

CERTIFICATION OF ENROLLMENT

SENATE BILL 5898

Chapter 103, Laws of 2022

67th Legislature
2022 Regular Session

HIGHWAY BONDS—PLEDGE OF VEHICLE-RELATED FEES

EFFECTIVE DATE: June 9, 2022

Passed by the Senate February 9, 2022
Yeas 47 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 8, 2022
Yeas 73 Nays 24

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 17, 2022 1:05 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5898** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 17, 2022

**Secretary of State
State of Washington**

SENATE BILL 5898

Passed Legislature - 2022 Regular Session

State of Washington 67th Legislature 2022 Regular Session

By Senators Lias, King, and Saldaña; by request of State Treasurer
Read first time 01/19/22. Referred to Committee on Transportation.

1 AN ACT Relating to the use of vehicle-related fees to fulfill
2 certain state general obligation bonds; amending RCW 47.10.883,
3 47.10.884, 47.10.885, 47.10.876, 47.10.877, 47.10.878, 47.10.864,
4 47.10.865, 47.10.866, 47.10.846, 47.10.847, 47.10.848, 47.10.838,
5 47.10.839, 47.10.841, 47.26.504, 47.26.505, 47.10.822, 47.10.823,
6 47.10.824, 47.10.815, 47.10.816, 47.10.817, 47.02.160, 47.02.170,
7 47.02.190, 47.26.424, 47.26.4252, 47.26.4254, 47.26.4255, and
8 39.53.120; adding a new section to chapter 47.10 RCW; and creating
9 new sections.

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

11 NEW SECTION. **Sec. 1.** The legislature recognizes the importance
12 of transportation electrification and the need to maintain stable
13 funding for highway bonds as the use of carbon intensive motor fuels
14 within the state is reduced. Therefore, it is the intent of the
15 legislature to supplement certain existing highway bond authorization
16 acts to prepare for and respond to changes in revenue derived from
17 state excise taxes on fuel by providing an additional pledge of
18 vehicle-related fees for highway bonds issued or refunded subsequent
19 to the effective date of this section and providing funding from
20 vehicle-related fees for bond retirement and interest on such highway
21 bonds.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.10
2 RCW to read as follows:

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

4 (1) "Highway bond act" means any of the following bond
5 authorization acts that authorize the issuance of general obligation
6 bonds of the state of Washington for highway purposes the principal
7 of and interest on which are first payable from state excise taxes on
8 fuel imposed by chapter 82.38 RCW: Chapter 83, Laws of 1967, 1st ex.
9 sess.; chapter 293, Laws of 1990; chapter 431, Laws of 1993; chapter
10 432, Laws of 1993; chapter 440, Laws of 1993; chapter 15, Laws of
11 1995, 2nd sp. sess.; chapter 321, Laws of 1998; chapter 147, Laws of
12 2003; chapter 315, Laws of 2005; and chapter 498, Laws of 2009.

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

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

18 **Sec. 3.** RCW 47.10.883 and 2013 c 225 s 628 are each amended to
19 read as follows:

20 Bonds issued under the authority of this section and RCW
21 47.10.879, 47.10.884, and 47.10.885 must distinctly state that they
22 are a general obligation of the state of Washington, must pledge the
23 full faith and credit of the state to the payment of the principal
24 thereof and the interest thereon, and must contain an unconditional
25 promise to pay such principal and interest as the same becomes due.
26 The principal of and interest on the bonds must be first payable in
27 the manner provided in this section and RCW 47.10.879, 47.10.884, and
28 47.10.885 from toll revenue and then from proceeds of excise taxes on
29 motor vehicle and special fuels and vehicle-related fees to the
30 extent toll revenue is not available for that purpose. Toll revenue
31 and the state excise taxes on motor vehicle and special fuels imposed
32 by chapter 82.38 RCW and vehicle-related fees are hereby pledged to
33 the payment of any bonds and the interest thereon issued under the
34 authority of this section and RCW 47.10.879, 47.10.884, and
35 47.10.885, and the legislature agrees to continue to impose these
36 toll charges on the state route number 520 corridor, and on any other
37 eligible toll facility designated by the legislature and on which the
38 imposition of tolls is authorized by the legislature in respect of
39 the bonds, and excise taxes on motor vehicle and special fuels and

1 vehicle-related fees in amounts sufficient to pay, when due, the
2 principal and interest on all bonds issued under the authority of
3 this section and RCW 47.10.879, 47.10.884, and 47.10.885.

