
HOUSE BILL 3314

State of Washington

59th Legislature

2006 Regular Session

By Representative Dunshee

Read first time 02/21/2006. Referred to Committee on Capital Budget.

1 AN ACT Relating to authorizing state general obligation bonds for
2 correctional facilities, Hood Canal rehabilitation, and the Columbia
3 river basin water supply development program; adding new chapters to
4 Title 43 RCW; and declaring an emergency.

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

6 PART 1

7 NEW SECTION. **Sec. 101.** For the purpose of providing funds for
8 state correctional facilities, the state finance committee is
9 authorized to issue general obligation bonds of the state of Washington
10 in the sum of seventy-four million four hundred thousand dollars, or as
11 much thereof as may be required, to finance the projects and all costs
12 incidental thereto. Bonds authorized in this section may be sold at
13 such price as the state finance committee shall determine. No bonds
14 authorized in this section may be offered for sale without prior
15 legislative appropriation of the net proceeds of the sale of the bonds.

16 NEW SECTION. **Sec. 102.** The proceeds from the sale of the bonds
17 authorized in section 101 of this act shall be deposited in the state

1 building construction account created in RCW 43.83.020. If the state
2 finance committee deems it necessary to issue the bonds authorized in
3 section 101 of this act as taxable bonds in order to comply with
4 federal internal revenue service rules and regulations pertaining to
5 the use of nontaxable bond proceeds, the proceeds of such taxable bonds
6 shall be transferred to the state taxable building construction account
7 in lieu of any deposit otherwise provided by this section. The state
8 treasurer shall submit written notice to the director of financial
9 management if it is determined that any such transfer to the state
10 taxable building construction account is necessary. Moneys in the
11 account may be spent only after appropriation. The proceeds shall be
12 used exclusively for the purposes specified in section 101 of this act
13 and for the payment of expenses incurred in the issuance and sale of
14 the bonds. These proceeds shall be administered by the office of
15 financial management, subject to legislative appropriation.

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

19 The state finance committee shall, on or before June 30th of each
20 year, certify to the state treasurer the amount needed in the ensuing
21 twelve months to meet the bond retirement and interest requirements.
22 On each date on which any interest or principal and interest payment is
23 due, the state treasurer shall withdraw from any general state revenues
24 received in the state treasury and deposit in the debt-limit general
25 fund bond retirement account an amount equal to the amount certified by
26 the state finance committee to be due on the payment date.

27 Bonds issued under section 101 of this act shall state that they
28 are a general obligation of the state of Washington, shall pledge the
29 full faith and credit of the state to the payment of the principal
30 thereof and the interest thereon, and shall contain an unconditional
31 promise to pay the principal and interest as the same shall become due.

32 The owner and holder of each of the bonds or the trustee for the
33 owner and holder of any of the bonds may by mandamus or other
34 appropriate proceeding require the transfer and payment of funds as
35 directed in this section.

1 NEW SECTION. **Sec. 104.** The legislature may provide additional
2 means for raising moneys for the payment of the principal of and
3 interest on the bonds authorized in section 101 of this act, and
4 section 103 of this act shall not be deemed to provide an exclusive
5 method for the payment.

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

9 **PART 2**

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

19 NEW SECTION. **Sec. 202.** It is the intent of the legislature that
20 the proceeds of the new bonds authorized in section 201 of this act
21 will be appropriated in phases over five biennia, beginning with the
22 2005-2007 biennium. This is not intended to limit the legislature's
23 ability to appropriate bond proceeds if the full amount authorized in
24 section 201 of this act has not been appropriated after five biennia.
25 The authorization to issue bonds contained in section 201 of this act
26 does not expire until the full authorization has been appropriated and
27 issued.

28 NEW SECTION. **Sec. 203.** The proceeds from the sale of the bonds
29 authorized in section 201 of this act shall be deposited in the
30 Columbia river basin water supply development account created in
31 chapter ... (Engrossed Second Substitute House Bill No. 2860), Laws of
32 2006. If the state finance committee deems it necessary to issue the
33 bonds authorized in section 201 of this act as taxable bonds in order

1 to comply with federal internal revenue service rules and regulations
2 pertaining to the use of nontaxable bond proceeds, the proceeds of such
3 taxable bonds shall be transferred to the state taxable building
4 construction account in lieu of any deposit otherwise provided by this
5 section. The state treasurer shall submit written notice to the
6 director of financial management if it is determined that any such
7 transfer to the state taxable building construction account is
8 necessary. Moneys in the account may be spent only after
9 appropriation. The proceeds shall be used exclusively for the purposes
10 specified in section 201 of this act and for the payment of expenses
11 incurred in the issuance and sale of the bonds. These proceeds shall
12 be administered by the office of financial management, subject to
13 legislative appropriation.

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

17 The state finance committee shall, on or before June 30th of each
18 year, certify to the state treasurer the amount needed in the ensuing
19 twelve months to meet the bond retirement and interest requirements.
20 On each date on which any interest or principal and interest payment is
21 due, the state treasurer shall withdraw from any general state revenues
22 received in the state treasury and deposit in the debt-limit general
23 fund bond retirement account an amount equal to the amount certified by
24 the state finance committee to be due on the payment date.

