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ENGROSSED SUBSTITUTE SENATE BILL 5989

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State of Washington

64th Legislature

2015 Regular Session

By Senate Transportation (originally sponsored by Senators King, Hobbs, Fain, Lillas, and Litzow)

READ FIRST TIME 02/24/15.

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

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

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

14 NEW SECTION. **Sec. 2.** Upon the request of the department of  
15 transportation, as appropriate, the state finance committee shall  
16 supervise and provide for the issuance, sale, and retirement of the  
17 bonds in this act in accordance with chapter 39.42 RCW. Bonds  
18 authorized by this act shall be sold in the manner, at time or times,  
19 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 this  
16 section and sections 1 through 3, 5, and 6 of this act shall  
17 distinctly state that they are a general obligation of the state of  
18 Washington, shall pledge the full faith and credit of the state to  
19 the payment of the principal thereof and the interest thereon, and  
20 shall contain an unconditional promise to pay such principal and  
21 interest as the same shall become due. The principal and interest on  
22 the bonds shall be first payable in the manner provided in this  
23 section and sections 1 through 3, 5, and 6 of this act from the  
24 proceeds of the state excise taxes on motor vehicle and special fuels  
25 imposed by chapters 82.36 and 82.38 RCW and vehicle-related fees  
26 imposed under Title 46 RCW that constitute license fees for motor  
27 vehicles required to be used for highway purposes. Proceeds of these  
28 excise taxes and vehicle-related fees are hereby pledged to the  
29 payment of any bonds and the interest thereon issued under the  
30 authority of this section and sections 1 through 3, 5, and 6 of this  
31 act, and the legislature agrees to continue to impose these excise  
32 taxes on motor vehicle and special fuels and vehicle-related fees in  
33 amounts from such sources sufficient to pay, when due, the principal  
34 and interest on all bonds issued under the authority of this section  
35 and sections 1 through 3, 5, and 6 of this act.

36 NEW SECTION. **Sec. 5.** (1) Both principal and interest on the  
37 bonds issued for the purposes of this section and sections 1 through

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

12 (2)(a) Any funds required for bond retirement or interest on the  
13 bonds authorized by this section and sections 1 through 4 and 6 of  
14 this act shall be taken from that portion of the motor vehicle fund  
15 that results from the imposition of excise taxes on motor vehicle and  
16 special fuels and vehicle-related fees, and that is distributed to  
17 the connecting Washington account in the motor vehicle fund.

18 (b) Funds required shall never constitute a charge against any  
19 other allocations of motor vehicle fuel and special fuel tax and  
20 vehicle-related fee revenues to the state, counties, cities, and  
21 towns unless the amount arising from excise taxes on motor vehicle  
22 and special fuels and vehicle-related fees distributed to the  
23 connecting Washington account described in (a) of this subsection  
24 proves insufficient to meet the requirements for bond retirement or  
25 interest on any such bonds.

26 (c) Any payments for bond retirement or interest on the bonds  
27 taken from other revenues from the motor vehicle fuel or special fuel  
28 taxes and vehicle-related fees that are distributable to the state,  
29 counties, cities, and towns shall be repaid from the first revenues  
30 from the motor vehicle fuel or special fuel taxes and vehicle-related  
31 fees distributed to the connecting Washington account described in  
32 (a) of this subsection not required for bond retirement or interest  
33 on the bonds.

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

1 revenues from such motor vehicle and special fuels excise taxes and  
2 vehicle-related fees.

3 NEW SECTION. **Sec. 7.** For purposes of sections 1 through 6 of  
4 this act, "vehicle-related fees" means vehicle-related fees imposed  
5 under Title 46 RCW that constitute license fees for motor vehicles  
6 required to be used for highway purposes.