4 **Sec. 4.** RCW 47.10.884 and 2009 c 498 s 13 are each amended to
5 read as follows:

6 For bonds issued under the authority of this section and RCW
7 47.10.879, 47.10.883, and 47.10.885, the state treasurer shall first
8 withdraw toll revenue from the state route number 520 corridor
9 account created under chapter 472, Laws of 2009, and, to the extent
10 toll revenue is not available, excise taxes on motor vehicle and
11 special fuels and vehicle-related fees in the motor vehicle fund and
12 deposit in the toll facility bond retirement account, or a special
13 subaccount in the account, such amounts, and at such times, as are
14 required by the bond proceedings.

15 Any excise taxes on motor vehicle and special fuels and vehicle-
16 related fees required for bond retirement or interest on the bonds
17 authorized by this section and RCW 47.10.879, 47.10.883, and
18 47.10.885 shall be taken from that portion of the motor vehicle fund
19 that results from the imposition of excise taxes on motor vehicle and
20 special fuels and vehicle-related fees and which is, or may be,
21 appropriated to the department for state highway purposes. Funds
22 required shall never constitute a charge against any other
23 allocations of motor vehicle fuel and special fuel tax revenues and
24 vehicle-related fees to the state, counties, cities, and towns unless
25 the amount arising from excise taxes on motor vehicle and special
26 fuels and vehicle-related fees distributed to the state in the motor
27 vehicle fund proves insufficient to meet the requirements for bond
28 retirement or interest on any such bonds.

29 Any payments for bond retirement or interest on the bonds taken
30 from other revenues from the motor vehicle fuel or special fuel taxes
31 or vehicle-related fees that are distributable to the state,
32 counties, cities, and towns shall be repaid from available toll
33 revenue in the manner provided in the bond proceedings or, if toll
34 revenue is not available for that purpose, from the first excise
35 taxes on motor vehicle and special fuels and vehicle-related fees
36 distributed to the motor vehicle fund not required for bond
37 retirement or interest on the bonds. Any excise taxes on motor
38 vehicle and special fuels and vehicle-related fees required for bond
39 retirement or interest on the bonds authorized by this section and

1 RCW 47.10.879, 47.10.883, and 47.10.885 shall be reimbursed to the
2 motor vehicle fund from toll revenue in the manner and with the
3 priority specified in the bond proceedings.

4 **Sec. 5.** RCW 47.10.885 and 2009 c 498 s 14 are each amended to
5 read as follows:

6 Bonds issued under the authority of RCW 47.10.879, 47.10.883, and
7 47.10.884 and this section and any other general obligation bonds of
8 the state of Washington that have been or that may be authorized and
9 that pledge motor vehicle and special fuels excise taxes and vehicle-
10 related fees for the payment of principal and interest thereon shall
11 be an equal charge against the revenues from such motor vehicle and
12 special fuels excise taxes and vehicle-related fees.

13 **Sec. 6.** RCW 47.10.876 and 2013 c 225 s 627 are each amended to
14 read as follows:

15 Bonds issued under the authority of RCW 47.10.873 through
16 47.10.878 must distinctly state that they are a general obligation of
17 the state of Washington, must pledge the full faith and credit of the
18 state to the payment of the principal thereof and the interest
19 thereon, and must contain an unconditional promise to pay such
20 principal and interest as the same becomes due. The principal and
21 interest on the bonds must be first payable in the manner provided in
22 RCW 47.10.873 through 47.10.878 from the proceeds of the state excise
23 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
24 and vehicle-related fees. Proceeds of these excise taxes and vehicle-
25 related fees are hereby pledged to the payment of any bonds and the
26 interest thereon issued under the authority of RCW 47.10.873 through
27 47.10.878, and the legislature agrees to continue to impose these
28 excise taxes on motor vehicle and special fuels and vehicle-related
29 fees in amounts sufficient to pay, when due, the principal and
30 interest on all bonds issued under the authority of RCW 47.10.873
31 through 47.10.878.

