

**SB 6062 - S AMD 441**

By Senators Horn, Haugen

ADOPTED 04/26/2003

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** In order to provide funds necessary for the  
4 location, design, right of way, and construction of selected projects  
5 or improvements that are identified as transportation 2003 projects or  
6 improvements in the omnibus transportation budget, there shall be  
7 issued and sold upon the request of the transportation commission a  
8 total of two billion six hundred million dollars of general obligation  
9 bonds of the state of Washington.

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

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

23 NEW SECTION. **Sec. 3.** The proceeds from the sale of bonds  
24 authorized by section 1 of this act shall be deposited in the  
25 transportation 2003 account (nickel account) in the motor vehicle fund.  
26 The proceeds shall be available only for the purposes enumerated in  
27 section 1 of this act, for the payment of bond anticipation notes, if

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

3 NEW SECTION. **Sec. 4.** Bonds issued under the authority of sections  
4 1 through 6 of this act shall distinctly state that they are a general  
5 obligation of the state of Washington, shall pledge the full faith and  
6 credit of the state to the payment of the principal thereof and the  
7 interest thereon, and shall contain an unconditional promise to pay  
8 such principal and interest as the same shall become due. The  
9 principal and interest on the bonds shall be first payable in the  
10 manner provided in sections 1 through 6 of this act from the proceeds  
11 of the state excise taxes on motor vehicle and special fuels imposed by  
12 chapters 82.36 and 82.38 RCW. Proceeds of these excise taxes are  
13 hereby pledged to the payment of any bonds and the interest thereon  
14 issued under the authority of sections 1 through 6 of this act, and the  
15 legislature agrees to continue to impose these excise taxes on motor  
16 vehicle and special fuels in amounts sufficient to pay, when due, the  
17 principal and interest on all bonds issued under the authority of  
18 sections 1 through 6 of this act.

19 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds  
20 issued for the purposes of sections 1 through 6 of this act shall be  
21 payable from the highway bond retirement fund. The state finance  
22 committee may provide that a special account be created in the fund to  
23 facilitate payment of the principal and interest. The state finance  
24 committee shall, on or before June 30th of each year, certify to the  
25 state treasurer the amount required for principal and interest on the  
26 bonds in accordance with the bond proceedings. The state treasurer  
27 shall withdraw revenues from the transportation 2003 account (nickel  
28 account) in the motor vehicle fund and deposit in the highway bond  
29 retirement fund, or a special account in the fund, such amounts, and at  
30 such times, as are required by the bond proceedings.

31 Any funds required for bond retirement or interest on the bonds  
32 authorized by sections 1 through 6 of this act shall be taken from that  
33 portion of the motor vehicle fund that results from the imposition of  
34 excise taxes on motor vehicle and special fuels and that is distributed  
35 to the transportation 2003 account (nickel account) in the motor

1 vehicle fund. Funds required shall never constitute a charge against  
2 any other allocations of motor vehicle fuel and special fuel tax  
3 revenues to the state, counties, cities, and towns unless the amount  
4 arising from excise taxes on motor vehicle and special fuels  
5 distributed to the transportation 2003 account (nickel account) proves  
6 insufficient to meet the requirements for bond retirement or interest  
7 on any such bonds.

8 Any payments for bond retirement or interest on the bonds taken  
9 from other revenues from the motor vehicle fuel or special fuel taxes  
10 that are distributable to the state, counties, cities, and towns shall  
11 be repaid from the first revenues from the motor vehicle fuel or  
12 special fuel taxes distributed to the transportation 2003 account  
13 (nickel account) not required for bond retirement or interest on the  
14 bonds.

15 NEW SECTION. **Sec. 6.** Bonds issued under the authority of sections  
16 1 through 5 of this act and this section and any other general  
17 obligation bonds of the state of Washington that have been or that may  
18 be authorized and that pledge motor vehicle and special fuels excise  
19 taxes for the payment of principal and interest thereon shall be an  
20 equal charge against the revenues from such motor vehicle and special  
21 fuels excise taxes.

22 NEW SECTION. **Sec. 7.** For the purpose of providing funds for the  
23 planning, design, construction, reconstruction, and other necessary  
24 costs for transportation projects, the state finance committee is  
25 authorized to issue general obligation bonds of the state of Washington  
26 in the sum of three hundred forty-nine million five hundred thousand  
27 dollars, or as much thereof as may be required, to finance these  
28 projects and all costs incidental thereto. Bonds authorized in this  
29 section may be sold at such price as the state finance committee shall  
30 determine. No bonds authorized in this section may be offered for sale  
31 without prior legislative appropriation of the net proceeds of the sale  
32 of the bonds.