7 **Sec. 8.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 4 (section 4 of  
8 this act) are each amended to read as follows:

9 Bonds issued under the authority of this section and RCW  
10 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1  
11 through 3, 5, and 6 of this act) shall distinctly state that they are  
12 a general obligation of the state of Washington, shall pledge the  
13 full faith and credit of the state to the payment of the principal  
14 thereof and the interest thereon, and shall contain an unconditional  
15 promise to pay such principal and interest as the same shall become  
16 due. The principal and interest on the bonds shall be first payable  
17 in the manner provided in this section and RCW 47.10.--- through  
18 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6  
19 of this act) from the proceeds of the state excise taxes on (~~motor~~  
20 ~~vehicle and special~~) fuel(~~s~~) imposed by chapter(~~s 82.36 and~~)  
21 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that  
22 constitute license fees for motor vehicles required to be used for  
23 highway purposes. Proceeds of these excise taxes and vehicle-related  
24 fees are hereby pledged to the payment of any bonds and the interest  
25 thereon issued under the authority of this section and RCW 47.10.---  
26 through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5,  
27 and 6 of this act), and the legislature agrees to continue to impose  
28 these excise taxes on (~~motor vehicle and special~~) fuel(~~s~~) and  
29 vehicle-related fees in amounts from such sources sufficient to pay,  
30 when due, the principal and interest on all bonds issued under the  
31 authority of this section and RCW 47.10.--- through 47.10.---,  
32 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this  
33 act).

34 **Sec. 9.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 5 (section 5 of  
35 this act) are each amended to read as follows:

36 (1) Both principal and interest on the bonds issued for the  
37 purposes of this section and RCW 47.10.--- through 47.10.--- and

1 47.10.--- (sections 1 through 4 and 6 of this act) shall be payable  
2 from the highway bond retirement fund. The state finance committee  
3 may provide that a special account be created in the fund to  
4 facilitate payment of the principal and interest. The state finance  
5 committee shall, on or before June 30th of each year, certify to the  
6 state treasurer the amount required for principal and interest on the  
7 bonds in accordance with the bond proceedings. The state treasurer  
8 shall withdraw revenues from the connecting Washington account in the  
9 motor vehicle fund and deposit in the highway bond retirement fund,  
10 or a special account in the fund, such amounts, and at such times, as  
11 are required by the bond proceedings.

12 (2)(a) Any funds required for bond retirement or interest on the  
13 bonds authorized by this section and RCW 47.10.--- through 47.10.---  
14 and 47.10.--- (sections 1 through 4 and 6 of this act) shall be taken  
15 from that portion of the motor vehicle fund that results from the  
16 imposition of excise taxes on (~~motor vehicle and special~~) fuel(~~(s)~~)  
17 and vehicle-related fees, and that is distributed to the connecting  
18 Washington account in the motor vehicle fund.

19 (b) Funds required shall never constitute a charge against any  
20 other allocations of (~~motor vehicle fuel and special~~) fuel tax and  
21 vehicle-related fee revenues to the state, counties, cities, and  
22 towns unless the amount arising from excise taxes on (~~motor vehicle  
23 and special~~) fuel(~~(s)~~) and vehicle-related fees distributed to the  
24 connecting Washington account described in (a) of this subsection  
25 proves insufficient to meet the requirements for bond retirement or  
26 interest on any such bonds.

27 (c) Any payments for bond retirement or interest on the bonds  
28 taken from other revenues from the (~~motor vehicle fuel or special~~)  
29 fuel taxes and vehicle-related fees that are distributable to the  
30 state, counties, cities, and towns shall be repaid from the first  
31 revenues from the (~~motor vehicle fuel or special~~) fuel taxes and  
32 vehicle-related fees distributed to the connecting Washington account  
33 described in (a) of this subsection not required for bond retirement  
34 or interest on the bonds.

35 **Sec. 10.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 6 (section 6  
36 of this act) are each amended to read as follows:

37 Bonds issued under the authority of RCW 47.10.--- through  
38 47.10.--- (sections 1 through 5 of this act) and this section and any  
39 other general obligation bonds of the state of Washington that have

1 been or that may be authorized and that pledge (~~motor vehicle and~~  
2 ~~special~~) fuel(~~s~~) excise taxes and vehicle-related fees for the  
3 payment of principal and interest thereon shall be an equal charge  
4 against the revenues from such (~~motor vehicle and special~~)  
5 fuel(~~s~~) excise taxes and vehicle-related fees.

6 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act are each  
7 added to chapter 47.10 RCW.

8 NEW SECTION. **Sec. 12.** Except for sections 8 through 10 of this  
9 act, this act is necessary for the immediate preservation of the  
10 public peace, health, or safety, or support of the state government  
11 and its existing public institutions, and takes effect immediately.

12 NEW SECTION. **Sec. 13.** Sections 4 through 6 of this act expire  
13 July 1, 2016.

14 NEW SECTION. **Sec. 14.** Sections 8 through 10 of this act take  
15 effect July 1, 2016.

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