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**SENATE BILL 5898**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Senators Liias, King, and Saldaña; by request of State Treasurer

AN ACT Relating to the use of vehicle-related fees to fulfill certain state general obligation bonds; amending RCW 47.10.883, 47.10.884, 47.10.885, 47.10.876, 47.10.877, 47.10.878, 47.10.864, 47.10.865, 47.10.866, 47.10.846, 47.10.847, 47.10.848, 47.10.838, 47.10.839, 47.10.841, 47.26.504, 47.26.505, 47.10.822, 47.10.823, 47.10.824, 47.10.815, 47.10.816, 47.10.817, 47.02.160, 47.02.170, 47.02.190, 47.26.424, 47.26.4252, 47.26.4254, 47.26.4255, and 39.53.120; adding a new section to chapter 47.10 RCW; and creating new sections.

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

NEW SECTION. **Sec.**  The legislature recognizes the importance of transportation electrification and the need to maintain stable funding for highway bonds as the use of carbon intensive motor fuels within the state is reduced. Therefore, it is the intent of the legislature to supplement certain existing highway bond authorization acts to prepare for and respond to changes in revenue derived from state excise taxes on fuel by providing an additional pledge of vehicle-related fees for highway bonds issued or refunded subsequent to the effective date of this section and providing funding from vehicle-related fees for bond retirement and interest on such highway bonds.

NEW SECTION. **Sec.**  A new section is added to chapter 47.10 RCW to read as follows:

For the purposes of this act, the following definitions apply:

(1) "Highway bond act" means any of the following bond authorization acts that authorize the issuance of general obligation bonds of the state of Washington for highway purposes the principal of and interest on which are first payable from state excise taxes on fuel imposed by chapter 82.38 RCW: Chapter 83, Laws of 1967, 1st ex. sess.; chapter 293, Laws of 1990; chapter 431, Laws of 1993; chapter 432, Laws of 1993; chapter 440, Laws of 1993; chapter 15, Laws of 1995, 2nd sp. sess.; chapter 321, Laws of 1998; chapter 147, Laws of 2003; chapter 315, Laws of 2005; and chapter 498, Laws of 2009.

(2) "Highway bonds" means any bonds issued by the state of Washington pursuant to a highway bond act.

(3) "Vehicle-related fees" means vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes.

**Sec.**  RCW 47.10.883 and 2013 c 225 s 628 are each amended to read as follows:

Bonds issued under the authority of this section and RCW 47.10.879, 47.10.884, and 47.10.885 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal of and interest on the bonds must be first payable in the manner provided in this section and RCW 47.10.879, 47.10.884, and 47.10.885 from toll revenue and then from proceeds of excise taxes on motor vehicle and special fuels and vehicle-related fees to the extent toll revenue is not available for that purpose. Toll revenue and the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and RCW 47.10.879, 47.10.884, and 47.10.885, and the legislature agrees to continue to impose these toll charges on the state route number 520 corridor, and on any other eligible toll facility designated by the legislature and on which the imposition of tolls is authorized by the legislature in respect of the bonds, and excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and RCW 47.10.879, 47.10.884, and 47.10.885.

**Sec.**  RCW 47.10.884 and 2009 c 498 s 13 are each amended to read as follows:

For bonds issued under the authority of this section and RCW 47.10.879, 47.10.883, and 47.10.885, the state treasurer shall first withdraw toll revenue from the state route number 520 corridor account created under chapter 472, Laws of 2009, and, to the extent toll revenue is not available, excise taxes on motor vehicle and special fuels and vehicle-related fees in the motor vehicle fund and deposit in the toll facility bond retirement account, or a special subaccount in the account, such amounts, and at such times, as are required by the bond proceedings.

Any excise taxes on motor vehicle and special fuels and vehicle-related fees required for bond retirement or interest on the bonds authorized by this section and RCW 47.10.879, 47.10.883, and 47.10.885 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and which is, or may be, appropriated to the department for state highway purposes. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes or vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from available toll revenue in the manner provided in the bond proceedings or, if toll revenue is not available for that purpose, from the first excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the motor vehicle fund not required for bond retirement or interest on the bonds. Any excise taxes on motor vehicle and special fuels and vehicle-related fees required for bond retirement or interest on the bonds authorized by this section and RCW 47.10.879, 47.10.883, and 47.10.885 shall be reimbursed to the motor vehicle fund from toll revenue in the manner and with the priority specified in the bond proceedings.

