

Proposed Substitute House Bill 1956 (H-2443.2)

By Representative Clibborn

Original bill:

- Authorizes the issuance of up to \$3.2 billion in general obligation bonds.

Substitute bill compared to original bill:

- Increases the authorized bond amount to \$3.6 billion.
 - Removes motor vehicle excise tax proceeds from the revenue sources pledged to pay for the bonds.
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Committee: House Transportation Committee

Staff: David Munnecke (786-7315)
Office of Program Research

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2443.2/13 2nd draft

ATTY/TYPIST: BP:bbp

BRIEF DESCRIPTION: 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 providing an effective
3 date.

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

5 NEW SECTION. **Sec. 1.** In order to provide funds necessary for the
6 location, design, right-of-way, and construction of selected projects
7 or improvements that are identified as 2013 connecting Washington
8 projects or improvements in the omnibus transportation appropriations
9 act, there shall be issued and sold upon the request of the department
10 of transportation a total of three billion six hundred million dollars
11 of general obligation bonds of the state of Washington.

12 NEW SECTION. **Sec. 2.** Upon the request of the department of
13 transportation, as appropriate, the state finance committee shall
14 supervise and provide for the issuance, sale, and retirement of the
15 bonds in this act in accordance with chapter 39.42 RCW. Bonds
16 authorized by this act shall be sold in the manner, at time or times,
17 in amounts, and at the price as the state finance committee shall

1 determine. No bonds may be offered for sale without prior legislative
2 appropriation of the net proceeds of the sale of the bonds.

3 The state finance committee shall consider the issuance of short-
4 term obligations in lieu of long-term obligations for the purposes of
5 more favorable interest rates, lower total interest costs, and
6 increased marketability and for the purpose of retiring the bonds
7 during the life of the project for which they were issued.

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

15 NEW SECTION. **Sec. 4.** Bonds issued under the authority of sections
16 1 through 6 of this act shall distinctly state that they are a general
17 obligation of the state of Washington, shall pledge the full faith and
18 credit of the state to the payment of the principal thereof and the
19 interest thereon, and shall contain an unconditional promise to pay
20 such principal and interest as the same shall become due. The
21 principal and interest on the bonds shall be first payable in the
22 manner provided in sections 1 through 6 of this act from the proceeds
23 of the state excise taxes on motor vehicle and special fuels imposed by
24 chapters 82.36 and 82.38 RCW. Proceeds of these excise taxes are
25 hereby pledged to the payment of any bonds and the interest thereon
26 issued under the authority of sections 1 through 6 of this act, and the
27 legislature agrees to continue to impose these excise taxes on motor
28 vehicle and special fuels in amounts sufficient to pay, when due, the
29 principal and interest on all bonds issued under the authority of
30 sections 1 through 6 of this act.

31 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds
32 issued for the purposes of sections 1 through 6 of this act shall be
33 payable from the highway bond retirement fund. The state finance
34 committee may provide that a special account be created in the fund to
35 facilitate payment of the principal and interest. The state finance

1 committee shall, on or before June 30th of each year, certify to the
2 state treasurer the amount required for principal and interest on the
3 bonds in accordance with the bond proceedings. The state treasurer
4 shall withdraw revenues from the connecting Washington account in the
5 motor vehicle fund and deposit in the highway bond retirement fund, or
6 a special account in the fund, such amounts, and at such times, as are
7 required by the bond proceedings.

8 Any funds required for bond retirement or interest on the bonds
9 authorized by sections 1 through 6 of this act shall be taken from that
10 portion of the motor vehicle fund that results from the imposition of
11 excise taxes on motor vehicle and special fuels and that is distributed
12 to the connecting Washington account in the motor vehicle fund. Funds
13 required shall never constitute a charge against any other allocations
14 of motor vehicle fuel and special fuel tax revenues to the state,
15 counties, cities, and towns unless the amount arising from excise taxes
16 on motor vehicle and special fuels distributed to the connecting
17 Washington account proves insufficient to meet the requirements for
18 bond retirement or interest on any such bonds.

19 Any payments for bond retirement or interest on the bonds taken
20 from other revenues from the motor vehicle fuel or special fuel taxes
21 that are distributable to the state, counties, cities, and towns shall
22 be repaid from the first revenues from the motor vehicle fuel or
23 special fuel taxes distributed to the connecting Washington account not
24 required for bond retirement or interest on the bonds.

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

32 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act are each
33 added to chapter 47.10 RCW.

1 NEW SECTION. **Sec. 8.** This act takes effect August 1, 2013.

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