
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2616.3/15 3rd draft

ATTY/TYPIST: BP:eab

BRIEF DESCRIPTION: Authorizing bonds for the financing of
transportation projects.

1 AN ACT Relating to the authorization of bonds for the financing
2 of transportation projects; amending RCW 47.10.---, 47.10.---, and
3 47.10.---; adding new sections to chapter 47.10 RCW; providing
4 effective dates; providing an expiration date; providing a contingent
5 effective date; and declaring an emergency.

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

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

15 NEW SECTION. **Sec. 2.** Upon the request of the department of
16 transportation, as appropriate, the state finance committee shall
17 supervise and provide for the issuance, sale, and retirement of the
18 bonds in this act in accordance with chapter 39.42 RCW. Bonds
19 authorized by this act shall be sold in the manner, at time or times,
20 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 this
16 section and sections 1 through 3, 5, and 6 of this act shall
17 distinctly state that they are a general obligation of the state of
18 Washington, shall pledge the full faith and credit of the state to
19 the payment of the principal thereof and the interest thereon, and
20 shall contain an unconditional promise to pay such principal and
21 interest as the same shall become due. The principal and interest on
22 the bonds shall be first payable in the manner provided in this
23 section and sections 1 through 3, 5, and 6 of this act from the
24 proceeds of the state excise taxes on motor vehicle and special fuels
25 imposed by chapters 82.36 and 82.38 RCW and vehicle-related fees
26 imposed under Title 46 RCW that constitute license fees for motor
27 vehicles required to be used for highway purposes. Proceeds of these
28 excise taxes and vehicle-related fees are hereby pledged to the
29 payment of any bonds and the interest thereon issued under the
30 authority of this section and sections 1 through 3, 5, and 6 of this
31 act, and the legislature agrees to continue to impose these excise
32 taxes on motor vehicle and special fuels and vehicle-related fees in
33 amounts from such sources sufficient to pay, when due, the principal
34 and interest on all bonds issued under the authority of this section
35 and sections 1 through 3, 5, and 6 of this act.

36 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds
37 issued for the purposes of this section and sections 1 through 4 and

1 6 of this act shall be payable from the highway bond retirement fund.
2 The state finance committee may provide that a special account be
3 created in the fund to facilitate payment of the principal and
4 interest. The state finance committee shall, on or before June 30th
5 of each year, certify to the state treasurer the amount required for
6 principal and interest on the bonds in accordance with the bond
7 proceedings. The state treasurer shall withdraw revenues from the
8 connecting Washington account in the motor vehicle fund and deposit
9 in the highway bond retirement fund, or a special account in the
10 fund, such amounts, and at such times, as are required by the bond
11 proceedings.

12 Any funds required for bond retirement or interest on the bonds
13 authorized by this section and sections 1 through 4 and 6 of this act
14 shall be taken from that portion of the motor vehicle fund that
15 results from the imposition of excise taxes on motor vehicle and
16 special fuels and vehicle-related fees, and that is distributed to
17 the connecting Washington account in the motor vehicle fund. Funds
18 required shall never constitute a charge against any other
19 allocations of motor vehicle fuel and special fuel tax and vehicle-
20 related fee revenues to the state, counties, cities, and towns unless
21 the amount arising from excise taxes on motor vehicle and special
22 fuels and vehicle-related fees distributed to the connecting
23 Washington account proves insufficient to meet the requirements for
24 bond retirement or interest on any such bonds.

25 Any payments for bond retirement or interest on the bonds taken
26 from other revenues from the motor vehicle fuel or special fuel taxes
27 and vehicle-related fees that are distributable to the state,
28 counties, cities, and towns shall be repaid from the first revenues
29 from the motor vehicle fuel or special fuel taxes and vehicle-related
30 fees distributed to the connecting Washington account not required
31 for bond retirement or interest on the bonds.

32 NEW SECTION. **Sec. 6.** Bonds issued under the authority of
33 sections 1 through 5 of this act and this section and any other
34 general obligation bonds of the state of Washington that have been or
35 that may be authorized and that pledge motor vehicle and special
36 fuels excise taxes and vehicle-related fees for the payment of
37 principal and interest thereon shall be an equal charge against the
38 revenues from such motor vehicle and special fuels excise taxes and
39 vehicle-related fees.