**Sec.**  RCW 47.10.885 and 2009 c 498 s 14 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.879, 47.10.883, and 47.10.884 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.10.876 and 2013 c 225 s 627 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.873 through 47.10.878 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.10.873 through 47.10.878 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.873 through 47.10.878, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.873 through 47.10.878.

**Sec.**  RCW 47.10.877 and 2007 c 519 s 5 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.10.873 through 47.10.878 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the transportation partnership account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.873 through 47.10.878 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and that is distributed to the transportation partnership account in the motor vehicle fund. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the transportation partnership account proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes or vehicle-related fees distributed to the transportation partnership account not required for bond retirement or interest on the bonds.

**Sec.**  RCW 47.10.878 and 2005 c 315 s 6 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.873 through 47.10.877 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.10.864 and 2013 c 225 s 626 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.861 through 47.10.866 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.10.861 through 47.10.866 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.861 through 47.10.866, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.861 through 47.10.866.

**Sec.**  RCW 47.10.865 and 2003 c 147 s 5 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.10.861 through 47.10.866 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the transportation 2003 account (nickel account) in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.861 through 47.10.866 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and that is distributed to the transportation 2003 account (nickel account) in the motor vehicle fund. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the transportation 2003 account (nickel account) proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes or vehicle-related fees distributed to the transportation 2003 account (nickel account) not required for bond retirement or interest on the bonds.

**Sec.**  RCW 47.10.866 and 2003 c 147 s 6 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.861 through 47.10.865 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.10.846 and 2013 c 225 s 625 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.843 through 47.10.848 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.10.843 through 47.10.848 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.843 through 47.10.848, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.843 through 47.10.848.

**Sec.**  RCW 47.10.847 and 1998 c 321 s 20 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.10.843 through 47.10.848 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.843 through 47.10.848 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and which is, or may be, appropriated to the department of transportation for state highway purposes. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns, shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes or vehicle-related fees distributed to the motor vehicle fund not required for bond retirement or interest on the bonds.

**Sec.**  RCW 47.10.848 and 1998 c 321 s 21 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.843 through 47.10.847 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.10.838 and 2013 c 225 s 624 are each amended to read as follows:

(1) Bonds issued under the authority of RCW 47.10.834 through 47.10.841 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due.

(2) The principal and interest on the bonds issued for the purposes enumerated in RCW 47.10.836 must be first payable in the manner provided in RCW 47.10.834 through 47.10.841 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of those excise taxes and vehicle-related fees are pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.834 through 47.10.841, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.834 through 47.10.841.

**Sec.**  RCW 47.10.839 and 1995 2nd sp.s. c 15 s 6 are each amended to read as follows:

(1) Both principal and interest on the bonds issued for the purposes of RCW 47.10.834 through 47.10.841 are payable from the highway bond retirement fund.

(2) The state finance committee shall, on or before June 30th of each year certify to the state treasurer the amount required for principal and interest on the bonds issued for the purposes specified in RCW 47.10.836 in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the motor vehicle fund and deposit into the highway bond retirement fund such amounts, and at such times, as are required by the bond proceedings.

(3) Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.834 through 47.10.841 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees which is, or may be appropriated to the department of transportation for state highway purposes. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, or towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

(4) Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel and special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, or towns shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes or vehicle-related fees distributed to the motor vehicle fund not required for bond retirement or interest on the bonds.

**Sec.**  RCW 47.10.841 and 1995 2nd sp.s. c 15 s 7 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.834 through 47.10.839 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels taxes and vehicle-related fees for the payment of principal and interest thereon are an equal charge against the revenues from the motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.26.504 and 2013 c 225 s 633 are each amended to read as follows:

Bonds issued under the provisions of RCW 47.26.500 through 47.26.507 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on such bonds must be first payable in the manner provided in RCW 47.26.500 through 47.26.507 from the proceeds of state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. The proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any such bonds and the interest thereon, and the legislature hereby agrees to continue to impose the same excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all such bonds.

**Sec.**  RCW 47.26.505 and 1999 sp.s. c 1 s 612 are each amended to read as follows:

Any funds required to repay such bonds, or the interest thereon when due, shall be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the transportation improvement account in the motor vehicle fund under RCW 46.68.090((~~(1)(h)~~)) (2)(f) and vehicle-related fees in the motor vehicle fund, and shall never constitute a charge against any allocations of any other such funds in the motor vehicle fund to the state, counties, cities, and towns unless and until the amount of the motor vehicle fund arising from vehicle-related fees and the excise tax on motor vehicle and special fuels and distributed to the transportation improvement account proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

**Sec.**  RCW 47.10.822 and 2013 c 225 s 623 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.819 through 47.10.824 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.10.819 through 47.10.824 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.819 through 47.10.824, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.819 through 47.10.824.

