
SENATE BILL 6454

State of Washington

55th Legislature

1998 Regular Session

By Senators Prince, Haugen, Wood, Horn and Bauer; by request of Governor Locke

Read first time 01/19/98. Referred to Committee on Transportation.

1 AN ACT Relating to transportation bonds; adding new sections to
2 chapter 47.10 RCW; adding new sections to chapter 47.60 RCW; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 establish a long-term investment strategy for transportation
7 infrastructure improvements to support continued economic growth and
8 development and to provide for efficient and effective people and
9 freight mobility in all areas of the state. This strategic approach
10 requires predictable funding levels to accomplish specific program
11 objectives. It is intended that the following programs receive funding
12 to provide for synergistic transportation solutions, unhampered by
13 jurisdictional or modal conflicts: The program to complete the core
14 lane high occupancy vehicle (HOV) lanes, the freight and goods mobility
15 program, a program of projects to improve safety in high accident
16 corridors and to provide for the more efficient movement of people and
17 freight on state highways, and a marine capital program to increase the
18 capacity of vessels and terminals. These strategic, targeted programs
19 will provide regional, multijurisdictional solutions to mitigate

1 congestion, lead to coordinated state and local government investments,
2 support business and worker productivity by reducing barriers to
3 efficient movement and by improved intermodal connections, highway
4 conditions, port access, and ferry capacity.

5 NEW SECTION. **Sec. 2.** In order to provide funds necessary for the
6 location, design, right of way, and construction of highway
7 improvements, there shall be issued and sold upon the request of the
8 Washington state transportation commission a total of one billion six
9 hundred million dollars of general obligation bonds of the state of
10 Washington for highway improvement projects.

11 NEW SECTION. **Sec. 3.** Upon the request of the transportation
12 commission, the state finance committee shall supervise and provide for
13 the issuance, sale, and retirement of the bonds authorized by sections
14 2 through 7 of this act in accordance with chapter 39.42 RCW. Bonds
15 authorized by sections 2 through 7 of this act shall be sold in such
16 manner, at such time or times, in such amounts, and at such price as
17 the state finance committee shall determine. No such bonds may be
18 offered for sale without prior legislative appropriation of the net
19 proceeds of the sale of the bonds.

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

25 NEW SECTION. **Sec. 4.** The proceeds from the sale of bonds
26 authorized by sections 2 through 7 of this act shall be deposited in
27 the motor vehicle fund. The proceeds shall be available only for the
28 purposes enumerated in section 2 of this act, for the payment of bond
29 anticipation notes, if any, and for the payment of bond issuance costs,
30 including the costs of underwriting.

31 NEW SECTION. **Sec. 5.** Bonds issued under the authority of sections
32 2 through 7 of this act shall distinctly state that they are a general
33 obligation of the state of Washington, shall pledge the full faith and
34 credit of the state to the payment of the principal thereof and the
35 interest thereon, and shall contain an unconditional promise to pay

1 such principal and interest as the same shall become due. The
2 principal and interest on the bonds shall be first payable in the
3 manner provided in sections 2 through 7 of this act from the proceeds
4 of the state excise taxes on motor vehicle and special fuels imposed by
5 chapters 82.36 and 82.38 RCW. Proceeds of such excise taxes are hereby
6 pledged to the payment of any bonds and the interest thereon issued
7 under sections 2 through 7 of this act, and the legislature agrees to
8 continue to impose these excise taxes on motor vehicle and special
9 fuels in amounts sufficient to pay, when due, the principal and
10 interest on all bonds issued under the authority of sections 2 through
11 7 of this act.

12 NEW SECTION. **Sec. 6.** Both principal and interest on the bonds
13 issued for the purposes of sections 2 through 7 of this act shall be
14 payable from the highway bond retirement fund. The state finance
15 committee may provide that a special account be created in the fund to
16 facilitate payment of the principal and interest. The state finance
17 committee shall, on or before June 30th of each year, certify to the
18 state treasurer the amount required for principal and interest on the
19 bonds in accordance with the bond proceedings. The state treasurer
20 shall withdraw revenues from the motor vehicle fund and deposit in the
21 highway bond retirement fund, or a special account in the fund, such
22 amounts, and at such times, as are required by the bond proceedings.

23 Any funds required for bond retirement or interest on the bonds
24 authorized by sections 2 through 7 of this act shall be taken from that
25 portion of the motor vehicle fund that results from the imposition of
26 excise taxes on motor vehicle and special fuels and which is, or may be
27 appropriated to the department of transportation for state highway
28 purposes. Funds required shall never constitute a charge against any
29 other allocations of motor vehicle fuel and special fuel tax revenues
30 to the state, counties, cities, and towns unless the amount arising
31 from excise taxes on motor vehicle and special fuels distributed to the
32 state in the motor vehicle fund proves insufficient to meet the
33 requirements for bond retirement or interest on any such bonds.

