Proposed Substitute House Bill 1975
H-2391.2/13

By Representative Clibborn

Original bill:
• Authorizes the State Finance Committee to issue up to $450 million in state general obligation bonds or toll revenue bonds to finance the Columbia River Crossing (CRC) project on Interstate 5.

Substitute bill compared to original bill:
• Authorizes the State Finance Committee to issue up to $650 million in toll revenue bonds, but not general obligation bonds, to finance the CRC project.
• Resets the authority for the Transportation Commission to set, adjust, and review toll rates for tolls on the CRC.

Committee: House Transportation Committee
Staff: Mark Matteson (786-7145)
Office of Program Research
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: H-2391.2/13 2nd draft

ATTY/TYPIST: BP:1el

BRIEF DESCRIPTION: Authorizing toll revenue bonds for the financing of the Columbia river crossing project.
AN ACT Relating to the authorization of bonds for the financing of the Columbia river crossing project; amending RCW 47.10.882 and 47.56.894; adding new sections to chapter 47.10 RCW; and providing a contingent effective date.

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

NEW SECTION. Sec. 1. In order to provide funds necessary for the location, design, right-of-way, and construction of the Columbia river crossing project, there shall be issued and sold upon the request of the department of transportation up to six hundred fifty million dollars of toll revenue bonds of the state of Washington in accordance with sections 2 through 5 of this act. Each such bond shall contain a recital that payment or redemption of the bond and payment of the interest and any premium thereon is payable solely from and secured solely by a direct pledge and charge upon toll revenue and is not a general obligation of the state to which the full faith and credit of the state is pledged.

Toll revenue is hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this act, and the legislature agrees to continue to impose or cause to be imposed these
toll charges on the Columbia river crossing project, in amounts
sufficient to pay, when due, the principal and interest on all bonds
issued under the authority of this act.

NEW SECTION. Sec. 2. Upon the request of the department of
transportation, and in consultation with the tolling authority, the
state finance committee shall supervise and provide for the issuance,
sale, and retirement of the bonds authorized by this act in accordance
with chapter 39.42 RCW. Bonds authorized by this act shall be sold in
the manner, at time or times, in amounts, and at the price as the state
finance committee shall determine. No bonds may be offered for sale
without prior legislative appropriation of the net proceeds of the sale
of the bonds.

NEW SECTION. Sec. 3. The proceeds from the sale of bonds
authorized by this act shall be deposited in the Columbia river
crossing project account created under RCW 47.56.894 and shall be
available only for the purposes enumerated in section 1 of this act,
for the payment of bond anticipation notes or other interim financing,
if any, capitalizing interest on the bonds, and for the payment of bond
issuance costs, including the costs of underwriting.

NEW SECTION. Sec. 4. The state finance committee may determine
and include in any resolution authorizing the issuance of any bonds
under this act such terms, provisions, covenants, and conditions as it
may deem appropriate in order to assist with the marketing and sale of
the bonds, confer rights upon the owners of bonds, and safeguard rights
of the owners of bonds including, among other things:

(1) Provisions regarding the maintenance and operation of eligible
toll facilities;

(2) The pledges, uses, and priorities of application of toll
revenue;

(3) Provisions that bonds shall be payable from and secured solely
by toll revenue as provided by this act;

(4) In consultation with the department of transportation, the
tolling authority, and the office of financial management, financial
covenants requiring that the eligible toll facilities must produce
specified coverage ratios of toll revenue to debt service on bonds;
(5) The purposes and conditions that must be satisfied prior to the issuance of any additional bonds that are to be payable from and secured by any toll revenue on an equal basis with previously issued and outstanding bonds payable from and secured by toll revenue;

(6) Provisions that bonds for which any toll revenue are pledged, or for which a pledge of any toll revenue may be reserved, may be structured on a senior, parity, subordinate, or special lien basis in relation to any other bonds for which toll revenue is pledged, with respect to toll revenue only; and

(7) Provisions regarding reserves, credit enhancement, liquidity facilities, and payment agreements with respect to bonds.

Notwithstanding the foregoing, covenants and conditions detailing the character of management, maintenance, and operation of eligible toll facilities, insurance for eligible toll facilities, financial management of toll revenue, and disposition of eligible toll facilities must first be approved by the department of transportation.

The owner of any bond may by mandamus or other appropriate proceeding require and compel performance of any duties imposed upon the tolling authority and the department of transportation and their respective officials, including any duties imposed upon or undertaken by them or by their respective officers, agents, and employees, in connection with the construction, maintenance, and operation of eligible toll facilities and in connection with the collection, deposit, investment, application, and disbursement of the proceeds of the bonds and toll revenue.

NEW SECTION. Sec. 5. For the purposes of this act, "toll revenue" means all toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities. However, for the purpose of any pledge of toll revenue to the payment of particular bonds issued under this act, "toll revenue" means and includes only such toll revenue or portion thereof that is pledged to the payment of those bonds in the resolution authorizing the issuance of such bonds. Toll revenue constitutes "fees and revenues derived from the ownership or operation of any undertaking, facility, or project" as that phrase is used in Article VIII, section 1(c)(1) of the state Constitution.
For the purposes of this act, "tolling authority" has the same meaning as in RCW 47.56.810.

Sec. 6. RCW 47.10.882 and 2011 c 377 s 3 are each amended to read as follows:

The toll facility bond retirement account is created in the state treasury for the purpose of payment of the principal of and interest and premium on bonds. Both principal of and interest on the bonds issued for the purposes of chapter 498, Laws of 2009 (and) chapter 377, Laws of 2011, and this act shall be payable from the toll facility bond retirement account. The state finance committee may provide that special subaccounts be created in the account to facilitate payment of the principal of and interest on the bonds. 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.

Sec. 7. RCW 47.56.894 and 2012 c 36 s 3 are each amended to read as follows:

(1) A special account to be known as the Columbia river crossing project account is created in the state treasury.

(2) Deposits to the account must include:

(a) All proceeds of bonds and loans issued for the Columbia river crossing project, including any capitalized interest;

(b) All tolls and other revenues received from the operation of the Columbia river crossing project as a toll facility to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for the Columbia river crossing project;

(e) All damages, liquidated or otherwise, collected under any contract involving the Columbia river crossing project.

(3) Subject to the covenants made by the state in the bond proceedings authorizing the issuance and sale of bonds for the Columbia river crossing project, toll charges, other revenues, and interest received from the operation of the Columbia river crossing project as
a toll facility may be used to pay any required costs allowed under RCW 47.56.820. The state treasurer may establish subaccounts for the purpose of segregating toll charges, bond sale proceeds, and other revenues.

Sec. 8. RCW 47.56.892 and 2012 c 36 s 4 are each amended to read as follows:

For the Columbia river crossing project, the tolling authority may set, adjust, and review toll rates and may enter into agreements with the Oregon state transportation commission regarding the mutual or joint setting, adjustment, and review of toll rates as the tolling authority may find necessary to carry out the purposes of this section. Any agreement between the tolling authority and the Oregon state transportation commission made pursuant to this section takes effect, and is not binding and enforceable until, thirty days after adjournment of the ((next ensuing)) 2013 regular legislative session. If the tolling authority has not entered into an agreement with the Oregon state transportation commission by December 31, 2015, this section expires.

NEW SECTION. Sec. 9. Sections 1 through 5 of this act are each added to chapter 47.10 RCW.

NEW SECTION. Sec. 10. Section 7 of this act takes effect if the requirements set out in section 7, chapter 36, Laws of 2012 are met.

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