S-0346.1

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**SENATE BILL 5276**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senators King and Liias

AN ACT Relating to avoiding interest arbitrage charges on bond proceeds in the capital vessel replacement account; amending 2022 c 186 s 406 (uncodified); and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that delays in the procurement of additional ferry boat vessels have correspondingly delayed the time frame in which the proceeds of bonds issued for that purpose may be spent. The legislature further finds that, absent timely legislative action, the state may be subject to internal revenue service arbitrage rebate penalties for failure to expend the bond proceeds in a timely manner. It is the intent of the legislature to repurpose the bond proceeds to allow the department of transportation to spend the funds within internal revenue service timelines.

**Sec.**  2022 c 186 s 406 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

(1) Highway Safety Account—State Appropriation:

For transfer to the State Patrol Highway

Account—State $47,000,000

(2)((~~(a) Transportation Partnership Account—State~~

~~Appropriation: For transfer to the Capital Vessel~~

~~Replacement Account—State~~ ~~$45,468,000~~

~~(b) The amount transferred in this subsection represents proceeds from the sale of bonds authorized in RCW 47.10.873.~~

~~(3)~~))(a) Transportation Partnership Account—State

Appropriation: For transfer to the Tacoma Narrows Toll Bridge Account—State $30,293,000

(b) It is the intent of the legislature that this transfer is temporary, for the purpose of minimizing the impact of toll increases. An equivalent reimbursing transfer is to occur after the debt service and deferred sales tax on the Tacoma Narrows bridge construction costs are fully repaid in accordance with chapter 195, Laws of 2018.

((~~(4)~~)) (3)(a) Motor Vehicle Account—State Appropriation:

For transfer to Alaskan Way Viaduct Replacement Project

Account—State $6,000,000

(b) The funds provided in (a) of this subsection are a loan to the Alaskan Way viaduct replacement project account—state, and the legislature assumes that these funds will be reimbursed to the motor vehicle account—state at a later date when traffic on the toll facility has recovered from the COVID-19 pandemic.

((~~(5)~~)) (4) Motor Vehicle Account—State Appropriation:

For transfer to the County Arterial Preservation

Account—State $7,666,000

((~~(6)~~)) (5) Motor Vehicle Account—State Appropriation:

For transfer to the Freight Mobility Investment

Account—State $5,511,000

((~~(7)~~)) (6) Motor Vehicle Account—State Appropriation:

For transfer to the Rural Arterial Trust Account—State $9,331,000

((~~(8)~~)) (7) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Improvement

Account—State $9,688,000

((~~(9)~~)) (8) Rural Mobility Grant Program Account—State

Appropriation: For transfer to the Multimodal

Transportation Account—State $3,000,000

((~~(10)~~)) (9)(a) State Route Number 520 Civil Penalties

Account—State Appropriation: For transfer to the

Motor Vehicle Account—State

 $2,000,000

(b) The transfer in this subsection is to repay moneys loaned to the state route number 520 civil penalties account in the 2019-2021 fiscal biennium.

((~~(11)~~)) (10) State Route Number 520 Civil Penalties

Account—State Appropriation: For transfer to the

State Route Number 520 Corridor Account—State $1,532,000

((~~(12)~~)) (11) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $35,000,000

((~~(13)~~)) (12)(a) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Transportation

Partnership Account—State ((~~$1,542,000~~))

 $35,547,000

(b) The amount transferred in this subsection represents ((~~repayment of debt service incurred for the construction of the Hybrid Electric Olympic Class (144-auto) Vessel #5 project (L2000329)~~)) proceeds from the sale of bonds authorized in the 2019-2021 biennium in RCW 47.10.873.

((~~(14)~~)) (13) Multimodal Transportation Account—State

Appropriation: For transfer to the Complete Streets

Grant Program Account—State $14,670,000

((~~(15)~~)) (14) Multimodal Transportation Account—State

Appropriation: For transfer to the Connecting

Washington Account—State $200,000,000

((~~(16)~~)) (15) Multimodal Transportation Account—State

Appropriation: For transfer to the Freight Mobility

Multimodal Account—State $4,011,000

((~~(17)~~)) (16) Multimodal Transportation Account—State

Appropriation: For transfer to the Ignition Interlock

Device Revolving Account—State $600,000

((~~(18)~~)) (17) Multimodal Transportation Account—State

Appropriation: For transfer to the Pilotage

Account—State $2,000,000

((~~(19)~~)) (18) Multimodal Transportation Account—State

Appropriation: For transfer to the Puget Sound

Capital Construction Account—State $816,700,000

((~~(20)~~)) (19) Multimodal Transportation Account—State

Appropriation: For transfer to the Regional Mobility

Grant Program Account—State $27,679,000

((~~(21)~~)) (20) Multimodal Transportation Account—State

Appropriation: For transfer to the Rural Mobility

Grant Program Account—State $15,223,000

((~~(22)~~)) (21)(a) Alaskan Way Viaduct Replacement Project

Account—State Appropriation: For transfer to the

Transportation Partnership Account—State $22,884,000

(b) The amount transferred in this subsection represents repayment of debt service incurred for the construction of the SR 99/Alaskan Way Viaduct Replacement project (809936Z).

((~~(23)~~)) (22) Tacoma Narrows Toll Bridge Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $950,000

((~~(24)~~)) (23) Puget Sound Ferry Operations Account—State

Appropriation: For transfer to the Puget Sound

Capital Construction Account—State $60,000,000

((~~(25)~~)) (24)(a) General Fund Account—State

Appropriation: For transfer to the State Patrol

Highway Account—State $625,000

(b) The state treasurer shall transfer the funds only after receiving notification from the Washington state patrol under section 207(2), chapter 333, Laws of 2021.

((~~(26)~~)) (25) Motor Vehicle Account—State

Appropriation: For transfer to the Puget Sound

Capital Construction Account—State $30,000,000

((~~(27)~~)) (26) Multimodal Transportation Account—State

Appropriation: For transfer to the I-405 and SR 167

Express Toll Lanes Account—State $268,433,000

((~~(28)~~)) (27) Multimodal Transportation Account—State

Appropriation: For transfer to the Move Ahead WA

Account—State $874,081,000

((~~(29)~~)) (28) Multimodal Transportation Account—State

Appropriation: For transfer to the State Route

Number 520 Corridor Account—State $70,786,000

((~~(30)~~)) (29) Motor Vehicle Account—State

Appropriation: For transfer to the Connecting Washington

Account—State $80,000,000

((~~(31)~~)) (30) Move Ahead WA Account—State

Appropriation: For transfer to the Connecting Washington

Account—State $600,000,000

((~~(32)~~)) (31) Transportation Improvement Account—State

Appropriation: For transfer to the Transportation

Improvement Board Bond Retirement Account $6,451,550

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