32 **Sec. 7.** RCW 47.10.877 and 2007 c 519 s 5 are each amended to
33 read as follows:

34 Both principal and interest on the bonds issued for the purposes
35 of RCW 47.10.873 through 47.10.878 shall be payable from the highway
36 bond retirement fund. The state finance committee may provide that a
37 special account be created in the fund to facilitate payment of the

1 principal and interest. The state finance committee shall, on or
2 before June 30th of each year, certify to the state treasurer the
3 amount required for principal and interest on the bonds in accordance
4 with the bond proceedings. The state treasurer shall withdraw
5 revenues from the transportation partnership account in the motor
6 vehicle fund and deposit in the highway bond retirement fund, or a
7 special account in the fund, such amounts, and at such times, as are
8 required by the bond proceedings.

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

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

29 **Sec. 8.** RCW 47.10.878 and 2005 c 315 s 6 are each amended to
30 read as follows:

31 Bonds issued under the authority of RCW 47.10.873 through
32 47.10.877 and this section and any other general obligation bonds of
33 the state of Washington that have been or that may be authorized and
34 that pledge motor vehicle and special fuels excise taxes and vehicle-
35 related fees for the payment of principal and interest thereon shall
36 be an equal charge against the revenues from such motor vehicle and
37 special fuels excise taxes and vehicle-related fees.

1 **Sec. 9.** RCW 47.10.864 and 2013 c 225 s 626 are each amended to
2 read as follows:

3 Bonds issued under the authority of RCW 47.10.861 through
4 47.10.866 must distinctly state that they are a general obligation of
5 the state of Washington, must pledge the full faith and credit of the
6 state to the payment of the principal thereof and the interest
7 thereon, and must contain an unconditional promise to pay such
8 principal and interest as the same becomes due. The principal and
9 interest on the bonds must be first payable in the manner provided in
10 RCW 47.10.861 through 47.10.866 from the proceeds of the state excise
11 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
12 and vehicle-related fees. Proceeds of these excise taxes and vehicle-
13 related fees are hereby pledged to the payment of any bonds and the
14 interest thereon issued under the authority of RCW 47.10.861 through
15 47.10.866, and the legislature agrees to continue to impose these
16 excise taxes on motor vehicle and special fuels and vehicle-related
17 fees in amounts sufficient to pay, when due, the principal and
18 interest on all bonds issued under the authority of RCW 47.10.861
19 through 47.10.866.

20 **Sec. 10.** RCW 47.10.865 and 2003 c 147 s 5 are each amended to
21 read as follows:

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

34 Any funds required for bond retirement or interest on the bonds
35 authorized by RCW 47.10.861 through 47.10.866 shall be taken from
36 that portion of the motor vehicle fund that results from the
37 imposition of excise taxes on motor vehicle and special fuels and
38 vehicle-related fees and that is distributed to the transportation
39 2003 account (nickel account) in the motor vehicle fund. Funds

1 required shall never constitute a charge against any other
2 allocations of motor vehicle fuel and special fuel tax revenues and
3 vehicle-related fees to the state, counties, cities, and towns unless
4 the amount arising from excise taxes on motor vehicle and special
5 fuels and vehicle-related fees distributed to the transportation 2003
6 account (nickel account) proves insufficient to meet the requirements
7 for bond retirement or interest on any such bonds.

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

15 **Sec. 11.** RCW 47.10.866 and 2003 c 147 s 6 are each amended to
16 read as follows:

17 Bonds issued under the authority of RCW 47.10.861 through
18 47.10.865 and this section and any other general obligation bonds of
19 the state of Washington that have been or that may be authorized and
20 that pledge motor vehicle and special fuels excise taxes and vehicle-
21 related fees for the payment of principal and interest thereon shall
22 be an equal charge against the revenues from such motor vehicle and
23 special fuels excise taxes and vehicle-related fees.

24 **Sec. 12.** RCW 47.10.846 and 2013 c 225 s 625 are each amended to
25 read as follows:

26 Bonds issued under the authority of RCW 47.10.843 through
27 47.10.848 must distinctly state that they are a general obligation of
28 the state of Washington, must pledge the full faith and credit of the
29 state to the payment of the principal thereof and the interest
30 thereon, and must contain an unconditional promise to pay such
31 principal and interest as the same becomes due. The principal and
32 interest on the bonds must be first payable in the manner provided in
33 RCW 47.10.843 through 47.10.848 from the proceeds of the state excise
34 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
35 and vehicle-related fees. Proceeds of such excise taxes and vehicle-
36 related fees are hereby pledged to the payment of any bonds and the
37 interest thereon issued under the authority of RCW 47.10.843 through
38 47.10.848, and the legislature agrees to continue to impose these

1 excise taxes on motor vehicle and special fuels and vehicle-related
2 fees in amounts sufficient to pay, when due, the principal and
3 interest on all bonds issued under the authority of RCW 47.10.843
4 through 47.10.848.

