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SENATE BILL 6509

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State of Washington

54th Legislature

1996 Regular Session

By Senators Oke, Prince, Heavey, Rasmussen, Sheldon, Winsley, Prentice, Morton, Snyder, Haugen, McDonald, West, Sellar, Finkbeiner, Swecker, Strannigan, Johnson, Wood, Hochstatter, Schow, Deccio, Kohl, Pelz, Moyer, Wojahn, Bauer, Fairley, Zarelli, Cantu, Fraser and Sutherland

Read first time 01/16/96. Referred to Committee on Transportation.

1 AN ACT Relating to bonds authorized for Tacoma Narrows bridge  
2 improvements; amending RCW 47.56.130, 47.56.245, and 47.56.271; and  
3 adding new sections to chapter 47.56 RCW.

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, and construction of an improvement to the Tacoma  
7 Narrows bridge, including approaches to the bridge, there shall be  
8 issued and sold upon the request of the Washington state transportation  
9 commission a total of five hundred million dollars of general  
10 obligation bonds of the state of Washington.

11 NEW SECTION. **Sec. 2.** Upon the request of the transportation  
12 commission, the state finance committee shall supervise and provide for  
13 the issuance, sale, and retirement of the bonds authorized by sections  
14 1 through 9 of this act in accordance with chapter 39.42 RCW. Bonds  
15 authorized by sections 1 through 9 of this act shall be sold in such  
16 manner, at such time or times, in such amounts, and at such a price as  
17 the state finance committee shall determine. The bonds may not be

1 offered for sale without prior legislative appropriation of the net  
2 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 sections 1 through 9 of this act shall be deposited in  
10 the motor vehicle fund. The proceeds shall be available only for the  
11 purposes enumerated in section 1 of this act, for the payment of bond  
12 anticipation notes, if any, and for the payment of bond issuance costs,  
13 including the costs of underwriting.

14 NEW SECTION. **Sec. 4.** Bonds issued under sections 1 through 9 of  
15 this act shall distinctly state that they are a general obligation of  
16 the state of Washington, shall pledge the full faith and credit of the  
17 state to the payment of the principal of the bonds and the interest on  
18 the bonds, and shall contain an unconditional promise to pay such  
19 principal and interest as the same becomes due. The principal of and  
20 interest on the bonds shall be first payable in the manner provided in  
21 sections 1 through 9 of this act from the proceeds of state excise  
22 taxes on motor vehicles and special fuels imposed by chapters 82.36 and  
23 82.38 RCW and from the tolls and revenues derived from the operation of  
24 the toll bridge. Proceeds of the excise taxes are hereby pledged to  
25 the payment of bonds and the interest on the bonds issued under the  
26 authority of sections 1 through 9 of this act, and the legislature  
27 agrees to continue to impose these excise taxes on motor vehicle and  
28 special fuels in amounts sufficient to pay, when due, the principal and  
29 interest on all bonds issued under the authority of sections 1 through  
30 9 of this act.

31 NEW SECTION. **Sec. 5.** There is hereby created in the state  
32 treasury an account to be known as the Tacoma Narrows toll bridge  
33 improvement account into which shall be deposited any capitalized  
34 interest from the proceeds of the bonds, and at least monthly all of  
35 the tolls and other revenues received from the operation of the toll  
36 bridge and from any interest that may be earned from the deposit or

