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HOUSE BILL 2896

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Zellinsky, Schmidt, Wilson, R. Meyers, P. Johnson, R. Johnson, Brough, R. Fisher, Wood, Heavey, Mitchell, Pruitt and Sheldon

Read first time 01/31/92. Referred to Committee on Transportation.

1 AN ACT Relating to state ferry bonds; and adding new sections to  
2 chapter 47.60 RCW.

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 vessel and terminal acquisition, construction, and major and minor  
6 improvements, including long lead time materials acquisition for the  
7 Washington state ferries, there shall be issued and sold upon the  
8 request of the Washington state transportation commission and  
9 legislative appropriation a total of two hundred ten million dollars of  
10 general obligation bonds of the state of Washington.

11 NEW SECTION. **Sec. 2.** (1) Upon request being made by the  
12 transportation commission, the state finance committee shall supervise  
13 and provide for the issuance, sale, and retirement of the bonds

1 authorized by sections 1 through 5 of this act in accordance with  
2 chapter 39.42 RCW. The bonds may be sold from time to time in such  
3 amounts as may be necessary for the purposes under section 1 of this  
4 act. The bonds shall be sold in such manner, at such time or times, in  
5 such amounts, and at such price or prices as the state finance  
6 committee shall determine. No such bonds may be offered for sale  
7 without prior legislative appropriation of the net proceeds of the sale  
8 of the bonds.

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

14 NEW SECTION. **Sec. 3.** The proceeds from the sale of bonds  
15 authorized by sections 1 through 5 of this act shall be deposited in  
16 the Puget Sound capital construction account of the motor vehicle fund  
17 and such proceeds shall be available only for the purposes under  
18 section 1 of this act, for the payment of bond anticipation notes, if  
19 any, and for the payment of bond issuance costs, including the costs of  
20 underwriting.

21 NEW SECTION. **Sec. 4.** Bonds issued under the authority of  
22 sections 1 through 5 of this act shall distinctly state that they are  
23 a general obligation of the state of Washington, shall pledge the full  
24 faith and credit of the state to the payment of the principal thereof  
25 and the interest thereon, and shall contain an unconditional promise to  
26 pay such principal and interest as the same shall become due. The  
27 principal and interest shall be first payable in the manner provided in  
28 sections 1 through 5 of this act from the proceeds of the state excise

1 taxes on motor vehicle and special fuels imposed by chapters 82.36,  
2 82.37, and 82.38 RCW and distributed to the state pursuant to RCW  
3 46.68.130 and shall never constitute a charge against any allocations  
4 of such funds to counties, cities, and towns unless and until the  
5 amount of the motor vehicle fund arising from the excise taxes on motor  
6 vehicle and special fuels and available for state highway purposes  
7 proves insufficient to meet the requirements for bond retirement or  
8 interest on any such bonds. Proceeds of such excise taxes are hereby  
9 pledged to the payment of any bonds and the interest thereon issued  
10 under the authority of sections 1 through 5 of this act, and the  
11 legislature agrees to continue to impose these excise taxes on motor  
12 vehicle and special fuels in amounts sufficient to pay, when due, the  
13 principal and interest on all bonds issued under the authority of  
14 sections 1 through 5 of this act.

15 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds  
16 issued for the purposes of sections 1 through 5 of this act shall be  
17 payable from the ferry bond retirement fund authorized in RCW  
18 47.60.600. Whenever, pursuant to sections 1 and 4 of this act, the  
19 state treasurer transfers funds from the motor vehicle fund to the  
20 ferry bond retirement fund, the state treasurer may at the same time  
21 reimburse the motor vehicle fund in an identical amount from the Puget  
22 Sound capital construction account.

23 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act are  
24 each added to chapter 47.60 RCW.