25 Bonds issued under section 201 of this act shall state that they
26 are a general obligation of the state of Washington, shall pledge the
27 full faith and credit of the state to the payment of the principal
28 thereof and the interest thereon, and shall contain an unconditional
29 promise to pay the principal and interest as the same shall become due.

30 The owner and holder of each of the bonds or the trustee for the
31 owner and holder of any of the bonds may by mandamus or other
32 appropriate proceeding require the transfer and payment of funds as
33 directed in this section.

34 NEW SECTION. **Sec. 205.** The legislature may provide additional
35 means for raising moneys for the payment of the principal of and

1 interest on the bonds authorized in section 201 of this act, and
2 section 204 of this act shall not be deemed to provide an exclusive
3 method for the payment.

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

7 **PART 3**

8 NEW SECTION. **Sec. 301.** For the purpose of providing funds for the
9 Hood Canal aquatic rehabilitation program, the state finance committee
10 is authorized to issue general obligation bonds of the state of
11 Washington in the sum of fifty million dollars, or as much thereof as
12 may be required, to finance the projects and all costs incidental
13 thereto. Bonds authorized in this section may be sold at such price as
14 the state finance committee shall determine. No bonds authorized in
15 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. 302.** It is the intent of the legislature that
18 the proceeds of the new bonds authorized in section 301 of this act
19 will be appropriated in phases over five biennia, beginning with the
20 2005-2007 biennium. This is not intended to limit the legislature's
21 ability to appropriate bond proceeds if the full amount authorized in
22 section 301 of this act has not been appropriated after five biennia.
23 The authorization to issue bonds contained in section 301 of this act
24 does not expire until the full authorization has been appropriated and
25 issued.

26 NEW SECTION. **Sec. 303.** The proceeds from the sale of the bonds
27 authorized in section 301 of this act shall be deposited in the Hood
28 Canal aquatic rehabilitation bond account created in section 307 of
29 this act. If the state finance committee deems it necessary to issue
30 the bonds authorized in section 301 of this act as taxable bonds in
31 order to comply with federal internal revenue service rules and
32 regulations pertaining to the use of nontaxable bond proceeds, the
33 proceeds of such taxable bonds shall be transferred to the state

1 taxable building construction account in lieu of any deposit otherwise
2 provided by this section. The state treasurer shall submit written
3 notice to the director of financial management if it is determined that
4 any such transfer to the state taxable building construction account is
5 necessary. Moneys in the account may be spent only after
6 appropriation. The proceeds shall be used exclusively for the purposes
7 specified in section 301 of this act and for the payment of expenses
8 incurred in the issuance and sale of the bonds. These proceeds shall
9 be administered by the office of financial management, subject to
10 legislative appropriation.

11 NEW SECTION. **Sec. 304.** The debt-limit general fund bond
12 retirement account shall be used for the payment of the principal of
13 and interest on the bonds authorized in section 301 of this act.

14 The state finance committee shall, on or before June 30th of each
15 year, certify to the state treasurer the amount needed in the ensuing
16 twelve months to meet the bond retirement and interest requirements.
17 On each date on which any interest or principal and interest payment is
18 due, the state treasurer shall withdraw from any general state revenues
19 received in the state treasury and deposit in the debt-limit general
20 fund bond retirement account an amount equal to the amount certified by
21 the state finance committee to be due on the payment date.

22 Bonds issued under section 301 of this act shall state that they
23 are a general obligation of the state of Washington, shall pledge the
24 full faith and credit of the state to the payment of the principal
25 thereof and the interest thereon, and shall contain an unconditional
26 promise to pay the principal and interest as the same shall become due.

27 The owner and holder of each of the bonds or the trustee for the
28 owner and holder of any of the bonds may by mandamus or other
29 appropriate proceeding require the transfer and payment of funds as
30 directed in this section.

31 NEW SECTION. **Sec. 305.** The legislature may provide additional
32 means for raising moneys for the payment of the principal of and
33 interest on the bonds authorized in section 301 of this act, and
34 section 304 of this act shall not be deemed to provide an exclusive
35 method for the payment.

1 NEW SECTION. **Sec. 306.** The bonds authorized in section 301 of
2 this act shall be a legal investment for all state funds or funds under
3 state control and for all funds of any other public body.

4 NEW SECTION. **Sec. 307.** The Hood Canal aquatic rehabilitation bond
5 account is created in the state treasury. All receipts from proceeds
6 from the bonds issued under section 301 of this act must be deposited
7 into the account. Moneys in the account may be spent only after
8 appropriation. Expenditures from the account may be used only for
9 programs and projects to protect and restore Hood Canal, including
10 implementing RCW 90.88.020 and 90.88.030.

11 **PART 4**

12 NEW SECTION. **Sec. 401.** Sections 101 through 105 of this act
13 constitute a new chapter in Title 43 RCW.

14 NEW SECTION. **Sec. 402.** Sections 201 through 206 of this act
15 constitute a new chapter in Title 43 RCW.

16 NEW SECTION. **Sec. 403.** Sections 301 through 307 of this act
17 constitute a new chapter in Title 43 RCW.

18 NEW SECTION. **Sec. 404.** If any provision of this act or its
19 application to any person or circumstance is held invalid, the
20 remainder of the act or the application of the provision to other
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 405.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions, and takes effect
25 immediately.

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