**Sec.**  RCW 47.10.823 and 1993 c 432 s 5 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.10.819 through 47.10.824 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.819 through 47.10.824 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and which is, or may be appropriated to the department of transportation for state highway purposes. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

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

**Sec.**  RCW 47.10.824 and 1993 c 432 s 6 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.819 through 47.10.823 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.10.815 and 2013 c 225 s 622 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.812 through 47.10.817 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.10.812 through 47.10.817 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.10.812 through 47.10.817, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.10.812 through 47.10.817.

**Sec.**  RCW 47.10.816 and 1993 c 431 s 5 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.10.812 through 47.10.817 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the special category C account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.10.812 through 47.10.817 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and that is distributed to the special category C account in the motor vehicle fund and vehicle-related fees in the motor vehicle fund. Funds required shall never constitute a charge against any other allocations of vehicle-related fees and motor vehicle fuel and special fuel tax revenues to the state, counties, cities and towns unless the amount arising from vehicle-related fees and excise taxes on motor vehicle and special fuels distributed to the special category C account proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the vehicle-related fees or motor vehicle fuel or special fuel taxes that are distributable to the state, counties, cities and towns, shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes distributed to the special category C account or vehicle-related fees not required for bond retirement or interest on the bonds.

**Sec.**  RCW 47.10.817 and 1993 c 431 s 6 are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.812 through 47.10.816 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.02.160 and 2013 c 225 s 611 are each amended to read as follows:

Bonds issued under the authority of RCW 47.02.120 through 47.02.190 must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on the bonds must be first payable in the manner provided in RCW 47.02.120 through 47.02.190 from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. Proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of RCW 47.02.120 through 47.02.190, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of RCW 47.02.120 through 47.02.190.

**Sec.**  RCW 47.02.170 and 1990 c 293 s 6 are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of RCW 47.02.120 through 47.02.190 shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by RCW 47.02.120 through 47.02.190 shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and that is distributed to the state under RCW 46.68.130. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax revenues and vehicle-related fees to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the state under RCW 46.68.130 proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

**Sec.**  RCW 47.02.190 and 1990 c 293 s 8 are each amended to read as follows:

Bonds issued under the authority of RCW 47.02.120 through 47.02.180 and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

**Sec.**  RCW 47.26.424 and 2013 c 225 s 630 are each amended to read as follows:

The first authorization bonds, series II bonds, and series III bonds must distinctly state that they are a general obligation of the state of Washington, must pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and must contain an unconditional promise to pay such principal and interest as the same becomes due. The principal and interest on such bonds must be first payable in the manner provided in RCW 47.26.420 through 47.26.427, 47.26.425, and 47.26.4254 from the proceeds of state excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and vehicle-related fees. The proceeds of such excise taxes and vehicle-related fees are hereby pledged to the payment of any such bonds and the interest thereon, and the legislature hereby agrees to continue to impose the same excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all such bonds.

**Sec.**  RCW 47.26.4252 and 2013 c 225 s 631 are each amended to read as follows:

Any funds required to repay the authorization of series II bonds authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979, or the interest thereon when due, must first be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and which is distributed to the transportation improvement account in the motor vehicle fund pursuant to RCW 46.68.090(2)(e), subject, however, to the prior lien of the first authorization of bonds authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979 and vehicle-related fees in the motor vehicle fund. If the moneys distributed to the transportation improvement account shall ever be insufficient to repay the first authorization bonds together with interest thereon, and the series II bonds or the interest thereon when due, the amount required to make such payments on such bonds or interest thereon must next be taken from vehicle-related fees and that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the state, counties, cities, and towns ((~~pursuant to RCW 46.68.090~~)). Any payments on such bonds or interest thereon taken from motor vehicle or special fuel tax revenues or vehicle-related fees which are distributable to the state, counties, cities, and towns, must be repaid from the first moneys distributed to the transportation improvement account not required for redemption of the first authorization bonds or series II and series III bonds or interest on those bond issues and vehicle-related fees in the motor vehicle fund.

