

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1103**

Chapter 2, Laws of 2023

68th Legislature  
2023 Regular Session

CAPITAL VESSEL REPLACEMENT ACCOUNT—BOND PROCEEDS

EFFECTIVE DATE: February 16, 2023

Passed by the House February 1, 2023  
Yeas 97 Nays 0

LAURIE JINKINS

**Speaker of the House of  
Representatives**

Passed by the Senate February 8, 2023  
Yeas 49 Nays 0

DENNY HECK

**President of the Senate**

Approved February 16, 2023 9:47 AM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1103** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

February 16, 2023

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1103**

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Passed Legislature - 2023 Regular Session

**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



STATE TREASURER

ADMINISTRATIVE TRANSFERS. . . . . 1

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