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HOUSE BILL 2909

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State of Washington                      53rd Legislature                      1994 Regular Session

By Representatives R. Fisher, Schmidt, Forner and Wood

Read first time 02/04/94. Referred to Committee on Transportation.

1            AN ACT Relating to state highway bonds; and adding new sections to  
2 chapter 47.10 RCW.

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

4            NEW SECTION.    **Sec. 1.** The legislature finds and declares:  
5            Successful implementation of the public-private transportation  
6 initiatives program authorized in chapter 47.46 RCW may require the  
7 financial participation of the state in projects authorized in that  
8 chapter.

9            The participation may take the form of loans, loan guarantees, user  
10 charge guarantees, or such other cash contribution arrangements as may  
11 improve the ability of the private entities sponsoring the projects to  
12 obtain financing.

13            It is in the best interests of the people of the state that state  
14 funding of possible financial participation in the projects authorized  
15 under chapter 47.46 RCW be in the form long-term bonds.

16            NEW SECTION.    **Sec. 2.** In order to provide funds necessary to  
17 implement the public-private transportation initiatives authorized by  
18 chapter 47.46 RCW, there shall be issued and sold upon the request of

1 the Washington state transportation commission a total of twenty-five  
2 million dollars of general obligation bonds of the state of Washington.

3 NEW SECTION. **Sec. 3.** Upon the request of the transportation  
4 commission, the state finance committee shall supervise and provide for  
5 the issuance, sale, and retirement of the bonds authorized by sections  
6 2 through 9 of this act in accordance with chapter 39.42 RCW. Bonds  
7 authorized by sections 2 through 9 of this act shall be sold in such  
8 manner, at such time or times, in such amounts, and at such price as  
9 the state finance committee shall determine. No such bonds may be  
10 offered for sale without prior legislative appropriation of the net  
11 proceeds of the sale of the bonds. In making such appropriation of the  
12 net proceeds of the sale of the bonds, the legislature shall specify  
13 what portion of the appropriation is provided for possible loans and  
14 what portion of the appropriation is provided for other forms of cash  
15 contributions to projects.

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

21 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of bonds  
22 authorized by sections 2 through 9 of this act that are in support of  
23 possible loans as specified under section 3 of this act shall be  
24 deposited into the transportation revolving loan account, hereby  
25 created, in the transportation fund. The proceeds shall be available  
26 only for the purposes of making loans to entities authorized to  
27 undertake projects selected under chapter 47.46 RCW as enumerated in  
28 section 3 of this act, for the payment of bond anticipation notes, if  
29 any, and for the payment of bond issuance costs, including the costs of  
30 underwriting.

31 (2) The proceeds from the sale of bonds authorized by sections 2  
32 through 9 of this act that are in support of all forms of cash  
33 contributions to projects selected under chapter 47.46 RCW except loans  
34 shall be deposited into the transportation fund. The proceeds shall be  
35 available only for the purposes of making any contributions except  
36 loans to projects selected under chapter 47.46 RCW, for the payment of

1 bond anticipation notes, if any, and for the payment of bond issuance  
2 costs, including the costs of underwriting.

3 NEW SECTION. **Sec. 5.** Principal and interest payments made on  
4 loans from the transportation loan revolving account as authorized by  
5 chapter 47.46 RCW shall be deposited into the transportation loan  
6 revolving account and shall be available for the payment of principal  
7 and interest on bonds authorized by sections 2 through 9 of this act  
8 and for such other purposes as may be specified by law.

9 NEW SECTION. **Sec. 6.** (1) Bonds issued under the authority of  
10 sections 2 through 9 of this act shall distinctly state that they are  
11 a general obligation of the state of Washington, shall pledge the full  
12 faith and credit of the state to the payment of the principal thereof  
13 and the interest thereon, and shall contain an unconditional promise to  
14 pay such principal and interest as the same shall become due.

15 (2) The principal and interest on the bonds issued for the purposes  
16 enumerated in section 4 of this act shall be first payable in the  
17 manner provided in sections 2 through 9 of this act from the proceeds  
18 of the state excise tax on motor vehicles imposed by RCW 82.44.020(2).  
19 Proceeds of those excise taxes are pledged to the payment of any bonds  
20 and the interest thereon issued under the authority of sections 2  
21 through 9 of this act, and the legislature agrees to continue to impose  
22 this excise tax on motor vehicles in amounts sufficient to pay, when  
23 due, the principal and interest on all bonds issued under the authority  
24 of sections 2 through 9 of this act.

25 NEW SECTION. **Sec. 7.** (1) Both principal and interest on the bonds  
26 issued for the purposes of sections 2 through 9 of this act are payable  
27 from the highway bond retirement fund. The state finance committee may  
28 provide that a special account be created in the fund to facilitate  
29 payment of the principal and interest.

30 (2) The state finance committee shall, on or before June 30th of  
31 each year certify to the state treasurer the amount required for  
32 principal and interest on the bonds issued for the purposes specified  
33 in section 4 of this act in accordance with the bond proceedings. The  
34 state treasurer shall withdraw from the transportation fund and deposit  
35 into the highway bond retirement fund, or a special account in the

1 fund, such amounts, and at such times, as are required by the bond  
2 proceedings.

3 (3) Any funds required for bond retirement or interest on the bonds  
4 authorized by sections 2 through 9 of this act shall be taken from that  
5 portion of the transportation fund that results from the imposition of  
6 excise taxes on motor vehicles which is, or may be appropriated to the  
7 department of transportation for state highway purposes. Funds  
8 required shall never constitute a charge against any other allocations  
9 of motor vehicle excise tax revenues to the state, counties, cities,  
10 towns, and transit agencies unless the amount arising from excise taxes  
11 on motor vehicles distributed to the state in the transportation fund  
12 proves insufficient to meet the requirements for bond retirement or  
13 interest on any such bonds.

14 (4) Any payments for bond retirement or interest on the bonds taken  
15 from other revenues from the motor vehicle excise taxes that are  
16 distributable to the state, counties, cities, towns, and transit  
17 agencies shall be repaid from the first revenues from the motor vehicle  
18 excise taxes distributed to the transportation fund not required for  
19 bond retirement or interest on the bonds.

20 NEW SECTION. **Sec. 8.** Whenever, under section 7(2) of this act,  
21 the state treasurer transfers funds from the transportation fund to the  
22 highway bond retirement fund, or a special account in the fund, the  
23 state treasurer shall at the same time reimburse the transportation  
24 fund in an identical amount from the transportation loan revolving  
25 account. The reimbursements may be made only to the extent funds from  
26 the repayment of principal and interest on loans made from the  
27 transportation loan revolving fund are available.

28 NEW SECTION. **Sec. 9.** Bonds issued under the authority of sections  
29 2 through 8 of this act and this section and any other general  
30 obligation bonds of the state of Washington that have been or that may  
31 be authorized and that pledge motor vehicle excise taxes for the  
32 payment of principal and interest thereon are an equal charge against  
33 the revenues from the motor vehicle excise taxes.

34 NEW SECTION. **Sec. 10.** Sections 2 through 9 of this act are each  
35 added to chapter 47.10 RCW.

1        NEW SECTION.    **Sec. 11.**    If any provision of this act or its  
2 application to any person or circumstance is held invalid, the  
3 remainder of the act or the application of the provision to other  
4 persons or circumstances is not affected.

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