
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-2371.1/25

ATTY/TYPIST: AI:akl

BRIEF DESCRIPTION: Authorizing bonds for transportation funding.

1 AN ACT Relating to authorizing bonds for transportation funding;
2 amending RCW 47.10.879; adding new sections to chapter 47.10 RCW; and
3 declaring an emergency.

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

5 NEW SECTION. **Sec. 1.** In order to provide funds necessary for
6 the location, design, right-of-way, and construction of highway
7 projects or improvements, there shall be issued and sold upon the
8 request of the department of transportation a total of \$7,000,000,000
9 of general obligation bonds of the state of Washington.

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

18 The state finance committee shall consider the issuance of short-
19 term obligations in lieu of long-term obligations for the purposes of
20 more favorable interest rates, lower total interest costs, and

1 increased marketability and for the purpose of retiring the bonds
2 during the life of the project for which they were issued.

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

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

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

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

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

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

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

35 **Sec. 8.** RCW 47.10.879 and 2009 c 498 s 8 are each amended to
36 read as follows:

1 In order to provide funds necessary for the location, design,
2 right-of-way, and construction of the state route number 520 corridor
3 projects, as allowed in section 2, chapter 472, Laws of 2009, there
4 shall be issued and sold upon the request of the department of
5 transportation a total of (~~one billion nine hundred fifty million~~
6 ~~dollars~~) \$2,450,000,000 of general obligation bonds of the state of
7 Washington first payable from toll revenue and excise taxes on motor
8 vehicle and special fuels in accordance with RCW 47.10.883.

9 NEW SECTION. **Sec. 9.** Sections 1 through 7 of this act are each
10 added to chapter 47.10 RCW.

11 NEW SECTION. **Sec. 10.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

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