BILL REQ. #: H-2616.3/15 3rd draft
ATTY/TYPIST: BP:eab
BRIEF DESCRIPTION: Authorizing bonds for the financing of transportation projects.
AN ACT Relating to the authorization of bonds for the financing of transportation projects; amending RCW 47.10.---, 47.10.---, and 47.10.---; adding new sections to chapter 47.10 RCW; providing effective dates; providing an expiration date; providing a contingent effective date; and declaring an emergency.

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 selected projects or improvements that are identified as connecting Washington projects or improvements in an omnibus transportation appropriations act, there shall be issued and sold upon the request of the department of transportation a total of four billion two hundred eighty-five million dollars of general obligation bonds of the state of Washington.

NEW SECTION. Sec. 2. Upon the request of the department of transportation, as appropriate, the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds in 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.

The state finance committee shall consider the issuance of short-term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

NEW SECTION. Sec. 3. The proceeds from the sale of bonds authorized by section 1 of this act shall be deposited in the connecting Washington account in the motor vehicle fund. The proceeds shall be available only for the purposes enumerated in section 1 of this act, for the payment of bond anticipation notes, if any, and for the payment of bond issuance costs, including the costs of underwriting.

NEW SECTION. Sec. 4. Bonds issued under the authority of this section and sections 1 through 3, 5, and 6 of this act shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal and interest on the bonds shall be first payable in the manner provided in this section and sections 1 through 3, 5, and 6 of this act from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapters 82.36 and 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and sections 1 through 3, 5, and 6 of this act, and the legislature agrees to continue to impose these excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts from such sources sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and sections 1 through 3, 5, and 6 of this act.

NEW SECTION. Sec. 5. Both principal and interest on the bonds issued for the purposes of this section and sections 1 through 4 and
6 of this act shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. 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. The state treasurer shall withdraw revenues from the connecting Washington account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

Any funds required for bond retirement or interest on the bonds authorized by this section and sections 1 through 4 and 6 of this act shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees, and that is distributed to the connecting Washington account in the motor vehicle fund. Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax and vehicle-related fee revenues to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the connecting Washington account proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees distributed to the connecting Washington account not required for bond retirement or interest on the bonds.

NEW SECTION. Sec. 6. Bonds issued under the authority of sections 1 through 5 of this act and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.
Sec. 7. RCW 47.10.--- and 2015 c ... s 4 (section 4 of this act) are each amended to read as follows:

Bonds issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act) shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal and interest on the bonds shall be first payable in the manner provided in this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act) from the proceeds of the state excise taxes on ((motor vehicle and special)) fuel((e)) imposed by chapter((82.36 and)) 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act), and the legislature agrees to continue to impose these excise taxes on ((motor vehicle and special)) fuel((e)) and vehicle-related fees in amounts from such sources sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act).

Sec. 8. RCW 47.10.--- and 2015 c ... s 5 (section 5 of this act) are each amended to read as follows:

Both principal and interest on the bonds issued for the purposes of this section and RCW 47.10.--- through 47.10.--- and 47.10.--- (sections 1 through 4 and 6 of this act) shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. 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. The state treasurer shall withdraw revenues from the connecting Washington account in the motor vehicle Code Rev/BP:eab
fund and deposit in the highway bond retirement fund, or a special
account in the fund, such amounts, and at such times, as are required
by the bond proceedings.

Any funds required for bond retirement or interest on the bonds
authorized by this section and RCW 47.10.--- through 47.10.--- and
47.10.--- (sections 1 through 4 and 6 of this act) shall be taken
from that portion of the motor vehicle fund that results from the
imposition of excise taxes on ((motor vehicle and special)) fuel((s))
and vehicle-related fees, and that is distributed to the connecting
Washington account in the motor vehicle fund. Funds required shall
never constitute a charge against any other allocations of ((motor
vehicle fuel and special)) fuel tax and vehicle-related fee revenues
to the state, counties, cities, and towns unless the amount arising
from excise taxes on ((motor vehicle and special)) fuel((s)) and
vehicle-related fees distributed to the connecting Washington account
proves insufficient to meet the requirements for bond retirement or
interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken
from other revenues from the ((motor vehicle fuel or special)) fuel
taxes and vehicle-related fees that are distributable to the state,
counties, cities, and towns shall be repaid from the first revenues
from the ((motor vehicle fuel or special)) fuel taxes and vehicle-
related fees distributed to the connecting Washington account not
required for bond retirement or interest on the bonds.

Sec. 9. RCW 47.10.--- and 2015 c ... (section 6 of this act) are
each amended to read as follows:

Bonds issued under the authority of RCW 47.10.--- through
47.10.--- (sections 1 through 5 of this act) and this section and any
other general obligation bonds of the state of Washington that have
been or that may be authorized and that pledge ((motor vehicle and
special)) fuel((s)) excise taxes and vehicle-related fees for the
payment of principal and interest thereon shall be an equal charge
against the revenues from such ((motor vehicle and special))
fuel((s)) excise taxes and vehicle-related fees.

NEW SECTION. Sec. 10. Sections 1 through 6 of this act are each
added to chapter 47.10 RCW.
NEW SECTION. Sec. 11. Except for sections 7 through 9 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2015.

NEW SECTION. Sec. 12. Sections 4 through 6 of this act expire July 1, 2016.

NEW SECTION. Sec. 13. Sections 7 through 9 of this act take effect July 1, 2016.

NEW SECTION. Sec. 14. This act takes effect only if chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 is enacted by June 30, 2015.

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