  
24 including, but not limited to, surveying expenses, fencing, and  
25 signing.

26 (7) The board may not approve a local project where the local  
27 agency or nonprofit nature conservancy organization or association  
28 share is less than the amount to be awarded from the riparian  
29 protection account. In-kind contributions, including contributions of  
30 a real property interest in land may be used to satisfy the local  
31 agency's or nonprofit nature conservancy organization's or  
32 association's share.

33 (8) State agencies receiving grants for acquisition of land under  
34 this section must pay an amount in lieu of real property taxes equal  
35 to the amount of tax that would be due if the land were taxable as  
36 open space land under chapter 84.34 RCW except taxes levied for any  
37 state purpose, plus an additional amount for control of noxious weeds  
38 equal to that which would be paid if such lands were privately owned.  
39 The county assessor and county legislative authority shall assist in

1 determining the appropriate calculation of the amount of tax that  
2 would be due.

3 (9) In determining acquisition priorities with respect to the  
4 riparian protection account, the board must consider, at a minimum,  
5 the following criteria:

6 (a) Whether the project continues the conservation reserve  
7 enhancement program. Applications that extend the duration of leases  
8 of riparian areas that are currently enrolled in the conservation  
9 reserve enhancement program shall be eligible. Such applications are  
10 eligible for a conservation lease extension of at least twenty-five  
11 years of duration;

12 (b) Whether the projects are identified or recommended in a  
13 watershed planning process under chapter 247, Laws of 1998, salmon  
14 recovery planning under chapter 77.85 RCW, or other local plans, such  
15 as habitat conservation plans, and these must be highly considered in  
16 the process;

17 (c) Whether there is community support for the project;

18 (d) Whether the proposal includes an ongoing stewardship program  
19 that includes control of noxious weeds, detrimental invasive species,  
20 and that identifies the source of the funds from which the  
21 stewardship program will be funded;

22 (e) Whether there is an immediate threat to the site;

23 (f) Whether the quality of the habitat is improved or, for  
24 projects including restoration or enhancement, the potential for  
25 restoring quality habitat including linkage of the site to other high  
26 quality habitat;

27 (g) Whether the project is consistent with a local land use plan,  
28 or a regional or statewide recreational or resource plan. The  
29 projects that assist in the implementation of local shoreline master  
30 plans updated according to RCW 90.58.080 or local comprehensive plans  
31 updated according to RCW 36.70A.130 must be highly considered in the  
32 process;

33 (h) Whether the site has educational or scientific value; and

34 (i) Whether the site has passive recreational values for walking  
35 trails, wildlife viewing, or the observation of natural settings.

36 (10) Before November 1st of each even-numbered year, the board  
37 will recommend to the governor a prioritized list of projects to be  
38 funded under this section. The governor may remove projects from the  
39 list recommended by the board and will submit this amended list in  
40 the capital budget request to the legislature. The list must include,

1 but not be limited to, a description of each project and any  
2 particular match requirement.

3 **Sec. 6.** RCW 79A.15.130 and 2016 c 149 s 10 are each amended to  
4 read as follows:

5 (1) The farm and forest account is established in the state  
6 treasury. The board will administer the account in accordance with  
7 chapter 79A.25 RCW and this chapter, and hold it separate and apart  
8 from all other money, funds, and accounts of the board. Moneys  
9 appropriated for this chapter to the farm and forest account must be  
10 distributed for the acquisition and preservation of farmlands and  
11 forestlands in order to maintain the opportunity for agricultural and  
12 forest management activity upon these lands.

13 (2) Moneys appropriated beginning July 1, 2016, for this chapter  
14 shall be divided as follows:

15 (a) Not less than ninety percent for the acquisition and  
16 preservation of farmlands.

17 (b) Not less than ten percent for the acquisition and  
18 preservation of forestlands.

19 (3) Moneys appropriated for this chapter to the farm and forest  
20 account may be distributed for: (a) The acquisition of a less than  
21 fee simple interest in farmlands or forestland, such as a  
22 conservation easement or lease; (b) the enhancement or restoration of  
23 ecological functions on those properties; or (c) both. In order for a  
24 farmland or forestland preservation grant to provide for an  
25 environmental enhancement or restoration project, the project must  
26 include the acquisition of a real property interest.

