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SENATE BILL 5969

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State of Washington

53rd Legislature

1993 Regular Session

By Senators Vognild and Nelson; by request of Transportation Improvement Board

Read first time 03/30/93. Referred to Committee on Transportation.

1 AN ACT Relating to bond authorization for the transportation  
2 improvement board; and adding new sections to chapter 47.26 RCW.

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

4 NEW SECTION. **Sec. 1.** In order to provide funds necessary to meet  
5 the urgent construction needs on state, county, and city transportation  
6 projects within urban areas, there are hereby authorized for issuance  
7 general obligation bonds of the state of Washington in the sum of fifty  
8 million dollars, which shall be issued and sold in such amounts and at  
9 such times as determined to be necessary by the state transportation  
10 improvement board. The amount of such bonds issued and sold under the  
11 provisions of sections 1 through 8 of this act in any biennium shall  
12 not exceed the amount of a specific appropriation therefor, from the  
13 proceeds of such bonds, for the construction of state, county, and city  
14 transportation projects in urban areas. The issuance, sale, and  
15 retirement of the bonds shall be under the supervision and control of  
16 the state finance committee which, upon request being made by the state  
17 transportation improvement board, shall provide for the issuance, sale,  
18 and retirement of coupon or registered bonds to be dated, issued, and

1 sold from time to time in such amounts as shall be requested by the  
2 state transportation improvement board.

3 NEW SECTION. **Sec. 2.** Each of such bonds shall be made payable at  
4 any time not exceeding thirty years from the date of its issuance, with  
5 such reserved rights of prior redemption, bearing such interest, and  
6 such terms and conditions, as the state finance committee may prescribe  
7 to be specified therein. The bonds shall be signed by the governor and  
8 the state treasurer under the seal of the state, either or both of  
9 which signatures may be in printed facsimile, and any coupons attached  
10 to such bonds shall be signed by the same officers whose signatures  
11 thereon may be in printed facsimile. Any bonds may be registered in  
12 the name of the holder on presentation to the state treasurer or at the  
13 fiscal agency of the state of Washington in Seattle or New York City,  
14 as to principal alone, or as to both principal and interest under such  
15 rules as the state treasurer may adopt. Such bonds shall be payable at  
16 such places as the state finance committee may provide. All bonds  
17 issued hereunder shall be fully negotiable instruments.

18 NEW SECTION. **Sec. 3.** The bonds issued under sections 1 through 8  
19 of this act shall be in denominations to be prescribed by the state  
20 finance committee and may be sold in such manner and in such amounts  
21 and at such times and on such terms and conditions as the committee may  
22 prescribe. The state finance committee may obtain insurance, letters  
23 of credit, or other credit facility devices with respect to the bonds  
24 and may authorize the execution and delivery of agreements, promissory  
25 notes, and other obligations for the purpose of insuring the payment or  
26 enhancing the marketability of the bonds. Promissory notes or other  
27 obligations issued pursuant to this section shall not constitute a debt  
28 or the contracting of indebtedness under any constitutional or  
29 statutory indebtedness limitation if their payment is conditioned upon  
30 the failure of the state to pay the principal of or interest on the  
31 bonds with respect to which the promissory notes or other obligations  
32 relate. The state finance committee may authorize the issuance of  
33 short-term obligations in lieu of long-term obligations for the  
34 purposes of more favorable interest rates, lower total interest costs,  
35 and increased marketability and for the purpose of retiring the bonds  
36 during the life of the project for which they were issued. Bonds  
37 issued under the provisions of sections 1 through 8 of this act shall

1 be legal investment for any of the funds of the state, except the  
2 permanent school fund.

3 NEW SECTION. **Sec. 4.** The money arising from the sale of the bonds  
4 shall be deposited in the state treasury to the credit of the  
5 transportation improvement account in the motor vehicle fund, and such  
6 money shall be available only for the construction and improvement of  
7 state, county, and city transportation projects, and for payment of the  
8 expense incurred in the printing, issuance, and sale of any such bonds.  
9 The costs of obtaining insurance, letters of credit, or other credit  
10 enhancement devices with respect to the bonds shall be considered to be  
11 expenses incurred in the issuance and sale of the bonds.

12 NEW SECTION. **Sec. 5.** Bonds issued under the provisions of  
13 sections 1 through 8 of this act shall distinctly state that they are  
14 a general obligation of the state of Washington, shall pledge the full  
15 faith and credit of the state to the payment of the principal thereof  
16 and the interest thereon, and shall contain an unconditional promise to  
17 pay such principal and interest as the same shall become due. The  
18 principal and interest on such bonds shall be first payable in the  
19 manner provided in sections 1 through 8 of this act from the proceeds  
20 of state excise taxes on motor vehicle and special fuels imposed by  
21 chapters 82.36, 82.37, and 82.38 RCW. The proceeds of such excise  
22 taxes are hereby pledged to the payment of any such bonds and the  
23 interest thereon, and the legislature hereby agrees to continue to  
24 impose the same excise taxes on motor vehicle and special fuels in  
25 amounts sufficient to pay, when due, the principal and interest on all  
26 such bonds.

27 NEW SECTION. **Sec. 6.** Any funds required to repay such bonds, or  
28 the interest thereon when due, shall be taken from that portion of the  
29 motor vehicle fund which results from the imposition of excise taxes on  
30 motor vehicle and special fuels and which is distributed to the  
31 transportation improvement account in the motor vehicle fund, and shall  
32 never constitute a charge against any allocations of any other such  
33 funds in the motor vehicle fund to the state, counties, cities, and  
34 towns unless and until the amount of the motor vehicle fund arising  
35 from the excise tax on motor vehicle and special fuels and distributed

1 to the transportation improvement account proves insufficient to meet  
2 the requirements for bond retirement or interest on any such bonds.

3 NEW SECTION. **Sec. 7.** At least one year prior to the date any  
4 interest is due and payable on such bonds or before the maturity date  
5 of any such bonds, the state finance committee shall estimate, subject  
6 to the provisions of section 6 of this act the percentage of the  
7 receipts in money of the motor vehicle fund, resulting from collection  
8 of excise taxes on motor vehicle and special fuels, for each month of  
9 the year which shall be required to meet interest or bond payments  
10 under sections 1 through 8 of this act when due, and shall notify the  
11 state treasurer of such estimated requirement. The state treasurer,  
12 subject to section 6 of this act, shall thereafter from time to time  
13 each month as such funds are paid into the motor vehicle fund, transfer  
14 such percentage of the monthly receipts from excise taxes on motor  
15 vehicle and special fuels of the motor vehicle fund to the highway bond  
16 retirement fund, maintained in the office of the state treasurer, which  
17 fund shall be available for payment of interest or bonds when due. If  
18 in any month it shall appear that the estimated percentage of money so  
19 made is insufficient to meet the requirements for interest or bond  
20 retirement, the treasurer shall notify the state finance committee  
21 forthwith and such committee shall adjust its estimates so that all  
22 requirements for interest and principal of all bonds issued shall be  
23 fully met at all times.

24 NEW SECTION. **Sec. 8.** Whenever the percentage of the motor vehicle  
25 fund arising from excise taxes on motor vehicle and special fuels  
26 payable into the highway bond retirement fund, shall prove more than is  
27 required for the payment of interest on bonds when due, or current  
28 retirement of bonds, any excess may, in the discretion of the state  
29 finance committee, be available for the prior redemption of any bonds  
30 or remain available in the fund to reduce the requirements upon the  
31 fuel excise tax portion of the motor vehicle fund at the next interest  
32 or bond payment period.

33 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act are each  
34 added to chapter 47.26 RCW.

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