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**SUBSTITUTE SENATE BILL 6898**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Brandland, Prentice and Zarelli)

READ FIRST TIME 02/17/06.

1 AN ACT Relating to authorizing state general obligation bonds for  
2 correctional facilities and the Columbia river basin water supply  
3 development program; adding new chapters to Title 43 RCW; creating a  
4 new section; 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 fifty million dollars, or as much thereof as may be  
11 required, to finance the projects and all costs incidental thereto.  
12 Bonds authorized in this section may be sold at such price as the state  
13 finance committee shall determine. No bonds authorized in this section  
14 may be offered for sale without prior legislative appropriation of the  
15 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.



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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.** Sections 101 through 105 of this act  
9 constitute a new chapter in Title 43 RCW.

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

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

15 NEW SECTION. **Sec. 304.** If any provision of this act or its  
16 application to any person or circumstance is held invalid, the  
17 remainder of the act or the application of the provision to other  
18 persons or circumstances is not affected.

19 NEW SECTION. **Sec. 305.** This act is necessary for the immediate  
20 preservation of the public peace, health, or safety, or support of the  
21 state government and its existing public institutions, and takes effect  
22 immediately.

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