27 (4) Cities, counties, nonprofit nature conservancies, and the  
28 conservation commission may apply for acquisition and enhancement or  
29 restoration funds for farmland or forestland preservation projects  
30 within their jurisdictions under subsection (1) of this section.

31 (5) The board may adopt rules establishing acquisition and  
32 enhancement or restoration policies and priorities for distributions  
33 from the farm and forest account.

34 (6) The acquisition of a property interest in a project under  
35 this section does not provide a right of access to the property by  
36 the public unless explicitly provided for in a conservation easement  
37 or other form of deed restriction.

38 (7) Except as provided in RCW 79A.15.030(8), moneys appropriated  
39 for this section may not be used by the board to fund staff positions

1 or other overhead expenses, or by cities, counties, nonprofit nature  
2 conservancies, or the conservation commission to fund operation or  
3 maintenance of areas acquired under this chapter. Proceeds from the  
4 sale of state bonds may not be expended for salary, benefits, or  
5 other compensation of employees of the state of Washington.

6 (8) Moneys appropriated for this section may be used by grant  
7 recipients for costs incidental to restoration and acquisition,  
8 including, but not limited to, surveying expenses, fencing, noxious  
9 weed control, and signing.

10 (9) The board may not approve a local project where the local  
11 agency's or nonprofit nature conservancies' share is less than the  
12 amount to be awarded from the farm and forest account. In-kind  
13 contributions, including contributions of a real property interest in  
14 land, may be used to satisfy the local agency's or nonprofit nature  
15 conservancies' share.

16 (10) In determining the acquisition priorities for farmland  
17 projects, the board must consider, at a minimum, the following  
18 criteria:

19 (a) Community support for the project;

20 (b) A recommendation as part of a limiting factors or critical  
21 pathways analysis, a watershed plan or habitat conservation plan, or  
22 a coordinated regionwide prioritization effort;

23 (c) The likelihood of the conversion of the site to  
24 nonagricultural or more highly developed usage;

25 (d) Consistency with a local land use plan, or a regional or  
26 statewide recreational or resource plan. The projects that assist in  
27 the implementation of local shoreline master plans updated according  
28 to RCW 90.58.080 or local comprehensive plans updated according to  
29 RCW 36.70A.130 must be highly considered in the process;

30 (e) Benefits to salmonids;

31 (f) Benefits to other fish and wildlife habitat;

32 (g) Integration with recovery efforts for endangered, threatened,  
33 or sensitive species;

34 (h) The viability of the site for continued agricultural  
35 production, including, but not limited to:

36 (i) Soil types;

37 (ii) On-site production and support facilities such as barns,  
38 irrigation systems, crop processing and storage facilities, wells,  
39 housing, livestock sheds, and other farming infrastructure;

1 (iii) Suitability for producing different types or varieties of  
2 crops;  
3 (iv) Farm-to-market access;  
4 (v) Water availability; and  
5 (i) Other community values provided by the property when used as  
6 agricultural land, including, but not limited to:  
7 (i) Viewshed;  
8 (ii) Aquifer recharge;  
9 (iii) Occasional or periodic collector for stormwater runoff;  
10 (iv) Agricultural sector job creation;  
11 (v) Migratory bird habitat and forage area; and  
12 (vi) Educational and curriculum potential.  
13 (11) In allotting funds for environmental enhancement or  
14 restoration projects, the board will require the projects to meet the  
15 following criteria:  
16 (a) Enhancement or restoration projects must further the  
17 ecological functions of the farmlands;  
18 (b) The projects, such as fencing, bridging watercourses,  
19 replanting native vegetation, replacing culverts, clearing of  
20 waterways, etc., must be less than fifty percent of the acquisition  
21 cost of the project including any in-kind contribution by any party;  
22 (c) The projects should be based on accepted methods of achieving  
23 beneficial enhancement or restoration results; and  
24 (d) The projects should enhance the viability of the preserved  
25 farmland to provide agricultural production while conforming to any  
26 legal requirements for habitat protection.  
27 (12) In determining the acquisition priorities for forestland  
28 projects, the board must consider, at a minimum, the following  
29 criteria:  
30 (a) Community support for the project;  
31 (b) A recommendation as part of a limiting factors or critical  
32 pathways analysis, a watershed plan or habitat conservation plan, or  
33 a coordinated regionwide prioritization effort;  
34 (c) The likelihood of conversion of the site to nontimber or more  
35 highly developed use;  
36 (d) Consistency with a local land use plan, or a regional or  
37 statewide recreational or resource plan. The projects that assist in  
38 the implementation of local shoreline master plans updated according  
39 to RCW 90.58.080 or local comprehensive plans updated according to  
40 RCW 36.70A.130 must be highly considered in the process;