1 investment of these revenues after the payment of costs of operation,  
2 maintenance, management, and necessary repairs of the facility. The  
3 principal of the interest on the bonds shall be paid first from money  
4 deposited in the Tacoma Narrows toll bridge improvement account, and  
5 then, to the extent that money deposited in that account is  
6 insufficient to make a payment when due, from the state excise taxes on  
7 motor vehicle and special fuels deposited in the highway bond  
8 retirement fund. The state finance committee shall, by June 30 of each  
9 year, certify to the state treasurer the amount of additional moneys  
10 required for principal and interest on the bonds in accordance with the  
11 bond proceedings. The state treasurer shall upon the certification  
12 transfer from the motor vehicle fund these excise taxes into the  
13 highway bond retirement fund. Any proceeds of the excise taxes  
14 required for these purposes shall first be taken from that portion of  
15 the motor vehicle fund that results from the imposition of the excise  
16 taxes on motor vehicle and special fuels and that is distributed to the  
17 state. If the proceeds from the excise taxes distributed to the state  
18 are ever insufficient to meet the required payments on principal or  
19 interest on the bonds when due, the amount required to make the  
20 payments on the principal or interest shall next be taken from that  
21 portion of the motor vehicle fund that results from the imposition of  
22 excise taxes on motor vehicle and special fuels and that is distributed  
23 to the state, counties, cities, and towns under RCW 46.68.100. Any  
24 payments of the principal or interest taken from the motor vehicle or  
25 special fuel tax revenues that are distributable to the counties,  
26 cities, and towns shall be repaid from the first moneys distributed to  
27 the state not required for redemption of the bonds or interest on the  
28 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 on the bonds shall be  
34 an equal charge against the revenues from these motor vehicle and  
35 special fuels excise taxes.

36 NEW SECTION. **Sec. 7.** (1) The department of transportation may  
37 operate and assume full control of the bridge and shall fix and

1 maintain the tolls and charges in the manner provided by RCW 47.56.240  
2 so that when collected they will produce revenues sufficient to pay all  
3 expenses of operating, maintaining, managing, and repairing the toll  
4 bridge including all insurance costs and the amounts required to pay  
5 the principal and interest on the bonds when due and to satisfy the  
6 other obligations set forth in sections 1 through 9 of this act and RCW  
7 47.56.220. The revision of tolls and charges shall be determined by  
8 the department after considering the effect upon the traffic using the  
9 bridge and the projected revenues that will result from the increase of  
10 tolls and charges for the use of the bridge.

11 (2) To the extent that net revenues and income are insufficient to  
12 meet the required payments of principal and interest on bonds, the  
13 department shall use moneys pledged from the motor vehicle fund as  
14 provided in section 5 of this act.

15 (3) The payment of the principal of and the interest on the bonds  
16 shall constitute a first direct and exclusive charge and lien on all  
17 tolls and other revenues, and interest on the tolls and other revenues,  
18 received from the use and operation of the Tacoma Narrows toll bridge,  
19 after the payment of all expenses of operating, maintaining, managing,  
20 and repairing the toll bridge, and the tolls and revenues together with  
21 interest earned on the tolls and revenues, and all other money  
22 deposited in the Tacoma Narrows toll bridge improvement account, shall  
23 constitute a trust fund for the security and payment of the bonds, or  
24 bonds refunding the bonds, and shall not be used or pledged for any  
25 other purpose as long as the bonds are outstanding and unpaid.

26 (4) The state finance committee may on behalf of the state make  
27 covenants in connection with the bond proceedings or otherwise to  
28 assure the maintenance of the tolls and charges on the Tacoma Narrows  
29 toll bridge, the proper application of the tolls and charges, and the  
30 proper operation, maintenance, management, and repair of the bridge to  
31 provide for and secure the timely payment of the bonds. The covenants  
32 shall be binding on the department of transportation and transportation  
33 commission.

34 NEW SECTION. **Sec. 8.** All tolls or other revenues received from  
35 the operation of the Tacoma Narrows toll bridge constructed with the  
36 proceeds of bonds issued and sold under sections 1 through 9 of this  
37 act shall be paid over by the department of transportation to the state  
38 treasurer who shall deposit the same without delay as demand deposits

1 in such a depository or depositories as may be authorized by law to  
2 receive deposits of state funds to the credit of a special trust fund  
3 to be designated as the toll revenue fund of the Tacoma Narrows toll  
4 bridge, which fund shall be a trust fund and shall at all times be kept  
5 segregated and set apart from all other funds.