33 NEW SECTION. **Sec. 8.** The proceeds of the sale of the bonds  
34 authorized in section 7 of this act must be deposited in the multimodal

1 transportation account and must be used exclusively for the purposes  
2 specified in section 7 of this act and for the payment of expenses  
3 incurred in the issuance and sale of the bonds.

4 NEW SECTION. **Sec. 9.** (1) The nondebt-limit reimbursable bond  
5 retirement account must be used for the payment of the principal and  
6 interest on the bonds authorized in section 7 of this act.

7 (2)(a) The state finance committee must, on or before June 30th of  
8 each year, certify to the state treasurer the amount needed in the  
9 ensuing twelve months to meet the bond retirement and interest  
10 requirements on the bonds authorized in section 7 of this act.

11 (b) On or before the date on which any interest or principal and  
12 interest is due, the state treasurer shall transfer from the multimodal  
13 transportation account for deposit into the nondebt-limit reimbursable  
14 bond retirement account the amount computed in (a) of this subsection  
15 for bonds issued for the purposes of section 7 of this act.

16 (3) If the multimodal transportation account has insufficient  
17 revenues to pay the principal and interest computed in subsection  
18 (2)(a) of this section, then the debt-limit reimbursable bond  
19 retirement account must be used for the payment of the principal and  
20 interest on the bonds authorized in section 7 of this act from any  
21 additional means provided by the legislature.

22 (4) If at any time the multimodal transportation account has  
23 insufficient revenues to repay the bonds, the legislature may provide  
24 additional means for the payment of the bonds.

25 NEW SECTION. **Sec. 10.** (1) Bonds issued under section 7 of this  
26 act must state that they are a general obligation of the state of  
27 Washington, must pledge the full faith and credit of the state to the  
28 payment of the principal and interest, and must contain an  
29 unconditional promise to pay the principal and interest as it becomes  
30 due.

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

1        NEW SECTION.    **Sec. 11.**    The legislature may provide additional  
2 means for raising moneys for the payment of the principal and interest  
3 on the bonds authorized in section 7 of this act, and sections 9 and 10  
4 of this act are not deemed to provide an exclusive method for their  
5 payment.

6        NEW SECTION.    **Sec. 12.**    The bonds authorized in section 7 of this  
7 act are a legal investment for all state funds or funds under state  
8 control and for all funds of any other public body.

9        **Sec. 13.**    RCW 39.42.060 and 2002 c 240 s 7 are each amended to read  
10 as follows:

11        No bonds, notes, or other evidences of indebtedness for borrowed  
12 money shall be issued by the state which will cause the aggregate debt  
13 contracted by the state to exceed that amount for which payments of  
14 principal and interest in any fiscal year would require the state to  
15 expend more than seven percent of the arithmetic mean of its general  
16 state revenues, as defined in RCW 39.42.070, for the three immediately  
17 preceding fiscal years as certified by the treasurer in accordance with  
18 RCW 39.42.070. It shall be the duty of the state finance committee to  
19 compute annually the amount required to pay principal of and interest  
20 on outstanding debt. In making such computation, the state finance  
21 committee shall include all borrowed money represented by bonds, notes,  
22 or other evidences of indebtedness which are secured by the full faith  
23 and credit of the state or are required to be paid, directly or  
24 indirectly, from general state revenues and which are incurred by the  
25 state, any department, authority, public corporation or quasi public  
26 corporation of the state, any state university or college, or any other  
27 public agency created by the state but not by counties, cities, towns,  
28 school districts, or other municipal corporations, and shall include  
29 debt incurred pursuant to section 3 of Article VIII of the Washington  
30 state Constitution, but shall exclude the following:

- 31        (1) Obligations for the payment of current expenses of state  
32 government;
- 33        (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;
- 34        (3) Principal of and interest on bond anticipation notes;
- 35        (4) Any indebtedness which has been refunded;

1 (5) Financing contracts entered into under chapter 39.94 RCW;

2 (6) Indebtedness authorized or incurred before July 1, 1993,  
3 pursuant to statute which requires that the state treasury be  
4 reimbursed, in the amount of the principal of and the interest on such  
5 indebtedness, from money other than general state revenues or from the  
6 special excise tax imposed pursuant to chapter 67.40 RCW;

7 (7) Indebtedness authorized and incurred after July 1, 1993,  
8 pursuant to statute that requires that the state treasury be  
9 reimbursed, in the amount of the principal of and the interest on such  
10 indebtedness, from (a) moneys outside the state treasury, except higher  
11 education operating fees, (b) higher education building fees, (c)  
12 indirect costs recovered from federal grants and contracts, and (d)  
13 fees and charges associated with hospitals operated or managed by  
14 institutions of higher education;

