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**SUBSTITUTE HOUSE BILL 2311**

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**State of Washington                      59th Legislature                      2005 Regular Session**

**By** House Committee on Transportation (originally sponsored by  
Representatives Murray and Simpson)

READ FIRST TIME 04/14/05.

1            AN ACT Relating to authorizing bonds for transportation funding;  
2 adding new sections to chapter 47.10 RCW; providing an effective date;  
3 and declaring an emergency.

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

5            NEW SECTION.    **Sec. 1.** In order to provide funds necessary for the  
6 location, design, right of way, and construction of selected projects  
7 or improvements that are identified as transportation 2005 projects or  
8 improvements in the omnibus transportation budget, there shall be  
9 issued and sold upon the request of the department of transportation a  
10 total of five billion one hundred million dollars of general obligation  
11 bonds of the state of Washington.

12           NEW SECTION.    **Sec. 2.** Upon the request of the department of  
13 transportation, as appropriate, the state finance committee shall  
14 supervise and provide for the issuance, sale, and retirement of the  
15 bonds in this act in accordance with chapter 39.42 RCW. Bonds  
16 authorized by this act shall be sold in the manner, at time or times,  
17 in amounts, and at the price as the state finance committee shall

1 determine. No bonds may be offered for sale without prior legislative  
2 appropriation of the net proceeds of the sale of the bonds.

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

8 NEW SECTION. **Sec. 3.** The proceeds from the sale of bonds  
9 authorized by section 1 of this act shall be deposited in the  
10 transportation 2005 account in the motor vehicle fund. The proceeds  
11 shall be available only for the purposes enumerated in section 1 of  
12 this act, for the payment of bond anticipation notes, if any, and for  
13 the payment of bond issuance costs, including the costs of  
14 underwriting.

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

31 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds  
32 issued for the purposes of sections 1 through 6 of this act shall be  
33 payable from the highway bond retirement fund. The state finance  
34 committee may provide that a special account be created in the fund to  
35 facilitate payment of the principal and interest. The state finance

1 committee shall, on or before June 30th of each year, certify to the  
2 state treasurer the amount required for principal and interest on the  
3 bonds in accordance with the bond proceedings. The state treasurer  
4 shall withdraw revenues from the transportation 2005 account in the  
5 motor vehicle fund and deposit in the highway bond retirement fund, or  
6 a special account in the fund, such amounts, and at such times, as are  
7 required by the bond proceedings.

8 Any funds required for bond retirement or interest on the bonds  
9 authorized by sections 1 through 6 of this act shall be taken from that  
10 portion of the motor vehicle fund that results from the imposition of  
11 excise taxes on motor vehicle and special fuels and that is distributed  
12 to the transportation 2005 account in the motor vehicle fund. Funds  
13 required shall never constitute a charge against any other allocations  
14 of motor vehicle fuel and special fuel tax revenues to the state,  
15 counties, cities, and towns unless the amount arising from excise taxes  
16 on motor vehicle and special fuels distributed to the transportation  
17 2005 account proves insufficient to meet the requirements for bond  
18 retirement or interest on any such bonds.

19 Any payments for bond retirement or interest on the bonds taken  
20 from other revenues from the motor vehicle fuel or special fuel taxes  
21 that are distributable to the state, counties, cities, and towns shall  
22 be repaid from the first revenues from the motor vehicle fuel or  
23 special fuel taxes distributed to the transportation 2005 account not  
24 required for bond retirement or interest on the bonds.

25 NEW SECTION. **Sec. 6.** Bonds issued under the authority of sections  
26 1 through 5 of this act and this section and any other general  
27 obligation bonds of the state of Washington that have been or that may  
28 be authorized and that pledge motor vehicle and special fuels excise  
29 taxes for the payment of principal and interest thereon shall be an  
30 equal charge against the revenues from such motor vehicle and special  
31 fuels excise taxes.

32 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act are each  
33 added to chapter 47.10 RCW.

34 NEW SECTION. **Sec. 8.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the  
2 state government and its existing public institutions, and takes effect  
3 July 1, 2005.

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