- 1 (e) Multiple benefits of the project;
- 2 (f) Project attributes, including but not limited to:
- 3 (i) Clean air and water;
- 4 (ii) Stormwater management;
- 5 (iii) Wildlife habitat; and
- 6 (iv) Potential for carbon sequestration.

7 (13) In allotting funds for environmental enhancement or  
8 restoration projects, the board must require the projects to meet the  
9 following criteria:

10 (a) Enhancement or restoration projects must further the  
11 ecological functions of the forestlands;

12 (b) The projects, such as fencing, bridging watercourses,  
13 replanting native vegetation, replacing culverts, etc., must be less  
14 than fifty percent of the acquisition cost of the project including  
15 any in-kind contribution by any party;

16 (c) The projects should be based on accepted methods of achieving  
17 beneficial enhancement or restoration results;

18 (d) The projects should enhance the viability of the preserved  
19 forestland to provide timber production while conforming to any legal  
20 requirements for habitat protection.

21 (14) Before November 1st of each even-numbered year, the board  
22 will recommend to the governor a prioritized list of all projects to  
23 be funded under this section. The governor may remove projects from  
24 the list recommended by the board and must submit this amended list  
25 in the capital budget request to the legislature. The list must  
26 include, but not be limited to, a description of each project and any  
27 particular match requirement.

28 **Sec. 7.** RCW 90.90.010 and 2011 c 83 s 1 are each amended to read  
29 as follows:

30 (1) The Columbia river basin water supply development account is  
31 created in the state treasury. The account may receive direct  
32 appropriations from the legislature, receipts of any funds pursuant  
33 to RCW 90.90.020 and 90.90.030, or funds from any other sources. The  
34 account is intended to fund projects using tax exempt bonds. Proceeds  
35 from the sale of state bonds may not be expended for salary,  
36 benefits, or other compensation of employees of the state of  
37 Washington.

38 (2)(a) Expenditures from the Columbia river basin water supply  
39 development account may be used to assess, plan, and develop new

1 storage, improve or alter operations of existing storage facilities,  
2 implement conservation projects, develop pump exchanges, or any other  
3 actions designed to provide access to new water supplies within the  
4 Columbia river basin for both instream and out-of-stream uses. Except  
5 for the development of new storage projects and pump exchanges, there  
6 shall be no expenditures from this account for water acquisition or  
7 transfers from one water resource inventory area to another without  
8 specific legislative authority. For purposes of this chapter, "pump  
9 exchanges" means water supply development projects that exchange  
10 water from one source to another or relocate an existing diversion  
11 downstream, with resulting instream benefit.

12 (b) Two-thirds of the funds placed in the account shall be used  
13 to support the development of new storage facilities and pump  
14 exchanges; the remaining one-third shall be used for the other  
15 purposes listed in this section.

16 (3)(a) Funds may not be expended from this account for the  
17 construction of a new storage facility until the department of  
18 ecology evaluates the following:

19 (i) Water uses to be served by the facility;

20 (ii) The quantity of water necessary to meet those uses;

21 (iii) The benefits and costs to the state of meeting those uses,  
22 including short-term and long-term economic, cultural, and  
23 environmental effects; and

24 (iv) Alternative means of supplying water to meet those uses,  
25 including the costs of those alternatives and an analysis of the  
26 extent to which long-term water supply needs can be met using these  
27 alternatives.

28 (b) The department of ecology may rely on studies and information  
29 developed through compliance with other state and federal permit  
30 requirements and other sources. The department shall compile its  
31 findings and conclusions, and provide a summary of the information it  
32 reviewed.