6 After provision has been made for payment of costs of operation,  
7 maintenance, management, and necessary repairs of the facility, the  
8 surplus moneys available in the toll revenue fund, or as much thereof  
9 as may be required, shall be transferred monthly to the Tacoma Narrows  
10 toll bridge improvement account to pay the principal of and interest on  
11 the bonds authorized by section 1 of this act.

12 NEW SECTION. **Sec. 9.** The department is empowered to receive and  
13 accept funds from the state of Washington or the federal government  
14 upon a cooperative or other basis for the construction of any  
15 improvement to the Tacoma Narrows bridge authorized under sections 1  
16 through 8 of this act and is empowered to enter into such agreements  
17 with the state of Washington or the federal government as may be  
18 required for the securing of such funds.

19 NEW SECTION. **Sec. 10.** Sections 1 through 9 of this act are each  
20 added to chapter 47.56 RCW.

21 **Sec. 11.** RCW 47.56.130 and 1984 c 7 s 256 are each amended to read  
22 as follows:

23 The department is hereby empowered to issue bonds for the  
24 construction of any toll bridge or toll bridges authorized under the  
25 provisions of this chapter. Except when specific authorization to the  
26 contrary is given under this chapter, any and all bonds issued for the  
27 construction of any toll bridge or toll bridges under the authority of  
28 the department shall be issued in the name of the department, shall  
29 constitute obligations only of the department, shall be identified as  
30 . . . . . toll bridge bonds, and shall contain a recital on the face  
31 thereof that the payment or redemption of the bonds and the payment of  
32 the interest thereon is secured by a direct and exclusive charge and  
33 lien upon the tolls and other revenues of any nature whatever received  
34 from the operation of the particular toll bridge or bridges for the  
35 construction of which the bonds are issued and that neither the payment  
36 of the principal or any part thereof nor of the interest thereon or any

1 part thereof constitutes a debt, liability, or obligation of the state  
2 of Washington. The department is empowered to receive and accept funds  
3 from the state of Washington or the federal government upon a  
4 cooperative or other basis for the construction of any toll bridge  
5 authorized under this chapter and is empowered to enter into such  
6 agreements with the state of Washington or the federal government as  
7 may be required for the securing of such funds.

8       **Sec. 12.** RCW 47.56.245 and 1984 c 7 s 267 are each amended to read  
9 as follows:

10       (1) Except for general obligation bonds authorized in 1996 for  
11 improvements to the Tacoma Narrows bridge, the department shall retain  
12 toll charges on all existing and future facilities until all costs of  
13 investigation, financing, acquisition of property, and construction  
14 advanced from the motor vehicle fund, and obligations incurred under  
15 RCW 47.56.250 and chapter 16, Laws of 1945 have been fully paid.

16       (2) Except under subsection (1) of this section, with respect to  
17 every facility completed after March 19, 1953, costs of maintenance,  
18 management, and operation shall be paid periodically out of the  
19 revenues of the facility in which such costs were incurred.

20       **Sec. 13.** RCW 47.56.271 and 1983 c 3 s 130 are each amended to read  
21 as follows:

22       (1) The Tacoma Narrows bridge hereinbefore by the provisions of RCW  
23 47.17.065 and 47.56.270 made a part of the primary state highways of  
24 the state shall be operated and maintained by the department as a toll-  
25 free facility at such time as the present bonded indebtedness relating  
26 thereto is wholly retired and tolls equaling the present indebtedness  
27 of the toll bridge authority to the county of Pierce have been  
28 collected. It is the express intent of the legislature that the  
29 provisions of RCW 47.56.245 (section 47.56.245, chapter 13, Laws of  
30 1961) shall not be applicable to the Tacoma Narrows bridge.

31       (2) Subsection (1) of this section does not apply to improvements  
32 to the Tacoma Narrows bridge that are funded by general obligation  
33 bonds authorized in 1996.

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