
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: S-5294.1/26

ATTY/TYPIST: AI:ajr

BRIEF DESCRIPTION: Authorizing bonds for transportation funding.

1 AN ACT Relating to authorizing bonds for transportation funding;
2 amending RCW 47.10.879, 47.02.120, 47.10.819, and 47.10.834; adding
3 new sections to chapter 47.10 RCW; and 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 \$1,100,000,000
9 of general obligation bonds of the state of Washington.

10 NEW SECTION. **Sec. 2.** In order to reserve funds for completion
11 of highway projects identified in the LEAP Transportation Document
12 2022-B as developed March 9, 2022, there shall be issued and sold
13 upon the request of the department of transportation a total of
14 \$400,000,000 of general obligation bonds of the state of Washington.
15 Only projects identified in the LEAP document referenced in this
16 section with unanticipated construction-related cost increases are
17 eligible recipients of bond proceeds authorized in this section.

18 NEW SECTION. **Sec. 3.** Upon the request of the department of
19 transportation, as appropriate, the state finance committee shall

1 supervise and provide for the issuance, sale, and retirement of the
2 bonds in this act in accordance with chapter 39.42 RCW. Bonds
3 authorized by this act shall be sold in the manner, at time or times,
4 in amounts, and at the price as the state finance committee shall
5 determine. No bonds may be offered for sale without prior legislative
6 appropriation of the net proceeds of the sale of the bonds.

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

12 NEW SECTION. **Sec. 4.** The proceeds from the sale of bonds
13 authorized by sections 1 and 2 of this act shall be deposited in the
14 move ahead WA account in the motor vehicle fund. The proceeds shall
15 be available only for the purposes enumerated in sections 1 and 2 of
16 this act, for the payment of bond anticipation notes, if any, and for
17 the payment of bond issuance costs, including the costs of
18 underwriting.

19 NEW SECTION. **Sec. 5.** Bonds issued under the authority of this
20 section and sections 1 through 4, 6, and 7 of this act shall
21 distinctly state that they are a general obligation of the state of
22 Washington, shall pledge the full faith and credit of the state to
23 the payment of the principal thereof and the interest thereon, and
24 shall contain an unconditional promise to pay such principal and
25 interest as the same shall become due. The principal and interest on
26 the bonds shall be first payable in the manner provided in this
27 section and sections 1 through 4, 6, and 7 of this act from the
28 proceeds of the state excise taxes on fuel imposed by chapter 82.38
29 RCW and vehicle-related fees imposed under Title 46 RCW that
30 constitute license fees for motor vehicles required to be used for
31 highway purposes. Proceeds of these excise taxes and vehicle-related
32 fees are hereby pledged to the payment of any bonds and the interest
33 thereon issued under the authority of this section and sections 1
34 through 4, 6, and 7 of this act, and the legislature agrees to
35 continue to impose these excise taxes on fuel and vehicle-related
36 fees in amounts from such sources sufficient to pay, when due, the
37 principal and interest on all bonds issued under the authority of
38 this section and sections 1 through 4, 6, and 7 of this act.

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

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

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

26 (c) Any payments for bond retirement or interest on the bonds
27 taken from other revenues from the fuel taxes and vehicle-related
28 fees that are distributable to the state, counties, cities, and towns
29 shall be repaid from the first revenues from the fuel taxes and
30 vehicle-related fees distributed to the move ahead WA account
31 described in (a) of this subsection not required for bond retirement
32 or interest on the bonds.

33 NEW SECTION. **Sec. 7.** Bonds issued under the authority of this
34 section and sections 1 through 6 of this act and any other general
35 obligation bonds of the state of Washington that have been or that
36 may be authorized and that pledge fuel excise taxes and vehicle-
37 related fees for the payment of principal and interest thereon shall
38 be an equal charge against the revenues from such fuel excise taxes
39 and vehicle-related fees.

1 NEW SECTION. **Sec. 8.** For purposes of sections 1 through 7 of
2 this act, "vehicle-related fees" means vehicle-related fees imposed
3 under Title 46 RCW that constitute license fees for motor vehicles
4 required to be used for highway purposes.

5 **Sec. 9.** RCW 47.10.879 and 2009 c 498 s 8 are each amended to
6 read as follows:

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

15 **Sec. 10.** RCW 47.02.120 and 2006 c 334 s 39 are each amended to
16 read as follows:

17 For the purpose of providing funds for the acquisition of
18 headquarters facilities for district 1 of the department of
19 transportation and costs incidental thereto, together with all
20 improvements and equipment required to make the facilities suitable
21 for the department's use, there shall be issued and sold upon the
22 request of the secretary of the department of transportation a total
23 of (~~fifteen million dollars~~) \$15,000,000 of general obligation
24 bonds of the state of Washington. If any bonds authorized in this
25 chapter have not been issued by June 30, 2026, the authority of the
26 state finance committee to issue such remaining unissued bonds
27 expires June 30, 2026.

28 **Sec. 11.** RCW 47.10.819 and 2006 c 334 s 37 are each amended to
29 read as follows:

30 In order to provide funds necessary for the location, design,
31 right-of-way, and construction of selected interstate and other
32 highway improvements, there shall be issued and sold upon the request
33 of the secretary of the department of transportation a total of (~~one~~
34 ~~hundred million dollars~~) \$100,000,000 of general obligation bonds of
35 the state of Washington for the following purposes and specified
36 sums:

1 (1) Not to exceed (~~twenty-five million dollars~~) \$25,000,000 to
2 pay the state's and local governments' share of matching funds for
3 the ten demonstration projects identified in the Intermodal Surface
4 Transportation Efficiency Act of 1991.

5 (2) Not to exceed (~~fifty million dollars~~) \$50,000,000 to
6 temporarily pay the regular federal share of construction in advance
7 of federal-aid apportionments as authorized by this section.

8 (3) Not to exceed (~~twenty-five million dollars~~) \$25,000,000 for
9 loans to local governments to provide the required matching funds to
10 take advantage of available federal funds. These loans shall be on
11 such terms and conditions as determined by the secretary of the
12 department of transportation, but in no event may the loans be for a
13 period of more than (~~ten~~) 10 years. The interest rate on the loans
14 authorized under this subsection shall be equal to the interest rate
15 on the bonds sold for such purposes. If any bonds authorized in this
16 chapter have not been issued by June 30, 2026, the authority of the
17 state finance committee to issue such remaining unissued bonds
18 expires June 30, 2026.

19 **Sec. 12.** RCW 47.10.834 and 2006 c 334 s 35 are each amended to
20 read as follows:

21 In order to provide funds necessary to implement the public-
22 private transportation initiatives authorized by chapter 47.46 RCW,
23 there shall be issued and sold upon the request of the secretary of
24 the department of transportation a total of (~~twenty-five million six~~
25 ~~hundred twenty-five thousand dollars~~) \$25,625,000 of general
26 obligation bonds of the state of Washington. If any bonds authorized
27 in this chapter have not been issued by June 30, 2026, the authority
28 of the state finance committee to issue such remaining unissued bonds
29 expires June 30, 2026.

30 NEW SECTION. **Sec. 13.** Sections 1 through 8 of this act are each
31 added to chapter 47.10 RCW.

32 NEW SECTION. **Sec. 14.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of
34 the state government and its existing public institutions, and takes
35 effect immediately.

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