5 **Sec. 13.** RCW 47.10.847 and 1998 c 321 s 20 are each amended to
6 read as follows:

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

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

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

1 **Sec. 14.** RCW 47.10.848 and 1998 c 321 s 21 are each amended to
2 read as follows:

3 Bonds issued under the authority of RCW 47.10.843 through
4 47.10.847 and this section and any other general obligation bonds of
5 the state of Washington that have been or that may be authorized and
6 that pledge motor vehicle and special fuels excise taxes and vehicle-
7 related fees for the payment of principal and interest thereon shall
8 be an equal charge against the revenues from such motor vehicle and
9 special fuels excise taxes and vehicle-related fees.

10 **Sec. 15.** RCW 47.10.838 and 2013 c 225 s 624 are each amended to
11 read as follows:

12 (1) Bonds issued under the authority of RCW 47.10.834 through
13 47.10.841 must distinctly state that they are a general obligation of
14 the state of Washington, must pledge the full faith and credit of the
15 state to the payment of the principal thereof and the interest
16 thereon, and must contain an unconditional promise to pay such
17 principal and interest as the same becomes due.

18 (2) The principal and interest on the bonds issued for the
19 purposes enumerated in RCW 47.10.836 must be first payable in the
20 manner provided in RCW 47.10.834 through 47.10.841 from the proceeds
21 of the state excise taxes on motor vehicle and special fuels imposed
22 by chapter 82.38 RCW and vehicle-related fees. Proceeds of those
23 excise taxes and vehicle-related fees are pledged to the payment of
24 any bonds and the interest thereon issued under the authority of RCW
25 47.10.834 through 47.10.841, and the legislature agrees to continue
26 to impose these excise taxes on motor vehicle and special fuels and
27 vehicle-related fees in amounts sufficient to pay, when due, the
28 principal and interest on all bonds issued under the authority of RCW
29 47.10.834 through 47.10.841.

30 **Sec. 16.** RCW 47.10.839 and 1995 2nd sp.s. c 15 s 6 are each
31 amended to read as follows:

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

35 (2) The state finance committee shall, on or before June 30th of
36 each year certify to the state treasurer the amount required for
37 principal and interest on the bonds issued for the purposes specified
38 in RCW 47.10.836 in accordance with the bond proceedings. The state

1 treasurer shall withdraw revenues from the motor vehicle fund and
2 deposit into the highway bond retirement fund such amounts, and at
3 such times, as are required by the bond proceedings.

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

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

24 **Sec. 17.** RCW 47.10.841 and 1995 2nd sp.s. c 15 s 7 are each
25 amended to read as follows:

26 Bonds issued under the authority of RCW 47.10.834 through
27 47.10.839 and this section and any other general obligation bonds of
28 the state of Washington that have been or that may be authorized and
29 that pledge motor vehicle and special fuels taxes and vehicle-related
30 fees for the payment of principal and interest thereon are an equal
31 charge against the revenues from the motor vehicle and special fuels
32 excise taxes and vehicle-related fees.

33 **Sec. 18.** RCW 47.26.504 and 2013 c 225 s 633 are each amended to
34 read as follows:

35 Bonds issued under the provisions of RCW 47.26.500 through
36 47.26.507 must distinctly state that they are a general obligation of
37 the state of Washington, must pledge the full faith and credit of the
38 state to the payment of the principal thereof and the interest

1 thereon, and must contain an unconditional promise to pay such
2 principal and interest as the same becomes due. The principal and
3 interest on such bonds must be first payable in the manner provided
4 in RCW 47.26.500 through 47.26.507 from the proceeds of state excise
5 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
6 and vehicle-related fees. The proceeds of such excise taxes and
7 vehicle-related fees are hereby pledged to the payment of any such
8 bonds and the interest thereon, and the legislature hereby agrees to
9 continue to impose the same excise taxes on motor vehicle and special
10 fuels and vehicle-related fees in amounts sufficient to pay, when
11 due, the principal and interest on all such bonds.