34 Any payments for bond retirement or interest on the bonds taken
35 from other revenues from the motor vehicle fuel or special fuel taxes
36 that are distributed to the state, counties, cities, and towns shall be
37 repaid from the first revenues from the motor vehicle fuel or special

1 fuel taxes distributed to the motor vehicle fund not required for bond
2 retirement or interest on the bonds.

3 NEW SECTION. **Sec. 7.** Bonds issued under sections 2 through 6 of
4 this act and this section and any other general obligation bonds of the
5 state of Washington that have been or that may be authorized and that
6 pledge motor vehicle and special fuels excise taxes for the payment of
7 principal and interest thereon shall be an equal charge against the
8 revenues from such motor vehicle and special fuels excise taxes.

9 NEW SECTION. **Sec. 8.** In order to provide funds necessary for
10 vessel and terminal acquisition, construction, and major and minor
11 improvements, including long lead time materials acquisition for the
12 Washington state ferries, there shall be issued and sold upon the
13 request of the Washington state transportation commission and
14 legislative appropriation a total of fifty million dollars of general
15 obligation bonds of the state of Washington.

16 NEW SECTION. **Sec. 9.** (1) Upon request being made by the
17 transportation commission, the state finance committee shall supervise
18 and provide for the issuance, sale, and retirement of the bonds
19 authorized by sections 8 through 12 of this act in accordance with
20 chapter 39.42 RCW. The bonds may be sold from time to time in such
21 amounts as may be necessary for the purposes under section 8 of this
22 act. The bonds shall be sold in such manner, at such time or times, in
23 such amounts, and at such price or prices as the state finance
24 committee shall determine. No such bonds may be offered for sale
25 without prior legislative appropriation of the net proceeds of the sale
26 of the bonds.

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

32 NEW SECTION. **Sec. 10.** The proceeds from the sale of bonds
33 authorized in sections 8 through 12 of this act shall be deposited in
34 the Puget Sound capital construction account of the motor vehicle fund
35 and such proceeds shall be available only for the purposes under

1 section 8 of this act, for the payment of bond anticipation notes, if
2 any, and for the payment of bond issuance costs, including the costs of
3 underwriting.

4 NEW SECTION. **Sec. 11.** Bonds issued under sections 8 through 12 of
5 this act shall distinctly state that they are a general obligation of
6 the state of Washington, shall pledge the full faith and credit of the
7 state to the payment of the principal thereof and the interest thereon,
8 and shall contain an unconditional promise to pay such principal and
9 interest as the same shall become due. The principal and interest
10 shall be first payable in the manner provided in sections 8 through 12
11 of this act from the proceeds of the state excise taxes on motor
12 vehicle and special fuels imposed by chapters 82.36 and 82.38 RCW and
13 distributed to the state pursuant to RCW 46.68.130 and shall never
14 constitute a charge against any allocations of such funds to counties,
15 cities, and towns unless and until the amount of the motor vehicle fund
16 arising from the excise taxes on motor vehicle and special fuels and
17 available for state highway purposes proves insufficient to meet the
18 requirements for bond retirement or interest on any such bonds.
19 Proceeds of such excise taxes are hereby pledged to the payment of any
20 bonds and the interest thereon issued under sections 8 through 12 of
21 this act, and the legislature agrees to continue to impose these excise
22 taxes on motor vehicle and special fuels in amounts sufficient to pay,
23 when due, the principal and interest on all bonds issued under sections
24 8 through 12 of this act.

25 NEW SECTION. **Sec. 12.** Both principal and interest on the bonds
26 issued for the purposes of sections 8 through 11 of this act and this
27 section shall be payable from the ferry bond retirement fund authorized
28 in RCW 47.60.600. Whenever, pursuant to section 8 of this act and this
29 section, the state treasurer transfers funds from the motor vehicle
30 fund to the ferry bond retirement fund, the state treasurer may at the
31 same time reimburse the motor vehicle fund in an identical amount from
32 the Puget Sound capital construction account.

33 NEW SECTION. **Sec. 13.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 14.** Sections 2 through 7 of this act are each
2 added to chapter 47.10 RCW.

3 NEW SECTION. **Sec. 15.** Sections 8 through 12 of this act are each
4 added to chapter 47.60 RCW.

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