33 (c) Before finalizing its evaluation under the provisions of this  
34 section, the department of ecology shall make the preliminary  
35 evaluation available to the public. Public comment may be made to the  
36 department within thirty days of the date the preliminary evaluation  
37 is made public.

38 (4) Net water savings achieved through conservation measures  
39 funded by the account shall be placed in trust in proportion to the  
40 state funding provided to implement a project.

1 (5) Net water savings achieved through conservation measures  
2 funded by the account developed within the boundaries of the federal  
3 Columbia river reclamation project and directed to the Odessa subarea  
4 to reduce the use of groundwater for existing irrigation is exempt  
5 from the provisions of subsection (4) of this section.

6 (6) The department of ecology may enter into water service  
7 contracts with applicants receiving water from the program to recover  
8 all or a portion of the cost of developing the water supply. Costs  
9 recovered under water service contracts does not include staff time  
10 expended by the department on developing the water supply. With the  
11 applicant's concurrence, the department may receive power revenue  
12 generated by the water supply developed by the department through  
13 water service contracts. The department may deny an application if  
14 the applicant does not enter into a water service contract. Revenue  
15 collected from water service contracts must be deposited into the  
16 Columbia river basin water supply revenue recovery account created in  
17 RCW 90.90.100. The department may adopt rules describing the  
18 methodology as to how charges will be established and direct costs  
19 recovered for water supply developed under the Columbia river basin  
20 water supply program. Water service contracts with federal agencies  
21 under RCW 90.42.150 are not required to be established by rule.

22 (7) Moneys in the Columbia river basin water supply development  
23 account created in this section may be spent only after  
24 appropriation.

25 (8) Interest earned by deposits in the account will be retained  
26 in the account.

27 **Sec. 8.** RCW 43.31.569 and 2017 3rd sp.s. c 12 s 4 are each  
28 amended to read as follows:

29 (1) The early learning facilities revolving account and the early  
30 learning facilities development account are created in the state  
31 treasury.

32 (2) Revenues to the early learning facilities revolving account  
33 shall consist of appropriations by the legislature, early learning  
34 facilities grant and loan repayments, taxable bond proceeds, and all  
35 other sources deposited in the account.

36 (3) Revenues to the early learning facilities development account  
37 shall consist of tax exempt bond proceeds.

38 (4) Expenditures from the accounts shall be used, in combination  
39 with other private and public funding, for state matching funds for

1 the planning, renovation, purchase, and construction of early  
2 learning facilities as established in RCW 43.31.573 through 43.31.583  
3 and 43.84.092. Proceeds from the sale of state bonds may not be  
4 expended for salary, benefits, or other compensation of employees of  
5 the state of Washington.

6 (5) Expenditures from the accounts are subject to appropriation  
7 and the allotment provisions of chapter 43.88 RCW.

8 **Sec. 9.** RCW 79A.15.030 and 2016 c 149 s 3 are each amended to  
9 read as follows:

10 (1) Moneys appropriated prior to July 1, 2016, for this chapter  
11 shall be divided as follows:

12 (a) Appropriations for a biennium of forty million dollars or  
13 less must be allocated equally between the habitat conservation  
14 account and the outdoor recreation account.

15 (b) If appropriations for a biennium total more than forty  
16 million dollars, the money must be allocated as follows: (i) Twenty  
17 million dollars to the habitat conservation account and twenty  
18 million dollars to the outdoor recreation account; (ii) any amount  
19 over forty million dollars up to fifty million dollars shall be  
20 allocated as follows: (A) Ten percent to the habitat conservation  
21 account; (B) ten percent to the outdoor recreation account; (C) forty  
22 percent to the riparian protection account; and (D) forty percent to  
23 the farmlands preservation account; and (iii) any amounts over fifty  
24 million dollars must be allocated as follows: (A) Thirty percent to  
25 the habitat conservation account; (B) thirty percent to the outdoor  
26 recreation account; (C) thirty percent to the riparian protection  
27 account; and (D) ten percent to the farmlands preservation account.

