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**SUBSTITUTE SENATE BILL 6349**

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**State of Washington 57th Legislature**

**2002 Regular Session**

**By** Senate Committee on Transportation (originally sponsored by Senators Haugen, McAuliffe and Keiser; by request of Governor Locke)

READ FIRST TIME 02/12/2002.

1 AN ACT Relating to transportation bonds; amending RCW 39.46.070 and  
2 47.56.245; adding new sections to chapter 47.46 RCW; and creating new  
3 sections.

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

5 NEW SECTION. **Sec. 1.** INTENT. The legislature finds that the  
6 needs of the state transportation system have grown beyond the capacity  
7 of traditional state and local tax and fee revenues. It is necessary  
8 and desirable to expedite selected local and regional transportation  
9 facilities by using direct user fee support in the form of tolls or  
10 other charges. It is therefore the intent of the legislature to  
11 establish a reimbursable bonding mechanism that allows for secure and  
12 cost-effective public toll financing of transportation facilities that  
13 preserves and protects the fuel tax bonding capacity. Therefore, this  
14 act provides for reimbursable bond financing based on tolls for the  
15 development, construction, and operation of the Tacoma Narrows bridge  
16 public-private initiative project.

17 Furthermore, it is the intent of the legislature that reimbursable  
18 toll facility bonds will enjoy the support of the full faith and credit  
19 of the state. Tolls will be charged in amounts sufficient to repay the

1 state treasury for all financing costs, operations of the facility, and  
2 other costs incidental to the project. These funds will be held by the  
3 state treasurer in a nonappropriated account outside the state  
4 treasury. Indebtedness repaid with the proceeds of tolls will be  
5 excluded from the statutory debt limit as provided in RCW 39.42.060.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.46 RCW  
7 to read as follows:

8 BONDS--AUTHORIZED, USE OF PROCEEDS. (1) For the purposes of  
9 providing funds for the planning, design, construction, and other  
10 necessary costs for the Tacoma Narrows bridge project, the state  
11 finance committee may issue general obligation bonds of the state of  
12 Washington in the sum of nine hundred million dollars or as much  
13 thereof as may be required to finance the Tacoma Narrows bridge public-  
14 private initiative project and all costs incidental thereto. Proceeds  
15 of the sale of bonds authorized in this section must be expended only  
16 for the purposes enumerated in this chapter, for payment of the expense  
17 incurred in the issuance and sale of any such bonds, and to repay the  
18 motor vehicle fund, except for funds previously expended from a  
19 legislative appropriation, for any sums advanced to pay the cost of  
20 surveys, location, design, development, right-of-way, and other  
21 activities related to the financing and construction of the bridge and  
22 its approaches.

23 (2) Bonds authorized in this section do not constitute indebtedness  
24 for the purposes set forth in RCW 39.42.060. Bonds authorized in this  
25 section may be sold at a price the state finance committee determines.  
26 The proceeds of the sale of bonds issued for the purposes of this  
27 section must be deposited in the Tacoma Narrows toll bridge account.  
28 These proceeds must be used exclusively for the purposes specified in  
29 this section and for the payment of expenses incurred in the issuance  
30 and sale of the bonds issued for the purposes of this section.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.46 RCW  
32 to read as follows:

33 BONDS--PAYMENT OF PRINCIPAL AND INTEREST. (1) The nondebt-limit  
34 reimbursable bond retirement account must be used for the payment of  
35 the principal and interest on the bonds authorized in section 2 of this  
36 act.

1 (2)(a) The state finance committee shall, on or before June 30th of  
2 each year, certify to the state treasurer the amount needed in the  
3 ensuing twelve months to meet the bond retirement and interest  
4 requirements on the bonds authorized in section 2 of this act.

5 (b) On or before the date on which any interest or principal and  
6 interest is due, the state treasurer shall transfer from the Tacoma  
7 Narrows toll bridge account for deposit into the nondebt-limit  
8 reimbursable bond retirement account, the amount computed in (a) of  
9 this subsection for bonds issued for the purposes of section 2 of this  
10 act.

11 (3) If the Tacoma Narrows toll bridge account has insufficient  
12 revenues to pay the principal and interest computed in subsection  
13 (2)(a) of this section, then the nondebt-limit reimbursable bond  
14 retirement account must be used for the payment of principal and  
15 interest on the bonds authorized in section 2 of this act. The  
16 treasurer shall first use funds from the excise taxes collected on the  
17 sale, distribution, or use of motor vehicle fuel and then use funds  
18 from any additional means provided by the legislature for the nondebt-  
19 limit reimbursable bond retirement account.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.46 RCW  
21 to read as follows:

22 **BONDS--REQUIREMENTS.** (1) Bonds issued under section 2 of this act  
23 must state that they are a general obligation of the state of  
24 Washington, must pledge the full faith and credit of the state to the  
25 payment of the principal and interest, and must contain an  
26 unconditional promise to pay the principal and interest as it becomes  
27 due.

