

By Senator Hobbs

Authorizing bonds for transportation funding.

1 AN ACT Relating to authorizing bonds for transportation funding;
2 adding new sections to chapter 47.10 RCW; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** In order to provide funds necessary for
5 the location, design, right-of-way, and construction of selected
6 projects or improvements that are identified as forward Washington
7 projects or improvements in an omnibus transportation appropriations
8 act, there shall be issued and sold upon the request of the
9 department of transportation a total of \$5,500,000,000 of general
10 obligation bonds of the state of Washington.

11 NEW SECTION. **Sec. 2.** Upon the request of the department of
12 transportation, as appropriate, the state finance committee shall
13 supervise and provide for the issuance, sale, and retirement of the
14 bonds in this act in accordance with chapter 39.42 RCW. Bonds
15 authorized by this act shall be sold in the manner, at time or times,
16 in amounts, and at the price as the state finance committee shall
17 determine. No bonds may be offered for sale without prior legislative
18 appropriation of the net proceeds of the sale of the bonds.

19 The state finance committee shall consider the issuance of short-
20 term obligations in lieu of long-term obligations for the purposes of

1 more favorable interest rates, lower total interest costs, and
2 increased marketability and for the purpose of retiring the bonds
3 during the life of the project for which they were issued.

4 NEW SECTION. **Sec. 3.** The proceeds from the sale of bonds
5 authorized by section 1 of this act shall be deposited in the forward
6 Washington account in the motor vehicle fund. The proceeds shall be
7 available only for the purposes enumerated in section 1 of this act,
8 for the payment of bond anticipation notes, if any, and for the
9 payment of bond issuance costs, including the costs of underwriting.

10 NEW SECTION. **Sec. 4.** Bonds issued under the authority of this
11 section and sections 1 through 3, 5, and 6 of this act shall
12 distinctly state that they are a general obligation of the state of
13 Washington, shall pledge the full faith and credit of the state to
14 the payment of the principal thereof and the interest thereon, and
15 shall contain an unconditional promise to pay such principal and
16 interest as the same shall become due. The principal and interest on
17 the bonds shall be first payable in the manner provided in this
18 section and sections 1 through 3, 5, and 6 of this act from the
19 proceeds of the state excise taxes on fuel imposed by chapter 82.38
20 RCW and vehicle-related fees imposed under Title 46 RCW that
21 constitute license fees for motor vehicles required to be used for
22 highway purposes. Proceeds of these excise taxes and vehicle-related
23 fees are hereby pledged to the payment of any bonds and the interest
24 thereon issued under the authority of this section and sections 1
25 through 3, 5, and 6 of this act, and the legislature agrees to
26 continue to impose these excise taxes on fuel and vehicle-related
27 fees in amounts from such sources sufficient to pay, when due, the
28 principal and interest on all bonds issued under the authority of
29 this section and sections 1 through 3, 5, and 6 of this act.

30 NEW SECTION. **Sec. 5.** (1) Both principal and interest on the
31 bonds issued for the purposes of this section and sections 1 through
32 4 and 6 of this act shall be payable from the highway bond retirement
33 fund. The state finance committee may provide that a special account
34 be created in the fund to facilitate payment of the principal and
35 interest. The state finance committee shall, on or before June 30th
36 of each year, certify to the state treasurer the amount required for
37 principal and interest on the bonds in accordance with the bond

1 proceedings. The state treasurer shall withdraw revenues from the
2 forward Washington account in the motor vehicle fund and deposit in
3 the highway bond retirement fund, or a special account in the fund,
4 such amounts, and at such times, as are required by the bond
5 proceedings.

6 (2) (a) Any funds required for bond retirement or interest on the
7 bonds authorized by this section and sections 1 through 4 and 6 of
8 this act shall be taken from that portion of the motor vehicle fund
9 that results from the imposition of excise taxes on fuel and vehicle-
10 related fees, and that is distributed to the forward Washington
11 account in the motor vehicle fund.

12 (b) Funds required shall never constitute a charge against any
13 other allocations of fuel tax and vehicle-related fee revenues to the
14 state, counties, cities, and towns unless the amount arising from
15 excise taxes on fuel and vehicle-related fees distributed to the
16 forward Washington account described in (a) of this subsection proves
17 insufficient to meet the requirements for bond retirement or interest
18 on any such bonds.

19 (c) Any payments for bond retirement or interest on the bonds
20 taken from other revenues from the fuel taxes and vehicle-related
21 fees that are distributable to the state, counties, cities, and towns
22 shall be repaid from the first revenues from the fuel taxes and
23 vehicle-related fees distributed to the forward Washington account
24 described in (a) of this subsection not required for bond retirement
25 or interest on the bonds.

26 NEW SECTION. **Sec. 6.** Bonds issued under the authority of
27 sections 1 through 5 of this act and this section and any other
28 general obligation bonds of the state of Washington that have been or
29 that may be authorized and that pledge fuel excise taxes and vehicle-
30 related fees for the payment of principal and interest thereon shall
31 be an equal charge against the revenues from such fuel excise taxes
32 and vehicle-related fees.

33 NEW SECTION. **Sec. 7.** For purposes of sections 1 through 6 of
34 this act, "vehicle-related fees" means vehicle-related fees imposed
35 under Title 46 RCW that constitute license fees for motor vehicles
36 required to be used for highway purposes.

1 NEW SECTION. **Sec. 8.** Sections 1 through 7 of this act are each
2 added to chapter 47.10 RCW.

3 NEW SECTION. **Sec. 9.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of
5 the state government and its existing public institutions, and takes
6 effect immediately.

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