

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2909

Chapter 183, Laws of 1994

53rd Legislature
1994 Regular Session

STATE HIGHWAY BONDS

EFFECTIVE DATE: 6/9/94

Passed by the House February 11, 1994
Yeas 95 Nays 0

BRIAN EBERSOLE
**Speaker of the
House of Representatives**

Passed by the Senate March 1, 1994
Yeas 49 Nays 0

JOEL PRITCHARD
President of the Senate

Approved March 30, 1994

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Marilyn Showalter, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2909** as passed by the House of Representatives and the Senate on the dates hereon set forth.

MARILYN SHOWALTER
Chief Clerk

FILED

March 30, 1994 - 1:33 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2909

Passed Legislature - 1994 Regular Session

State of Washington 53rd Legislature 1994 Regular Session

By Representatives R. Fisher, Schmidt, Forner and Wood

Read first time 02/04/94. Referred to Committee on Transportation.

1 AN ACT Relating to state 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.** The legislature finds and declares:
5 Successful implementation of the public-private transportation
6 initiatives program authorized in chapter 47.46 RCW may require the
7 financial participation of the state in projects authorized in that
8 chapter.

9 The participation may take the form of loans, loan guarantees, user
10 charge guarantees, or such other cash contribution arrangements as may
11 improve the ability of the private entities sponsoring the projects to
12 obtain financing.

13 It is in the best interests of the people of the state that state
14 funding of possible financial participation in the projects authorized
15 under chapter 47.46 RCW be in the form long-term bonds.

16 NEW SECTION. **Sec. 2.** In order to provide funds necessary to
17 implement the public-private transportation initiatives authorized by
18 chapter 47.46 RCW, there shall be issued and sold upon the request of

1 the Washington state transportation commission a total of twenty-five
2 million dollars of general obligation bonds of the state of Washington.

3 NEW SECTION. **Sec. 3.** Upon the request of the transportation
4 commission, the state finance committee shall supervise and provide for
5 the issuance, sale, and retirement of the bonds authorized by sections
6 2 through 9 of this act in accordance with chapter 39.42 RCW. Bonds
7 authorized by sections 2 through 9 of this act shall be sold in such
8 manner, at such time or times, in such amounts, and at such price as
9 the state finance committee shall determine. No such bonds may be
10 offered for sale without prior legislative appropriation of the net
11 proceeds of the sale of the bonds. In making such appropriation of the
12 net proceeds of the sale of the bonds, the legislature shall specify
13 what portion of the appropriation is provided for possible loans and
14 what portion of the appropriation is provided for other forms of cash
15 contributions to projects.

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

21 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of bonds
22 authorized by sections 2 through 9 of this act that are in support of
23 possible loans as specified under section 3 of this act shall be
24 deposited into the transportation revolving loan account, hereby
25 created, in the transportation fund. The proceeds shall be available
26 only for the purposes of making loans to entities authorized to
27 undertake projects selected under chapter 47.46 RCW as enumerated in
28 section 3 of this act, for the payment of bond anticipation notes, if
29 any, and for the payment of bond issuance costs, including the costs of
30 underwriting.

31 (2) The proceeds from the sale of bonds authorized by sections 2
32 through 9 of this act that are in support of all forms of cash
33 contributions to projects selected under chapter 47.46 RCW except loans
34 shall be deposited into the transportation fund. The proceeds shall be
35 available only for the purposes of making any contributions except
36 loans to projects selected under chapter 47.46 RCW, for the payment of

1 bond anticipation notes, if any, and for the payment of bond issuance
2 costs, including the costs of underwriting.

3 NEW SECTION. **Sec. 5.** Principal and interest payments made on
4 loans from the transportation loan revolving account as authorized by
5 chapter 47.46 RCW shall be deposited into the transportation loan
6 revolving account and shall be available for the payment of principal
7 and interest on bonds authorized by sections 2 through 9 of this act
8 and for such other purposes as may be specified by law.

9 NEW SECTION. **Sec. 6.** (1) Bonds issued under the authority of
10 sections 2 through 9 of this act shall distinctly state that they are
11 a general obligation of the state of Washington, shall pledge the full
12 faith and credit of the state to the payment of the principal thereof
13 and the interest thereon, and shall contain an unconditional promise to
14 pay such principal and interest as the same shall become due.

15 (2) The principal and interest on the bonds issued for the purposes
16 enumerated in section 4 of this act shall be first payable in the
17 manner provided in sections 2 through 9 of this act from the proceeds
18 of the state excise tax on motor vehicles imposed by RCW 82.44.020(2).
19 Proceeds of those excise taxes are pledged to the payment of any bonds
20 and the interest thereon issued under the authority of sections 2
21 through 9 of this act, and the legislature agrees to continue to impose
22 this excise tax on motor vehicles in amounts sufficient to pay, when
23 due, the principal and interest on all bonds issued under the authority
24 of sections 2 through 9 of this act.

25 NEW SECTION. **Sec. 7.** (1) Both principal and interest on the bonds
26 issued for the purposes of sections 2 through 9 of this act are payable
27 from the highway bond retirement fund. The state finance committee may
28 provide that a special account be created in the fund to facilitate
29 payment of the principal and interest.

30 (2) The state finance committee shall, on or before June 30th of
31 each year certify to the state treasurer the amount required for
32 principal and interest on the bonds issued for the purposes specified
33 in section 4 of this act in accordance with the bond proceedings. The
34 state treasurer shall withdraw from the transportation fund and deposit
35 into the highway bond retirement fund, or a special account in the

1 fund, such amounts, and at such times, as are required by the bond
2 proceedings.

3 (3) Any funds required for bond retirement or interest on the bonds
4 authorized by sections 2 through 9 of this act shall be taken from that
5 portion of the transportation fund that results from the imposition of
6 excise taxes on motor vehicles which is, or may be appropriated to the
7 department of transportation for state highway purposes. Funds
8 required shall never constitute a charge against any other allocations
9 of motor vehicle excise tax revenues to the state, counties, cities,
10 towns, and transit agencies unless the amount arising from excise taxes
11 on motor vehicles distributed to the state in the transportation fund
12 proves insufficient to meet the requirements for bond retirement or
13 interest on any such bonds.

14 (4) Any payments for bond retirement or interest on the bonds taken
15 from other revenues from the motor vehicle excise taxes that are
16 distributable to the state, counties, cities, towns, and transit
17 agencies shall be repaid from the first revenues from the motor vehicle
18 excise taxes distributed to the transportation fund not required for
19 bond retirement or interest on the bonds.

20 NEW SECTION. **Sec. 8.** Whenever, under section 7(2) of this act,
21 the state treasurer transfers funds from the transportation fund to the
22 highway bond retirement fund, or a special account in the fund, the
23 state treasurer shall at the same time reimburse the transportation
24 fund in an identical amount from the transportation loan revolving
25 account. The reimbursements may be made only to the extent funds from
26 the repayment of principal and interest on loans made from the
27 transportation loan revolving fund are available.

28 NEW SECTION. **Sec. 9.** Bonds issued under the authority of sections
29 2 through 8 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 excise taxes for the
32 payment of principal and interest thereon are an equal charge against
33 the revenues from the motor vehicle excise taxes.

34 NEW SECTION. **Sec. 10.** Sections 2 through 9 of this act are each
35 added to chapter 47.10 RCW.

1 NEW SECTION. **Sec. 11.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

 Passed the House February 11, 1994.

 Passed the Senate March 1, 1994.

 Approved by the Governor March 30, 1994.

 Filed in Office of Secretary of State March 30, 1994.