
SENATE BILL 6579

State of Washington

63rd Legislature

2014 Regular Session

By Senators King and Tom

Read first time 03/03/14. 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 a contingent
3 effective 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 connecting Washington projects
8 or improvements in an omnibus transportation appropriations act, there
9 shall be issued and sold upon the request of the department of
10 transportation a total of four billion two hundred eighty-five million
11 dollars 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 vehicle-related fees imposed under
25 Title 46 RCW. Proceeds of these excise taxes and vehicle-related fees
26 are hereby pledged to the payment of any bonds and the interest thereon
27 issued under the authority of sections 1 through 6 of this act, and the
28 legislature agrees to continue to impose these excise taxes on motor
29 vehicle and special fuels and vehicle-related fees in amounts
30 sufficient to pay, when due, the principal and interest on all bonds
31 issued under the authority of sections 1 through 6 of this act.

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

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

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

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

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

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 if chapter . . .
4 (Engrossed Second Substitute House Bill No. 1129), Laws of 2014,
5 chapter . . . (Engrossed Second Substitute House Bill No. 1902), Laws
6 of 2014, chapter . . . (Second Engrossed Substitute Senate Bill No.
7 5785), Laws of 2014, and chapter . . . (Senate Bill No. . . . (S-
8 3211/14)), Laws of 2014 are each enacted by June 30, 2014.

--- END ---