

**FINAL BILL REPORT**

**SB 5166**

**C 4 L 93**

**SYNOPSIS AS ENACTED**

**Brief Description:** Authorizing refunding revenue bonds.

**SPONSORS:** Senators Vognild, Nelson and Sheldon; by request of State Treasurer and Department of Transportation

**SENATE COMMITTEE ON TRANSPORTATION**

**HOUSE COMMITTEE ON TRANSPORTATION**

**BACKGROUND:**

In January 1963, the Washington Toll Bridge Authority adopted a resolution for the issuance and sale of \$37.2 million of "Washington Toll Bridge Authority, Ferry and Hood Canal Bridge Refunding Bonds, 1963." The proceeds of this bond authorization were to refinance two prior ferry bond issues. The first was a 1955 \$10 million issue for ferry capital improvements. The second was a 1957 \$30.5 million issue which funded additional ferry capital improvements (\$20 million) and construction of the Hood Canal Bridge (\$10 million).

The 1963 refunding bond contains several restrictive covenants which require the Department of Transportation to conduct business in a specific manner until the bond issue is retired. Those covenants require such items as: 1) an independent audit by a CPA firm; 2) a defined fund and account structure using a treasury trust fund held in custody by a trustee bank; and 3) a requirement that bars competing marine transportation services within ten miles of state transportation facilities.

According to the office of the State Treasurer and the Department of Transportation, current interest rates and the elimination of unnecessary expenses required by current bond covenants make refinancing economically feasible.

**SUMMARY:**

The sale of up to \$15 million in bonds is authorized for the purpose of retiring the 1963 bond issue. The requirement that the Department of Transportation follow restrictive bond covenants is eliminated.

**Appropriation:** \$100,000

**VOTES ON FINAL PASSAGE:**

Senate	46	1
House	96	1

**EFFECTIVE:** March 12, 1993