12 **Sec. 19.** RCW 47.26.505 and 1999 sp.s. c 1 s 612 are each amended
13 to read as follows:

14 Any funds required to repay such bonds, or the interest thereon
15 when due, shall be taken from that portion of the motor vehicle fund
16 which results from the imposition of excise taxes on motor vehicle
17 and special fuels and which is distributed to the transportation
18 improvement account in the motor vehicle fund under RCW
19 46.68.090(~~((1)(h))~~) (2)(f) and vehicle-related fees in the motor
20 vehicle fund, and shall never constitute a charge against any
21 allocations of any other such funds in the motor vehicle fund to the
22 state, counties, cities, and towns unless and until the amount of the
23 motor vehicle fund arising from vehicle-related fees and the excise
24 tax on motor vehicle and special fuels and distributed to the
25 transportation improvement account proves insufficient to meet the
26 requirements for bond retirement or interest on any such bonds.

27 **Sec. 20.** RCW 47.10.822 and 2013 c 225 s 623 are each amended to
28 read as follows:

29 Bonds issued under the authority of RCW 47.10.819 through
30 47.10.824 must distinctly state that they are a general obligation of
31 the state of Washington, must pledge the full faith and credit of the
32 state to the payment of the principal thereof and the interest
33 thereon, and must contain an unconditional promise to pay such
34 principal and interest as the same becomes due. The principal and
35 interest on the bonds must be first payable in the manner provided in
36 RCW 47.10.819 through 47.10.824 from the proceeds of the state excise
37 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
38 and vehicle-related fees. Proceeds of such excise taxes and vehicle-

1 related fees are hereby pledged to the payment of any bonds and the
2 interest thereon issued under the authority of RCW 47.10.819 through
3 47.10.824, and the legislature agrees to continue to impose these
4 excise taxes on motor vehicle and special fuels and vehicle-related
5 fees in amounts sufficient to pay, when due, the principal and
6 interest on all bonds issued under the authority of RCW 47.10.819
7 through 47.10.824.

8 **Sec. 21.** RCW 47.10.823 and 1993 c 432 s 5 are each amended to
9 read as follows:

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

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

34 Any payments for bond retirement or interest on the bonds taken
35 from other revenues from the motor vehicle fuel or special fuel taxes
36 and vehicle-related fees that are distributed to the state, counties,
37 cities, and towns, shall be repaid from the first revenues from the
38 motor vehicle fuel or special fuel taxes or vehicle-related fees

1 distributed to the motor vehicle fund not required for bond
2 retirement or interest on the bonds.

3 **Sec. 22.** RCW 47.10.824 and 1993 c 432 s 6 are each amended to
4 read as follows:

5 Bonds issued under the authority of RCW 47.10.819 through
6 47.10.823 and this section and any other general obligation bonds of
7 the state of Washington that have been or that may be authorized and
8 that pledge motor vehicle and special fuels excise taxes and vehicle-
9 related fees for the payment of principal and interest thereon shall
10 be an equal charge against the revenues from such motor vehicle and
11 special fuels excise taxes and vehicle-related fees.

12 **Sec. 23.** RCW 47.10.815 and 2013 c 225 s 622 are each amended to
13 read as follows:

14 Bonds issued under the authority of RCW 47.10.812 through
15 47.10.817 must distinctly state that they are a general obligation of
16 the state of Washington, must pledge the full faith and credit of the
17 state to the payment of the principal thereof and the interest
18 thereon, and must contain an unconditional promise to pay such
19 principal and interest as the same becomes due. The principal and
20 interest on the bonds must be first payable in the manner provided in
21 RCW 47.10.812 through 47.10.817 from the proceeds of the state excise
22 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
23 and vehicle-related fees. Proceeds of such excise taxes and vehicle-
24 related fees are hereby pledged to the payment of any bonds and the
25 interest thereon issued under the authority of RCW 47.10.812 through
26 47.10.817, and the legislature agrees to continue to impose these
27 excise taxes on motor vehicle and special fuels and vehicle-related
28 fees in amounts sufficient to pay, when due, the principal and
29 interest on all bonds issued under the authority of RCW 47.10.812
30 through 47.10.817.

