
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-1390.1/19

ATTY/TYPIST: AI:eab

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 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 five billion dollars of
10 general 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 carbon fees imposed under Title 82 RCW to be used for highway
21 purposes. Proceeds of these excise taxes and carbon fees are hereby
22 pledged to the payment of any bonds and the interest thereon issued
23 under the authority of this section and sections 1 through 3, 5, and
24 6 of this act, and the legislature agrees to continue to impose these
25 excise taxes on fuel and carbon fees in amounts from such sources
26 sufficient to pay, when due, the principal and interest on all bonds
27 issued under the authority of this section and sections 1 through 3,
28 5, and 6 of this act.

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

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

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

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

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

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

32 NEW SECTION. **Sec. 7.** For purposes of sections 1 through 6 of
33 this act, "carbon fees" means carbon fees imposed under Title 82 RCW
34 required to be used for highway purposes.

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

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

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