28 (2) Beginning July 1, 2016, moneys appropriated for this chapter  
29 must be allocated as follows: (a) Forty-five percent to the habitat  
30 conservation account; (b) forty-five percent to the outdoor  
31 recreation account; and (c) ten percent to the farm and forest  
32 account.

33 (3) Moneys deposited in these accounts shall be invested as  
34 authorized for other state funds, and any earnings on them shall be  
35 credited to the respective account.

36 (4) All moneys deposited in the habitat conservation, outdoor  
37 recreation, and farm and forest accounts shall be allocated as  
38 provided under RCW 79A.15.040, 79A.15.050, and 79A.15.130 as grants  
39 to state or local agencies or nonprofit nature conservancies for

1 acquisition, development, and renovation within the jurisdiction of  
2 those agencies, subject to legislative appropriation. The board may  
3 use or permit the use of any funds appropriated for this chapter as  
4 matching funds where federal, local, or other funds are made  
5 available for projects within the purposes of this chapter. Moneys  
6 appropriated to these accounts that are not obligated to a specific  
7 project may be used to fund projects from lists of alternate projects  
8 from the same account in biennia succeeding the biennium in which the  
9 moneys were originally appropriated.

10 (5) Projects receiving grants for development, recreational  
11 access, or fee simple acquisition of land under this chapter must be  
12 accessible for public recreation and outdoor education unless the  
13 board specifically approves limiting public access in order to  
14 protect sensitive species, water quality, or public safety.

15 (6) The board may make grants to an eligible project from the  
16 habitat conservation, outdoor recreation, and farm and forest  
17 accounts and any one or more of the applicable categories under such  
18 accounts described in RCW 79A.15.040, 79A.15.050, and 79A.15.130.

19 (7) The board may accept private donations to the habitat  
20 conservation account, the outdoor recreation account, and the farm  
21 and forest account for the purposes specified in this chapter.

22 (8) The board may retain a portion of the funds appropriated for  
23 this chapter for its office for the administration of the programs  
24 and purposes specified in this chapter. Proceeds from the sale of  
25 state bonds may not be expended for salary, benefits, or other  
26 compensation of employees of the state of Washington. The portion of  
27 the funds retained for administration may not exceed: (a) The actual  
28 administration costs averaged over the previous five biennia as a  
29 percentage of the legislature's new appropriation for this chapter;  
30 or (b) the amount specified in the appropriation, if any. Each  
31 biennium the percentage specified under (a) of this subsection must  
32 be approved by the office of financial management and submitted along  
33 with the prioritized lists of projects to be funded in RCW  
34 79A.15.060, 79A.15.070, and 79A.15.130.

35 (9) Habitat and recreation land and facilities acquired or  
36 developed with moneys appropriated for this chapter may not, without  
37 prior approval of the board, be converted to a use other than that  
38 for which funds were originally approved. The board shall adopt rules  
39 and procedures governing the approval of such a conversion.

1       **Sec. 10.** RCW 28B.142.010 and 2009 c 500 s 4 are each amended to  
2 read as follows:

3       The board of regents of the University of Washington and  
4 Washington State University may issue bonds, notes, or other  
5 evidences of indebtedness for any university purpose. The board of  
6 regents of the University of Washington and Washington State  
7 University may obligate all or a component of the fees and revenues  
8 of the university for the payment of such bonds, notes, or evidences  
9 of indebtedness: PROVIDED, That such fees and revenues are not  
10 subject to appropriation by the legislature and do not constitute  
11 general state revenues as defined in Article VIII, section 1 of the  
12 state Constitution. Such bonds, notes, and other indebtedness shall  
13 not constitute bonds, notes, or other evidences of indebtedness  
14 secured by the full faith and credit of the state or required to be  
15 paid, directly or indirectly, from general state revenues. Bonds,  
16 notes, or other evidences of indebtedness issued under this chapter  
17 shall be issued in accordance with the procedures in RCW 28B.10.310  
18 and 28B.10.315 or the provisions applicable to either the state or  
19 local governments under chapter 39.46 or 39.53 RCW. Proceeds from the  
20 sale of state bonds may not be expended for salary, benefits, or  
21 other compensation of employees of the state of Washington.

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