31 **Sec. 24.** RCW 47.10.816 and 1993 c 431 s 5 are each amended to
32 read as follows:

33 Both principal and interest on the bonds issued for the purposes
34 of RCW 47.10.812 through 47.10.817 shall be payable from the highway
35 bond retirement fund. The state finance committee may provide that a
36 special account be created in the fund to facilitate payment of the
37 principal and interest. The state finance committee shall, on or

1 before June 30th of each year, certify to the state treasurer the
2 amount required for principal and interest on the bonds in accordance
3 with the bond proceedings. The state treasurer shall withdraw
4 revenues from the special category C account in the motor vehicle
5 fund and deposit in the highway bond retirement fund, or a special
6 account in the fund, such amounts, and at such times, as are required
7 by the bond proceedings.

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

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

28 **Sec. 25.** RCW 47.10.817 and 1993 c 431 s 6 are each amended to
29 read as follows:

30 Bonds issued under the authority of RCW 47.10.812 through
31 47.10.816 and this section and any other general obligation bonds of
32 the state of Washington that have been or that may be authorized and
33 that pledge motor vehicle and special fuels excise taxes and vehicle-
34 related fees for the payment of principal and interest thereon shall
35 be an equal charge against the revenues from such motor vehicle and
36 special fuels excise taxes and vehicle-related fees.

37 **Sec. 26.** RCW 47.02.160 and 2013 c 225 s 611 are each amended to
38 read as follows:

1 Bonds issued under the authority of RCW 47.02.120 through
2 47.02.190 must distinctly state that they are a general obligation of
3 the state of Washington, must pledge the full faith and credit of the
4 state to the payment of the principal thereof and the interest
5 thereon, and must contain an unconditional promise to pay such
6 principal and interest as the same becomes due. The principal and
7 interest on the bonds must be first payable in the manner provided in
8 RCW 47.02.120 through 47.02.190 from the proceeds of the state excise
9 taxes on motor vehicle and special fuels imposed by chapter 82.38 RCW
10 and vehicle-related fees. Proceeds of such excise taxes and vehicle-
11 related fees are hereby pledged to the payment of any bonds and the
12 interest thereon issued under the authority of RCW 47.02.120 through
13 47.02.190, and the legislature agrees to continue to impose these
14 excise taxes on motor vehicle and special fuels and vehicle-related
15 fees in amounts sufficient to pay, when due, the principal and
16 interest on all bonds issued under the authority of RCW 47.02.120
17 through 47.02.190.

18 **Sec. 27.** RCW 47.02.170 and 1990 c 293 s 6 are each amended to
19 read as follows:

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

31 Any funds required for bond retirement or interest on the bonds
32 authorized by RCW 47.02.120 through 47.02.190 shall be taken from
33 that portion of the motor vehicle fund that results from the
34 imposition of excise taxes on motor vehicle and special fuels and
35 vehicle-related fees and that is distributed to the state under RCW
36 46.68.130. Funds required shall never constitute a charge against any
37 other allocations of motor vehicle fuel and special fuel tax revenues
38 and vehicle-related fees to the state, counties, cities, and towns
39 unless the amount arising from excise taxes on motor vehicle and

1 special fuels and vehicle-related fees distributed to the state under
2 RCW 46.68.130 proves insufficient to meet the requirements for bond
3 retirement or interest on any such bonds.

4 **Sec. 28.** RCW 47.02.190 and 1990 c 293 s 8 are each amended to
5 read as follows:

6 Bonds issued under the authority of RCW 47.02.120 through
7 47.02.180 and this section and any other general obligation bonds of
8 the state of Washington that have been or that may be authorized and
9 that pledge motor vehicle and special fuels excise taxes and vehicle-
10 related fees for the payment of principal and interest thereon shall
11 be an equal charge against the revenues from such motor vehicle and
12 special fuels excise taxes and vehicle-related fees.

