
SUBSTITUTE HOUSE BILL 1103

State of Washington

68th Legislature

2023 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Barkis, and Wylie)

READ FIRST TIME 01/24/23.

1 AN ACT Relating to avoiding interest arbitrage charges on bond
2 proceeds in the capital vessel replacement account; amending 2022 c
3 186 s 406 (uncodified); creating a new section; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that delays in the
7 procurement process for acquiring additional ferry boat vessels have
8 correspondingly delayed the time frame in which the proceeds of bonds
9 issued for that purpose may be spent from the capital vessel
10 replacement account. The legislature further finds that, absent
11 timely legislative action, the state may incur internal revenue
12 service arbitrage rebate liability as a result of an inability to
13 expend the bond proceeds in a timely manner. It is the intent of the
14 legislature to repurpose the use of the bond proceeds to allow the
15 department of transportation to spend the funds within internal
16 revenue service timelines.

17 **Sec. 2.** 2022 c 186 s 406 (uncodified) is amended to read as
18 follows:

19 **FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

20 (1) Highway Safety Account—State Appropriation:

1 For transfer to the State Patrol Highway
2 Account—State. \$47,000,000
3 (2) ~~((1) Transportation Partnership Account—State~~
4 ~~Appropriation: For transfer to the Capital Vessel~~
5 ~~Replacement Account—State. \$45,468,000~~
6 ~~(b) The amount transferred in this subsection represents proceeds~~
7 ~~from the sale of bonds authorized in RCW 47.10.873.~~
8 ~~((3)) (a) Transportation Partnership Account—State~~
9 ~~Appropriation: For transfer to the Tacoma Narrows Toll Bridge Account~~
10 ~~—State. \$30,293,000~~
11 (b) It is the intent of the legislature that this transfer is
12 temporary, for the purpose of minimizing the impact of toll
13 increases. An equivalent reimbursing transfer is to occur after the
14 debt service and deferred sales tax on the Tacoma Narrows bridge
15 construction costs are fully repaid in accordance with chapter 195,
16 Laws of 2018.
17 ~~((4)) (3) (a) Motor Vehicle Account—State Appropriation:~~
18 ~~For transfer to Alaskan Way Viaduct Replacement Project~~
19 ~~Account—State. \$6,000,000~~
20 (b) The funds provided in (a) of this subsection are a loan to
21 the Alaskan Way viaduct replacement project account—state, and the
22 legislature assumes that these funds will be reimbursed to the motor
23 vehicle account—state at a later date when traffic on the toll
24 facility has recovered from the COVID-19 pandemic.
25 ~~((5)) (4) Motor Vehicle Account—State Appropriation:~~
26 ~~For transfer to the County Arterial Preservation~~
27 ~~Account—State. \$7,666,000~~
28 ~~((6)) (5) Motor Vehicle Account—State Appropriation:~~
29 ~~For transfer to the Freight Mobility Investment~~
30 ~~Account—State. \$5,511,000~~
31 ~~((7)) (6) Motor Vehicle Account—State Appropriation:~~
32 ~~For transfer to the Rural Arterial Trust Account—State. . . \$9,331,000~~
33 ~~((8)) (7) Motor Vehicle Account—State Appropriation:~~
34 ~~For transfer to the Transportation Improvement~~
35 ~~Account—State. \$9,688,000~~
36 ~~((9)) (8) Rural Mobility Grant Program Account—State~~
37 ~~Appropriation: For transfer to the Multimodal~~
38 ~~Transportation Account—State. \$3,000,000~~
39 ~~((10)) (9) (a) State Route Number 520 Civil Penalties~~

