

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE HOUSE BILL 3316

Chapter 167, Laws of 2006

59th Legislature
2006 Regular Session

GENERAL OBLIGATION BONDS

EFFECTIVE DATE: 3/22/06

Passed by the House February 28, 2006
Yeas 90 Nays 7

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 8, 2006
Yeas 47 Nays 0

BRAD OWEN

President of the Senate

Approved March 22, 2006.

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 3316** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

March 22, 2006 - 2:59 p.m.

CHRISTINE GREGOIRE

**Secretary of State
State of Washington**

Governor of the State of Washington

ENGROSSED SUBSTITUTE HOUSE BILL 3316

Passed Legislature - 2006 Regular Session

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Linville, Grant and Kessler)

READ FIRST TIME 02/24/06.

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

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

PART 1

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

NEW SECTION. Sec. 102 The proceeds from the sale of the bonds authorized in section 101 of this act shall be deposited in the state building construction account created in RCW 43.83.020. If the state finance committee deems it necessary to issue the bonds authorized in section 101 of this act as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the state taxable building construction account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the state taxable building construction account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in section 101 of this act and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

NEW SECTION. Sec. 103 The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 101 of this act. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date. Bonds issued under section 101 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due. The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

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

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

PART 2

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

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

NEW SECTION. Sec. 203 The proceeds from the sale of the bonds authorized in section 201 of this act shall be deposited in the Columbia river basin water supply development account created in chapter ... (Engrossed Second Substitute House Bill No. 2860), Laws of 2006. If the state finance committee deems it necessary to issue the bonds authorized in section 201 of this act as taxable bonds in order to comply with federal internal revenue service rules and regulations

pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the state taxable building construction account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the state taxable building construction account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in section 201 of this act and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

NEW SECTION. Sec. 204 The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 201 of this act. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date. Bonds issued under section 201 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due. The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

NEW SECTION. Sec. 205 The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 201 of this act, and section 204 of this act shall not be deemed to provide an exclusive method for the payment.

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

PART 3

NEW SECTION. Sec. 301 For the purpose of providing funds for the Hood Canal aquatic rehabilitation program, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of six million nine hundred twenty thousand dollars, or as much thereof as may be required, to finance the projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. Sec. 302 (1) It is the intent of the legislature that the proceeds of the new bonds authorized in section 301 of this act will be appropriated in the 2005-2007 biennium.
(2) A portion of the bonds issued under section 301 of this act are intended to be used for

wastewater and clean water improvement projects at state parks as part of the Hood Canal aquatic rehabilitation program. State parks intended to be improved by the bond proceeds authorized in section 301 of this act include, but are not limited to, the following:

- (a) Approximately one hundred thousand dollars for Twanoh state park;
- (b) Approximately one million two hundred thousand dollars for Dosewallips state park;
- (c) Approximately seven hundred thousand dollars for Belfair state park;
- (d) Approximately one million fifty thousand dollars for Potlatch state park;
- (e) Approximately five hundred thousand dollars for Kitsap Memorial state park;
- (f) Approximately nine hundred thousand dollars for Scenic Beach state park;
- (g) Approximately three hundred thousand dollars for Twanoh and Triton Cove state parks;
- (h) Approximately eight hundred fifty thousand dollars for Shine Tidelands state park;
- (i) Approximately one hundred fifty thousand dollars for Pleasant Harbor state park; and
- (j) Approximately one hundred seventy thousand dollars for Triton Cove state park.

NEW SECTION. Sec. 303 The proceeds from the sale of the bonds authorized in section 301 of this act shall be deposited in the Hood Canal aquatic rehabilitation bond account created in section 307 of this act. If the state finance committee deems it necessary to issue the bonds authorized in section 301 of this act as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the state taxable building construction account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the state taxable building construction account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in section 301 of this act and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

NEW SECTION. Sec. 304 The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 301 of this act. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.

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

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

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

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

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

PART 4

NEW SECTION. Sec. 401 For the purpose of providing funds for the rehabilitation of Puget Sound, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of seven million three hundred seventy-five thousand dollars, or as much thereof as may be required, to finance the projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. Sec. 402 (1) It is the intent of the legislature that the proceeds of the new bonds authorized in section 401 of this act will be appropriated in the 2005-2007 biennium.

(2) The bonds issued under section 401 of this act are intended to be used for wastewater and clean water improvement projects at state parks as part of the rehabilitation of Puget Sound. State parks intended to be improved by the bond proceeds authorized in section 401 of this act include, but are not limited to, the following:

- (a) Approximately one hundred twenty-five thousand dollars for Sequim Bay state park;
- (b) Approximately seven hundred fifty thousand dollars for Fort Flagler state park;
- (c) Approximately seven hundred fifty thousand dollars for Larabee state park;
- (d) Approximately three hundred thousand dollars for Fort Worden state park;
- (e) Approximately three hundred thousand dollars for Camano Island state park;
- (f) Approximately three hundred fifty thousand dollars for Deception Pass state park;
- (g) Approximately two hundred fifty thousand dollars for Possession Point;
- (h) Approximately one million one hundred thousand dollars for Illahee state park;
- (i) Approximately one million two hundred thousand dollars for Kopachuck state park;
- (j) Approximately seven hundred thousand dollars for Penrose Point state park;
- (k) Approximately two hundred fifty thousand dollars for Blake Island state park; and
- (l) Approximately one million three hundred thousand dollars for Fay Bainbridge state park.

NEW SECTION. Sec. 403 The proceeds from the sale of the bonds authorized in section 401 of this act shall be deposited in the state building construction account created in RCW 43.83.020. If the state finance committee deems it necessary to issue the bonds authorized in section 401 of

this act as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, the proceeds of such taxable bonds shall be transferred to the state taxable building construction account in lieu of any deposit otherwise provided by this section. The state treasurer shall submit written notice to the director of financial management if it is determined that any such transfer to the state taxable building construction account is necessary. Moneys in the account may be spent only after appropriation. The proceeds shall be used exclusively for the purposes specified in section 401 of this act and for the payment of expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, subject to legislative appropriation.

NEW SECTION. Sec. 404 The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 401 of this act. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date. Bonds issued under section 401 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due. The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

NEW SECTION. Sec. 405 The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 401 of this act, and section 404 of this act shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. Sec. 406 The bonds authorized in section 401 of this act shall be a legal investment for all state funds or funds under state control and for all funds of any other public body.

PART 5

NEW SECTION. Sec. 501 Sections 101 through 105 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 502 Sections 201 through 206 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 503 Sections 301 through 307 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 504 Sections 401 through 406 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 505 If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 506 This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House February 28, 2006.

Passed by the Senate March 8, 2006.

Approved by the Governor March 22, 2006.

Filed in Office of Secretary of State March 22, 2006.