13 **Sec. 29.** RCW 47.26.424 and 2013 c 225 s 630 are each amended to
14 read as follows:

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

31 **Sec. 30.** RCW 47.26.4252 and 2013 c 225 s 631 are each amended to
32 read as follows:

33 Any funds required to repay the authorization of series II bonds
34 authorized by RCW 47.26.420, as reenacted by section 3, chapter 5,
35 Laws of 1979, or the interest thereon when due, must first be taken
36 from that portion of the motor vehicle fund which results from the
37 imposition of excise taxes on motor vehicle and special fuels imposed

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

22 **Sec. 31.** RCW 47.26.4254 and 2013 c 225 s 632 are each amended to
23 read as follows:

24 (1) Any funds required to repay series III bonds authorized by
25 RCW 47.26.420, or the interest thereon, when due must first be taken
26 from that portion of the motor vehicle fund that results from the
27 imposition of excise taxes on motor vehicle and special fuels imposed
28 by chapter 82.38 RCW and that is distributed to the transportation
29 improvement account in the motor vehicle fund pursuant to RCW
30 46.68.090(2)(e), subject, however, to the prior lien of the first
31 authorization of bonds authorized by RCW 47.26.420 and vehicle-
32 related fees in the motor vehicle fund. If the vehicle-related fees
33 in the motor vehicle fund and moneys (~~(se)~~) distributed to the
34 transportation improvement account, after first being applied to
35 administrative expenses of the transportation improvement board and
36 to the requirements of bond retirement and payment of interest on
37 first authorization bonds and series II bonds as provided in RCW
38 47.26.425 and 47.26.4252, are insufficient to meet the requirements
39 for bond retirement or interest on any series III bonds, the amount

1 required to make such payments on series III bonds or interest
2 thereon must next be taken from that portion of the motor vehicle
3 fund that results from the imposition of excise taxes on motor
4 vehicle and special fuels and vehicle-related fees and that is
5 distributed to the state, counties, cities, and towns (~~pursuant to~~
6 ~~RCW 46.68.090~~), subject, however, to subsection (2) of this section.

7 (2) To the extent that vehicle-related fees in the motor vehicle
8 fund and moneys (~~se~~) distributed to the transportation improvement
9 account are insufficient to meet the requirements for bond retirement
10 or interest on any series III bonds, sixty percent of the amount
11 required to make such payments when due must first be taken from that
12 portion of the motor vehicle fund that results from the imposition of
13 excise taxes on motor vehicle and special fuels and vehicle-related
14 fees and that is distributed to the state. The remaining forty
15 percent must first be taken from that portion of the motor vehicle
16 fund that results from vehicle-related fees and the imposition of
17 excise taxes on motor vehicle and special fuels and that is
18 distributed to the cities (~~and~~), and towns (~~pursuant to~~ ~~RCW~~
19 ~~46.68.090(2)(g)~~), and (~~to the~~) counties (~~pursuant to~~ ~~RCW~~
20 ~~46.68.090(2)(h)~~). Of the counties', cities', and towns' share of any
21 additional amounts required in each fiscal year, the percentage
22 thereof to be taken from the counties' distributive share and from
23 the cities' and towns' distributive share must correspond to the
24 percentage of funds authorized for specific county projects and for
25 specific city and town projects, respectively, from the proceeds of
26 series III bonds, for the period through the first eleven months of
27 the prior fiscal year as determined by the chair of the
28 transportation improvement board and reported to the state finance
29 committee and the state treasurer not later than the first working
30 day of June.

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

38 **Sec. 32.** RCW 47.26.4255 and 1979 c 5 s 9 are each amended to
39 read as follows:

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

11 NEW SECTION. **Sec. 33.** The amendments made in sections 3 through
12 32 of this act to any highway bond act shall apply only to the
13 highway bonds that have been authorized to be issued but that have
14 not yet been issued and are not outstanding on the effective date of
15 this section and are issued after the effective date of this section.

16 **Sec. 34.** RCW 39.53.120 and 2005 c 487 s 7 are each amended to
17 read as follows:

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

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

31 (3) For all refunding bonds previously or hereafter issued by the
32 state of Washington under this chapter, the state treasurer shall
33 transfer from the designated funds or accounts the amount necessary
34 for the payment of principal of and interest on the refunding bonds
35 to the applicable bond retirement account for such refunding bonds on
36 each date on which the interest or principal and interest payment is
37 due on such refunding bonds unless an earlier transfer date, as

1 determined by the state finance committee, is necessary or
2 appropriate to the financial framework of the refunding bonds.

Passed by the Senate February 9, 2022.

Passed by the House March 8, 2022.

Approved by the Governor March 17, 2022.

Filed in Office of Secretary of State March 17, 2022.

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