1 Account—State Appropriation: For transfer to the
2 Motor Vehicle Account—State
3 \$2,000,000
4 (b) The transfer in this subsection is to repay moneys loaned to
5 the state route number 520 civil penalties account in the 2019-2021
6 fiscal biennium.
7 ((~~11~~)) (10) State Route Number 520 Civil Penalties
8 Account—State Appropriation: For transfer to the
9 State Route Number 520 Corridor Account—State. \$1,532,000
10 ((~~12~~)) (11) Capital Vessel Replacement Account—State
11 Appropriation: For transfer to the Connecting
12 Washington Account—State. \$35,000,000
13 ((~~13~~)) (12)(a) Capital Vessel Replacement Account—State
14 Appropriation: For transfer to the Transportation
15 Partnership Account—State. ((~~\$1,542,000~~))
16 \$35,547,000
17 (b) The amount transferred in this subsection represents
18 ((~~repayment of debt service incurred for the construction of the~~
19 ~~Hybrid Electric Olympic Class (144-auto) Vessel #5 project~~
20 ~~(L2000329)~~)) proceeds from the sale of bonds authorized in the
21 2019-2021 biennium in RCW 47.10.873.
22 ((~~14~~)) (13) Multimodal Transportation Account—State
23 Appropriation: For transfer to the Complete Streets
24 Grant Program Account—State. \$14,670,000
25 ((~~15~~)) (14) Multimodal Transportation Account—State
26 Appropriation: For transfer to the Connecting
27 Washington Account—State. \$200,000,000
28 ((~~16~~)) (15) Multimodal Transportation Account—State
29 Appropriation: For transfer to the Freight Mobility
30 Multimodal Account—State. \$4,011,000
31 ((~~17~~)) (16) Multimodal Transportation Account—State
32 Appropriation: For transfer to the Ignition Interlock
33 Device Revolving Account—State. \$600,000
34 ((~~18~~)) (17) Multimodal Transportation Account—State
35 Appropriation: For transfer to the Pilotage
36 Account—State. \$2,000,000
37 ((~~19~~)) (18) Multimodal Transportation Account—State
38 Appropriation: For transfer to the Puget Sound
39 Capital Construction Account—State. \$816,700,000

1 ~~((20))~~ (19) Multimodal Transportation Account—State
2 Appropriation: For transfer to the Regional Mobility
3 Grant Program Account—State. \$27,679,000
4 ~~((21))~~ (20) Multimodal Transportation Account—State
5 Appropriation: For transfer to the Rural Mobility
6 Grant Program Account—State. \$15,223,000
7 ~~((22))~~ (21)(a) Alaskan Way Viaduct Replacement Project
8 Account—State Appropriation: For transfer to the
9 Transportation Partnership Account—State. \$22,884,000
10 (b) The amount transferred in this subsection represents
11 repayment of debt service incurred for the construction of the SR 99/
12 Alaskan Way Viaduct Replacement project (809936Z).
13 ~~((23))~~ (22) Tacoma Narrows Toll Bridge Account—State
14 Appropriation: For transfer to the Motor Vehicle
15 Account—State. \$950,000
16 ~~((24))~~ (23) Puget Sound Ferry Operations Account—State
17 Appropriation: For transfer to the Puget Sound
18 Capital Construction Account—State. \$60,000,000
19 ~~((25))~~ (24)(a) General Fund Account—State
20 Appropriation: For transfer to the State Patrol
21 Highway Account—State. \$625,000
22 (b) The state treasurer shall transfer the funds only after
23 receiving notification from the Washington state patrol under section
24 207(2), chapter 333, Laws of 2021.
25 ~~((26))~~ (25) Motor Vehicle Account—State
26 Appropriation: For transfer to the Puget Sound
27 Capital Construction Account—State. \$30,000,000
28 ~~((27))~~ (26) Multimodal Transportation Account—State
29 Appropriation: For transfer to the I-405 and SR 167
30 Express Toll Lanes Account—State. \$268,433,000
31 ~~((28))~~ (27) Multimodal Transportation Account—State
32 Appropriation: For transfer to the Move Ahead WA
33 Account—State. \$874,081,000
34 ~~((29))~~ (28) Multimodal Transportation Account—State
35 Appropriation: For transfer to the State Route
36 Number 520 Corridor Account—State. \$70,786,000
37 ~~((30))~~ (29) Motor Vehicle Account—State
38 Appropriation: For transfer to the Connecting Washington
39 Account—State. \$80,000,000

1 (~~(31)~~) (30) Move Ahead WA Account—State
2 Appropriation: For transfer to the Connecting Washington
3 Account—State. \$600,000,000

4 (~~(32)~~) (31) Transportation Improvement Account—State
5 Appropriation: For transfer to the Transportation
6 Improvement Board Bond Retirement Account. \$6,451,550

7 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of
9 the state government and its existing public institutions, and takes
10 effect immediately.

(End of Bill)

STATE TREASURER

ADMINISTRATIVE TRANSFERS. 1

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