

1 These proceeds shall be administered by the office of financial
2 management, subject to legislative appropriation.

3 NEW SECTION. **Sec. 103.** The debt-limit general fund bond
4 retirement account shall be used for the payment of the principal
5 of and interest on the bonds authorized in section 101 of this act.

6 The state finance committee shall, on or before June 30th of
7 each year, certify to the state treasurer the amount needed in the
8 ensuing twelve months to meet the bond retirement and interest
9 requirements. On each date on which any interest or principal and
10 interest payment is due, the state treasurer shall withdraw from
11 any general state revenues received in the state treasury and
12 deposit in the debt-limit general fund bond retirement account an
13 amount equal to the amount certified by the state finance committee
14 to be due on the payment date.

15 Bonds issued under section 101 of this act shall state that they
16 are a general obligation of the state of Washington, shall pledge
17 the full faith and credit of the state to the payment of the
18 principal thereof and the interest thereon, and shall contain an
19 unconditional promise to pay the principal and interest as the same
20 shall become due.

21 The owner and holder of each of the bonds or the trustee for the
22 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. 104.** 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 101 of this act, and
28 section 103 of this act shall not be deemed to provide an exclusive
29 method for the payment.

30 NEW SECTION. **Sec. 105.** The bonds authorized in section 101 of
31 this act shall be a legal investment for all state funds or funds
32 under state control and for all funds of any other public body.

33 **PART 2**

1 NEW SECTION. **Sec. 201.** For the purpose of providing funds for
2 the Columbia river basin water supply development program, the
3 state finance committee is authorized to issue general obligation
4 bonds of the state of Washington in the sum of two hundred million
5 dollars, or as much thereof as may be required, to finance the
6 projects and all costs incidental thereto. Bonds authorized in
7 this section may be sold at such price as the state finance
8 committee shall determine. No bonds authorized in this section may
9 be offered for sale without prior legislative appropriation of the
10 net proceeds of the sale of the bonds.

11 NEW SECTION. **Sec. 202.** It is the intent of the legislature
12 that the proceeds of the new bonds authorized in section 201 of
13 this act will be appropriated in phases over five biennia,
14 beginning with the 2005-2007 biennium. This is not intended to
15 limit the legislature's ability to appropriate bond proceeds if the
16 full amount authorized in section 201 of this act has not been
17 appropriated after five biennia. The authorization to issue bonds
18 contained in section 201 of this act does not expire until the full
19 authorization has been appropriated and issued.

20 NEW SECTION. **Sec. 203.** The proceeds from the sale of the bonds
21 authorized in section 201 of this act shall be deposited in the
22 Columbia river basin water supply development account created in
23 chapter ... (Engrossed Second Substitute House Bill No. 2860), Laws
24 of 2006. If the state finance committee deems it necessary to
25 issue the bonds authorized in section 201 of this act as taxable
26 bonds in order to comply with federal internal revenue service
27 rules and regulations pertaining to the use of nontaxable bond
28 proceeds, the proceeds of such taxable bonds shall be transferred
29 to the state taxable building construction account in lieu of any
30 deposit otherwise provided by this section. The state treasurer
31 shall submit written notice to the director of financial management
32 if it is determined that any such transfer to the state taxable
33 building construction account is necessary. Moneys in the account
34 may be spent only after appropriation. The proceeds shall be used
35 exclusively for the purposes specified in section 201 of this act
36 and for the payment of expenses incurred in the issuance and sale

1 of the bonds. These proceeds shall be administered by the office
2 of financial management, subject to legislative appropriation.

3 NEW SECTION. **Sec. 204.** The debt-limit general fund bond
4 retirement account shall be used for the payment of the principal
5 of and interest on the bonds authorized in section 201 of this act.

6 The state finance committee shall, on or before June 30th of
7 each year, certify to the state treasurer the amount needed in the
8 ensuing twelve months to meet the bond retirement and interest
9 requirements. On each date on which any interest or principal and
10 interest payment is due, the state treasurer shall withdraw from
11 any general state revenues received in the state treasury and
12 deposit in the debt-limit general fund bond retirement account an
13 amount equal to the amount certified by the state finance committee
14 to be due on the payment date.

15 Bonds issued under section 201 of this act shall state that they
16 are a general obligation of the state of Washington, shall pledge
17 the full faith and credit of the state to the payment of the
18 principal thereof and the interest thereon, and shall contain an
19 unconditional promise to pay the principal and interest as the same
20 shall become due.

21 The owner and holder of each of the bonds or the trustee for the
22 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. 205.** 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 201 of this act, and
28 section 204 of this act shall not be deemed to provide an exclusive
29 method for the payment.

30 NEW SECTION. **Sec. 206.** The bonds authorized in section 201 of
31 this act shall be a legal investment for all state funds or funds
32 under state control and for all funds of any other public body.

33 **PART 3**

1 NEW SECTION. **Sec. 301.** Sections 101 through 105 of this act
2 constitute a new chapter in Title 43 RCW.

3 NEW SECTION. **Sec. 302.** Sections 201 through 206 of this act
4 constitute a new chapter in Title 43 RCW.

5 NEW SECTION. **Sec. 303.** If Engrossed Second Substitute House
6 Bill No. 2860 is not enacted by June 30, 2006, sections 201 through
7 206 of this act are null and void.

8 NEW SECTION. **Sec. 304.** If any provision of this act or its
9 application to any person or circumstance is held invalid, the
10 remainder of the act or the application of the provision to other
11 persons or circumstances is not affected.

12 NEW SECTION. **Sec. 305.** This act is necessary for the immediate
13 preservation of the public peace, health, or safety, or support of
14 the state government and its existing public institutions, and
15 takes effect immediately."

EFFECT: Authorizes the State Finance Committee to issue \$50 million in state general obligation bonds for state correctional facilities, rather than \$83.7 million. Removes the authority of the State Finance Committee to issue \$40 million in state general obligation bonds for rehabilitation of the Hood Canal over four biennia. Removes the authority of the State Finance Committee to issue \$30 million in state general obligation bonds for rehabilitation of the Puget Sound over three biennia.