
SENATE BILL 5371

State of Washington

53rd Legislature

1993 Regular Session

By Senators Vognild and Talmadge

Read first time 01/26/93. Referred to Committee on Transportation.

1 AN ACT Relating to highway bonds; and adding new sections to
2 chapter 47.10 RCW.

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

4 NEW SECTION. **Sec. 1.** In order to provide funds necessary for the
5 location, design, right of way, and construction of selected interstate
6 and other highway improvements, there shall be issued and sold upon the
7 request of the Washington state transportation commission a total of
8 one hundred million dollars of general obligation bonds of the state of
9 Washington for the following purposes and specified sums:

10 (1) Not to exceed twenty-five million dollars to pay the state's
11 and local governments' share of matching funds for the ten
12 demonstration projects identified in the Intermodal Surface
13 Transportation Efficiency Act of 1991.

14 (2) Not to exceed fifty million dollars to temporarily pay the
15 regular federal share of construction in advance of federal-aid
16 apportionments as authorized by this section.

17 (3) Not to exceed twenty-five million dollars for loans to local
18 governments to provide the required matching funds to take advantage of
19 available federal funds. These loans shall be on such terms and

1 conditions as determined by the Washington state transportation
2 commission, but in no event may the loans be for a period of more than
3 ten years. The interest rate on the loans authorized under this
4 subsection shall be equal to the interest rate on the bonds sold for
5 such purposes.

6 NEW SECTION. **Sec. 2.** Upon the request of the transportation
7 commission, the state finance committee shall supervise and provide for
8 the issuance, sale, and retirement of the bonds authorized by sections
9 1 through 6 of this act in accordance with chapter 39.42 RCW. Bonds
10 authorized by sections 1 through 6 of this act shall be sold in such
11 manner, at such time or times, in such amounts, and at such price as
12 the state finance committee shall determine. No such bonds may be
13 offered for sale without prior legislative appropriation of the net
14 proceeds of the sale of the bonds.

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

20 NEW SECTION. **Sec. 3.** The proceeds from the sale of bonds
21 authorized by sections 1 through 6 of this act shall be deposited in
22 the motor vehicle fund. The proceeds shall be available only for the
23 purposes enumerated in section 1 of this act, for the payment of bond
24 anticipation notes, if any, and for the payment of bond issuance costs,
25 including the costs of underwriting.

26 NEW SECTION. **Sec. 4.** Bonds issued under the authority of sections
27 1 through 6 of this act shall distinctly state that they are a general
28 obligation of the state of Washington, shall pledge the full faith and
29 credit of the state to the payment of the principal thereof and the
30 interest thereon, and shall contain an unconditional promise to pay
31 such principal and interest as the same shall become due. The
32 principal and interest on the bonds shall be first payable in the
33 manner provided in sections 1 through 6 of this act from the proceeds
34 of the state excise taxes on motor vehicle and special fuels imposed by
35 chapters 82.36, 82.37, and 82.38 RCW. Proceeds of such excise taxes
36 are hereby pledged to the payment of any bonds and the interest thereon

1 issued under the authority of sections 1 through 6 of this act, and the
2 legislature agrees to continue to impose these excise taxes on motor
3 vehicle and special fuels in amounts sufficient to pay, when due, the
4 principal and interest on all bonds issued under the authority of
5 sections 1 through 6 of this act.

6 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds
7 issued for the purposes of sections 1 through 6 of this act shall be
8 payable from the highway bond retirement fund. The state finance
9 committee may provide that a special account be created in the fund to
10 facilitate payment of the principal and interest. The state finance
11 committee shall, on or before June 30th of each year, certify to the
12 state treasurer the amount required for principal and interest on the
13 bonds in accordance with the bond proceedings. The state treasurer
14 shall withdraw revenues from the motor vehicle fund and deposit in the
15 highway bond retirement fund, or a special account in the fund, such
16 amounts, and at such times, as are required by the bond proceedings.

17 Any funds required for bond retirement or interest on the bonds
18 authorized by sections 1 through 6 of this act shall be taken from that
19 portion of the motor vehicle fund that results from the imposition of
20 excise taxes on motor vehicle and special fuels and which is, or may be
21 appropriated to the department of transportation for state highway
22 purposes. Funds required shall never constitute a charge against any
23 other allocations of motor vehicle fuel and special fuel tax revenues
24 to the state, counties, cities, and towns unless the amount arising
25 from excise taxes on motor vehicle and special fuels distributed to the
26 state in the motor vehicle fund proves insufficient to meet the
27 requirements for bond retirement or interest on any such bonds.

28 Any payments for bond retirement or interest on the bonds taken
29 from other revenues from the motor vehicle fuel or special fuel taxes
30 that are distributed to the state, counties, cities, and towns, shall
31 be repaid from the first revenues from the motor vehicle fuel or
32 special fuel taxes distributed to the motor vehicle fund not required
33 for bond retirement or interest on the bonds.

34 NEW SECTION. **Sec. 6.** Bonds issued under the authority of sections
35 1 through 5 of this act and this section and any other general
36 obligation bonds of the state of Washington that have been or that may
37 be authorized and that pledge motor vehicle and special fuels excise

1 taxes for the payment of principal and interest thereon shall be an
2 equal charge against the revenues from such motor vehicle and special
3 fuels excise taxes.

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

6 NEW SECTION. **Sec. 8.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

--- END ---