1 **Sec. 7.** RCW 47.10.--- and 2015 c ... s 4 (section 4 of this act)
2 are each amended to read as follows:

3 Bonds issued under the authority of this section and RCW
4 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1
5 through 3, 5, and 6 of this act) shall distinctly state that they are
6 a general obligation of the state of Washington, shall pledge the
7 full faith and credit of the state to the payment of the principal
8 thereof and the interest thereon, and shall contain an unconditional
9 promise to pay such principal and interest as the same shall become
10 due. The principal and interest on the bonds shall be first payable
11 in the manner provided in this section and RCW 47.10.--- through
12 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6
13 of this act) from the proceeds of the state excise taxes on (~~motor~~
14 ~~vehicle and special~~) fuel(~~(s)~~) imposed by chapter(~~(s 82.36 and)~~)
15 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that
16 constitute license fees for motor vehicles required to be used for
17 highway purposes. Proceeds of these excise taxes and vehicle-related
18 fees are hereby pledged to the payment of any bonds and the interest
19 thereon issued under the authority of this section and RCW 47.10.---
20 through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5,
21 and 6 of this act), and the legislature agrees to continue to impose
22 these excise taxes on (~~motor vehicle and special~~) fuel(~~(s)~~) and
23 vehicle-related fees in amounts from such sources sufficient to pay,
24 when due, the principal and interest on all bonds issued under the
25 authority of this section and RCW 47.10.--- through 47.10.---,
26 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this
27 act).

28 **Sec. 8.** RCW 47.10.--- and 2015 c ... s 5 (section 5 of this act)
29 are each amended to read as follows:

30 Both principal and interest on the bonds issued for the purposes
31 of this section and RCW 47.10.--- through 47.10.--- and 47.10.---
32 (sections 1 through 4 and 6 of this act) shall be payable from the
33 highway bond retirement fund. The state finance committee may provide
34 that a special account be created in the fund to facilitate payment
35 of the principal and interest. The state finance committee shall, on
36 or before June 30th of each year, certify to the state treasurer the
37 amount required for principal and interest on the bonds in accordance
38 with the bond proceedings. The state treasurer shall withdraw
39 revenues from the connecting Washington account in the motor vehicle

1 fund and deposit in the highway bond retirement fund, or a special
2 account in the fund, such amounts, and at such times, as are required
3 by the bond proceedings.

4 Any funds required for bond retirement or interest on the bonds
5 authorized by this section and RCW 47.10.--- through 47.10.--- and
6 47.10.--- (sections 1 through 4 and 6 of this act) shall be taken
7 from that portion of the motor vehicle fund that results from the
8 imposition of excise taxes on (~~motor vehicle and special~~) fuel((s))
9 and vehicle-related fees, and that is distributed to the connecting
10 Washington account in the motor vehicle fund. Funds required shall
11 never constitute a charge against any other allocations of (~~motor
12 vehicle fuel and special~~) fuel tax and vehicle-related fee revenues
13 to the state, counties, cities, and towns unless the amount arising
14 from excise taxes on (~~motor vehicle and special~~) fuel((s)) and
15 vehicle-related fees distributed to the connecting Washington account
16 proves insufficient to meet the requirements for bond retirement or
17 interest on any such bonds.

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

25 **Sec. 9.** RCW 47.10.--- and 2015 c ... (section 6 of this act) are
26 each amended to read as follows:

27 Bonds issued under the authority of RCW 47.10.--- through
28 47.10.--- (sections 1 through 5 of this act) and this section and any
29 other general obligation bonds of the state of Washington that have
30 been or that may be authorized and that pledge (~~motor vehicle and
31 special~~) fuel((s)) excise taxes and vehicle-related fees for the
32 payment of principal and interest thereon shall be an equal charge
33 against the revenues from such (~~motor vehicle and special~~)
34 fuel((s)) excise taxes and vehicle-related fees.

35 NEW SECTION. **Sec. 10.** Sections 1 through 6 of this act are each
36 added to chapter 47.10 RCW.

1 NEW SECTION. **Sec. 11.** Except for sections 7 through 9 of this
2 act, this act is necessary for the immediate preservation of the
3 public peace, health, or safety, or support of the state government
4 and its existing public institutions, and takes effect July 1, 2015.

5 NEW SECTION. **Sec. 12.** Sections 4 through 6 of this act expire
6 July 1, 2016.

7 NEW SECTION. **Sec. 13.** Sections 7 through 9 of this act take
8 effect July 1, 2016.

9 NEW SECTION. **Sec. 14.** This act takes effect only if
10 chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of
11 2015 is enacted by June 30, 2015.

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