15 (8) Any agreement, promissory note, or other instrument entered  
16 into by the state finance committee under RCW 39.42.030 in connection  
17 with its acquisition of bond insurance, letters of credit, or other  
18 credit support instruments for the purpose of guaranteeing the payment  
19 or enhancing the marketability, or both, of any state bonds, notes, or  
20 other evidence of indebtedness;

21 (9) Indebtedness incurred for the purposes identified in RCW  
22 43.99N.020;

23 (10) Indebtedness incurred for the purposes of the school district  
24 bond guaranty established by chapter 39.98 RCW;

25 (11) Indebtedness incurred for the purposes of replacing the  
26 waterproof membrane over the east plaza garage and revising related  
27 landscaping construction pursuant to RCW 43.99Q.070; (~~and~~)

28 (12) Indebtedness incurred for the purposes of the state  
29 legislative building rehabilitation, to the extent that principal and  
30 interest payments of such indebtedness are paid from the capitol  
31 building construction account pursuant to RCW 43.99Q.140(2)(b); and

32 (13) Indebtedness incurred for the purposes of financing projects  
33 under section 7 of this act.

34 To the extent necessary because of the constitutional or statutory  
35 debt limitation, priorities with respect to the issuance or  
36 guaranteeing of bonds, notes, or other evidences of indebtedness by the  
37 state shall be determined by the state finance committee.

1       **Sec. 14.** RCW 35.95A.120 and 2002 c 248 s 13 are each amended to  
2 read as follows:

3       The city transportation authority may be dissolved by a vote of the  
4 people residing within the boundaries of the authority if the authority  
5 is faced with significant financial problems. However, the authority  
6 may covenant with holders of its bonds that it may not be dissolved and  
7 shall continue to exist solely for the purpose of continuing to levy  
8 and collect any taxes or assessments levied by it and pledged to the  
9 repayment of debt and to take other actions, including the appointment  
10 of a trustee, as necessary to allow it to repay any remaining debt. No  
11 such debt may be incurred by the authority on a project until thirty  
12 days after a final environmental impact statement on that project has  
13 been issued as required by chapter 43.21C RCW. The amount of the  
14 authority's initial bond issue is limited to the amount of the project  
15 costs in the subsequent two years as documented by a certified engineer  
16 or by submitted bids, plus any reimbursable capital expenses already  
17 incurred at the time of the bond issue. The authority may size the  
18 first bond issue consistent with the internal revenue service five-year  
19 spend down schedule if an independent financial advisor recommends such  
20 an approach is financially advisable. Any referendum petition to  
21 dissolve the city transportation authority must be filed with the city  
22 council and contain provisions for dissolution of the authority.  
23 Within seven days, the city prosecutor must review the validity of the  
24 petition and submit its report to the petitioner and city council. If  
25 the petitioner's claims are deemed valid by the city prosecutor, within  
26 ten days of the petitioner's filing, the city council will confer with  
27 the petitioner concerning the form and style of the petition, issue an  
28 identification number for the petition, and write a ballot title for  
29 the measure. The ballot title must be posed as a question and an  
30 affirmative vote on the measure results in authority retention and a  
31 negative vote on the measure results in the authority's dissolution.  
32 The petitioner will be notified of the identification number and ballot  
33 title within this ten-day period.

34       After this notification, the petitioner has ninety days in which to  
35 secure on petition forms, the signatures of not less than fifteen  
36 percent of the registered voters in the authority area and to file the  
37 signed petitions with the filing officer. Each petition form must

1 contain the ballot title and the full text of the measure to be  
2 referred. The filing officer will verify the sufficiency of the  
3 signatures on the petitions. If sufficient valid signatures are  
4 properly submitted, the filing officer shall submit the initiative to  
5 the authority area voters at a general or special election held on one  
6 of the dates provided in RCW 29.13.010 as determined by the city  
7 council, which election will not take place later than one hundred  
8 twenty days after the signed petition has been filed with the filing  
9 officer.

10 NEW SECTION. **Sec. 15.** Sections 1 through 12 of this act are each  
11 added to chapter 47.10 RCW.

12 NEW SECTION. **Sec. 16.** This act is necessary for the immediate  
13 preservation of the public peace, health, or safety, or support of the  
14 state government and its existing public institutions, and takes effect  
15 July 1, 2003."

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**ADOPTED 04/26/2003**

16 On page 1, line 1 of the title, after "funding;" strike the  
17 remainder of the title and insert "amending RCW 39.42.060 and  
18 35.95A.120; adding new sections to chapter 47.10 RCW; providing an  
19 effective date; and declaring an emergency."

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