**Sec.**  RCW 47.26.4254 and 2013 c 225 s 632 are each amended to read as follows:

(1) Any funds required to repay series III bonds authorized by RCW 47.26.420, or the interest thereon, when due must first be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW and that is distributed to the transportation improvement account in the motor vehicle fund pursuant to RCW 46.68.090(2)(e), subject, however, to the prior lien of the first authorization of bonds authorized by RCW 47.26.420 and vehicle-related fees in the motor vehicle fund. If the vehicle-related fees in the motor vehicle fund and moneys ((~~so~~)) distributed to the transportation improvement account, after first being applied to administrative expenses of the transportation improvement board and to the requirements of bond retirement and payment of interest on first authorization bonds and series II bonds as provided in RCW 47.26.425 and 47.26.4252, are insufficient to meet the requirements for bond retirement or interest on any series III bonds, the amount required to make such payments on series III bonds or interest thereon must next be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and that is distributed to the state, counties, cities, and towns ((~~pursuant to RCW 46.68.090~~)), subject, however, to subsection (2) of this section.

(2) To the extent that vehicle-related fees in the motor vehicle fund and moneys ((~~so~~)) distributed to the transportation improvement account are insufficient to meet the requirements for bond retirement or interest on any series III bonds, sixty percent of the amount required to make such payments when due must first be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees and that is distributed to the state. The remaining forty percent must first be taken from that portion of the motor vehicle fund that results from vehicle-related fees and the imposition of excise taxes on motor vehicle and special fuels and that is distributed to the cities ((~~and~~)), towns ((~~pursuant to RCW 46.68.090(2)(g)~~)), and ((~~to the~~)) counties ((~~pursuant to RCW 46.68.090(2)(h)~~)). Of the counties', cities', and towns' share of any additional amounts required in each fiscal year, the percentage thereof to be taken from the counties' distributive share and from the cities' and towns' distributive share must correspond to the percentage of funds authorized for specific county projects and for specific city and town projects, respectively, from the proceeds of series III bonds, for the period through the first eleven months of the prior fiscal year as determined by the chair of the transportation improvement board and reported to the state finance committee and the state treasurer not later than the first working day of June.

(3) Any payments on such bonds or interest thereon taken from motor vehicle or special fuel tax revenues or vehicle-related fees that are distributable to the state, counties, cities, and towns must be repaid from the first moneys distributed to the transportation improvement account not required for redemption of the first authorization bonds, series II bonds, or series III bonds or interest on these bonds and vehicle-related fees in the motor vehicle fund.

**Sec.**  RCW 47.26.4255 and 1979 c 5 s 9 are each amended to read as follows:

Except as otherwise provided by statute, the series II bonds issued under authority of RCW 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979, the bonds authorized by RCW 47.60.560 through 47.60.640, and any general obligation bonds of the state of Washington which may be authorized by the forty-sixth legislature or thereafter and which pledge motor vehicle and special fuel excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuel excise taxes and vehicle-related fees.

NEW SECTION. **Sec.**  The amendments made in sections 3 through 32 of this act to any highway bond act shall apply only to the highway bonds that have been authorized to be issued but that have not yet been issued and are not outstanding on the effective date of this section and are issued after the effective date of this section.

**Sec.**  RCW 39.53.120 and 2005 c 487 s 7 are each amended to read as follows:

(1) Except as specifically provided in this chapter, refunding bonds issued under this chapter shall be issued in accordance with the provisions of law applicable to the type of bonds of the issuer to be refunded, at the time of the issuance of either the refunding bonds or the bonds to be refunded.

(2) Any refunding bonds hereafter issued by the state of Washington to refund highway bonds that were issued under a highway bond act prior to the effective date of this section, or to refund refunding bonds issued under the refunding bond act prior to the effective date of this section to refund highway bonds issued under a highway bond act prior to the effective date of this section, shall be issued in accordance with the provisions of law applicable to highway bonds at the time of the issuance of the refunding bonds.

(3) For all refunding bonds previously or hereafter issued by the state of Washington under this chapter, the state treasurer shall transfer from the designated funds or accounts the amount necessary for the payment of principal of and interest on the refunding bonds to the applicable bond retirement account for such refunding bonds on each date on which the interest or principal and interest payment is due on such refunding bonds unless an earlier transfer date, as determined by the state finance committee, is necessary or appropriate to the financial framework of the refunding bonds.

**--- END ---**