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HOUSE BILL 1956

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State of Washington                      63rd Legislature                      2013 Regular Session

By Representatives Clibborn, Ryu, Lias, Moscoso, and Fey

Read first time 02/22/13. Referred to Committee on Transportation.

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

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 2013 connecting Washington  
8 projects or improvements in the omnibus transportation appropriations  
9 act, there shall be issued and sold upon the request of the department  
10 of transportation a total of three billion two hundred million dollars  
11 of general obligation 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 connecting Washington 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 and the motor vehicle excise tax imposed  
25 in section 19, chapter . . . (House Bill No. . . . (H-1407/13)), Laws  
26 of 2013. Proceeds of these excise taxes are hereby pledged to the  
27 payment of any bonds and the interest thereon issued under the  
28 authority of sections 1 through 6 of this act, and the legislature  
29 agrees to continue to impose these excise taxes on motor vehicle and  
30 special fuels and motor vehicles in amounts sufficient to pay, when  
31 due, the principal and interest on all bonds issued under the authority  
32 of sections 1 through 6 of this act.

33 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds  
34 issued for the purposes of sections 1 through 6 of this act shall be  
35 payable from the highway bond retirement fund. The state finance

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

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

22 Any payments for bond retirement or interest on the bonds taken  
23 from other revenues from the motor vehicle fuel or special fuel taxes  
24 or motor vehicle excise tax that are distributable to the state,  
25 counties, cities, and towns shall be repaid from the first revenues  
26 from the motor vehicle fuel or special fuel taxes or motor vehicle  
27 excise tax distributed to the connecting Washington account not  
28 required for bond retirement or interest on the bonds.

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

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

3        NEW SECTION.   **Sec. 8.**   This act takes effect August 1, 2013.

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