28 (2) The owner and holder of each of the bonds or the trustee for  
29 the owner and holder of any of the bonds may by mandamus or other  
30 appropriate proceeding require the transfer and payment of funds as  
31 directed in this section.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.46 RCW  
33 to read as follows:

34 **BONDS--ADDITIONAL MEANS OF PAYMENT.** The legislature may provide  
35 additional means for raising moneys for the payment of the principal  
36 and interest on the bonds authorized in section 2 of this act, and

1 sections 3 and 4 of this act do not provide an exclusive method for  
2 their payment.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 47.46 RCW  
4 to read as follows:

5 PROCEDURES AFTER TOLLS REMOVED. The department may liquidate and  
6 close toll facility trust and other facility accounts established  
7 outside the state treasury under chapter 47.56 RCW after the removal of  
8 tolls from the facility for which the accounts were established. Any  
9 balance remaining in the accounts must thereupon be transferred to the  
10 motor vehicle fund. In addition, the department may, after removal of  
11 tolls from a particular facility or facilities, require that all moneys  
12 transferred to the place of payment named in the bonds, for the purpose  
13 of paying principal or interest or for redemption of the bonds not then  
14 expended for such purpose, be returned to the state treasurer for  
15 deposit in the motor vehicle fund.

16 NEW SECTION. **Sec. 7.** A new section is added to chapter 47.46 RCW  
17 to read as follows:

18 TACOMA NARROWS TOLL BRIDGE ACCOUNT CREATED. A special account to  
19 be known as the Tacoma Narrows toll bridge account is created in the  
20 custody of the state treasurer.

21 (1) Deposits to the account must include:

22 (a) All proceeds of bonds issued for construction of the Tacoma  
23 Narrows public-private initiative project, including any capitalized  
24 interest;

25 (b) All of the toll charges and other revenues received from the  
26 operation of the Tacoma Narrows bridge as a toll facility, to be  
27 deposited at least monthly; and

28 (c) Any interest that may be earned from the deposit or investment  
29 of those revenues.

30 (2) Proceeds of bonds shall be used consistent with section 2 of  
31 this act, including the reimbursement of expenses and fees incurred  
32 under agreements entered into under RCW 47.46.040 as required by those  
33 agreements.

34 (3) Toll charges, other revenues, and interest must be used to pay  
35 any required costs of financing, operation, maintenance, and management  
36 and necessary repairs of the facility.

1 (4) The state treasurer may establish subaccounts for the purpose  
2 of segregating toll charges, bond sale proceeds, and other revenues.

3 (5) Only the secretary of the department or the secretary's  
4 designee may authorize expenditures from the account. The account is  
5 subject to allotment procedures under chapter 43.88 RCW, but an  
6 appropriation is not required for expenditures.

7 **Sec. 8.** RCW 39.46.070 and 1983 c 167 s 7 are each amended to read  
8 as follows:

9 BONDS--PAYMENT OF COSTS OF ISSUANCE AND SALE. (1) Except as  
10 provided in subsection (2) of this section, the proceeds of any bonds  
11 issued by the state or a local government may be used to pay incidental  
12 costs and costs related to the sale and issuance of the bonds. Such  
13 costs include payments for fiscal and legal expenses, obtaining bond  
14 ratings, printing, engraving, advertising, establishing and funding  
15 reserve accounts and other accounts, an amount for working capital,  
16 capitalized interest for up to six months after completion of  
17 construction, necessary and related engineering, architectural,  
18 planning, and inspection costs, and other similar activities or  
19 purposes.

20 (2) In addition to the costs enumerated in subsection (1) of this  
21 section, costs authorized under this section include capitalized  
22 interest for up to seventy-two months from the date of issuance for  
23 bonds issued by the state for the construction of a public toll bridge  
24 under chapter 47.46 RCW.

25 **Sec. 9.** RCW 47.56.245 and 1984 c 7 s 267 are each amended to read  
26 as follows:

27 TOLL CHARGES RETAINED UNTIL COSTS PAID. The department shall  
28 retain toll charges on all existing and future facilities until all  
29 costs of investigation, financing, acquisition of property, and  
30 construction advanced from the motor vehicle fund, except for funds  
31 previously expended from a legislative appropriation, and obligations  
32 incurred under RCW 47.56.250 and chapter 16, Laws of 1945 have been  
33 fully paid.

34 With respect to every facility completed after March 19, 1953,  
35 costs of maintenance(~~(, management,)~~) and operation shall be paid  
36 periodically out of the revenues of the facility in which such costs  
37 were incurred.

1        NEW SECTION.   **Sec. 10.**   CAPTIONS.   Captions used in this act do not  
2   constitute any part of the law.

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