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**SUBSTITUTE HOUSE BILL 1298**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** House Transportation (originally sponsored by Representatives Clibborn and Fey; by request of Governor Inslee)

1 AN ACT Relating to the authorization of bonds for the financing  
2 of transportation projects; amending RCW 47.10.---, 47.10.---, and  
3 47.10.---; adding new sections to chapter 47.10 RCW; providing  
4 effective dates; providing an expiration date; providing a contingent  
5 effective date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** In order to provide funds necessary for  
8 the location, design, right-of-way, and construction of selected  
9 projects or improvements that are identified as connecting Washington  
10 projects or improvements in an omnibus transportation appropriations  
11 act, there shall be issued and sold upon the request of the  
12 department of transportation a total of four billion two hundred  
13 eighty-five million dollars of general obligation bonds of the state  
14 of Washington.

15 NEW SECTION. **Sec. 2.** Upon the request of the department of  
16 transportation, as appropriate, the state finance committee shall  
17 supervise and provide for the issuance, sale, and retirement of the  
18 bonds in this act in accordance with chapter 39.42 RCW. Bonds  
19 authorized by this act shall be sold in the manner, at time or times,  
20 in amounts, and at the price as the state finance committee shall

1 determine. No bonds may be offered for sale without prior legislative  
2 appropriation of the net proceeds of the sale of the bonds.

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

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

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

36 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds  
37 issued for the purposes of this section and sections 1 through 4 and

1 6 of this act shall be payable from the highway bond retirement fund.  
2 The state finance committee may provide that a special account be  
3 created in the fund to facilitate payment of the principal and  
4 interest. The state finance committee shall, on or before June 30th  
5 of each year, certify to the state treasurer the amount required for  
6 principal and interest on the bonds in accordance with the bond  
7 proceedings. The state treasurer shall withdraw revenues from the  
8 connecting Washington account in the motor vehicle fund and deposit  
9 in the highway bond retirement fund, or a special account in the  
10 fund, such amounts, and at such times, as are required by the bond  
11 proceedings.

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

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

32 NEW SECTION. **Sec. 6.** Bonds issued under the authority of  
33 sections 1 through 5 of this act and this section and any other  
34 general obligation bonds of the state of Washington that have been or  
35 that may be authorized and that pledge motor vehicle and special  
36 fuels excise taxes and vehicle-related fees for the payment of  
37 principal and interest thereon shall be an equal charge against the  
38 revenues from such motor vehicle and special fuels excise taxes and  
39 vehicle-related fees.

1       **Sec. 7.** RCW 47.10.--- and 2015 c ... s 4 (section 4 of this act)  
2 are each amended to read as follows:

3       Bonds issued under the authority of this section and RCW  
4 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1  
5 through 3, 5, and 6 of this act) shall distinctly state that they are  
6 a general obligation of the state of Washington, shall pledge the  
7 full faith and credit of the state to the payment of the principal  
8 thereof and the interest thereon, and shall contain an unconditional  
9 promise to pay such principal and interest as the same shall become  
10 due. The principal and interest on the bonds shall be first payable  
11 in the manner provided in this section and RCW 47.10.--- through  
12 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6  
13 of this act) from the proceeds of the state excise taxes on (~~motor~~  
14 ~~vehicle and special~~) fuel(~~(s)~~) imposed by chapter(~~(s 82.36 and)~~)  
15 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that  
16 constitute license fees for motor vehicles required to be used for  
17 highway purposes. Proceeds of these excise taxes and vehicle-related  
18 fees are hereby pledged to the payment of any bonds and the interest  
19 thereon issued under the authority of this section and RCW 47.10.---  
20 through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5,  
21 and 6 of this act), and the legislature agrees to continue to impose  
22 these excise taxes on (~~motor vehicle and special~~) fuel(~~(s)~~) and  
23 vehicle-related fees in amounts from such sources sufficient to pay,  
24 when due, the principal and interest on all bonds issued under the  
25 authority of this section and RCW 47.10.--- through 47.10.---,  
26 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this  
27 act).

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

30       Both principal and interest on the bonds issued for the purposes  
31 of this section and RCW 47.10.--- through 47.10.--- and 47.10.---  
32 (sections 1 through 4 and 6 of this act) shall be payable from the  
33 highway bond retirement fund. The state finance committee may provide  
34 that a special account be created in the fund to facilitate payment  
35 of the principal and interest. The state finance committee shall, on  
36 or before June 30th of each year, certify to the state treasurer the  
37 amount required for principal and interest on the bonds in accordance  
38 with the bond proceedings. The state treasurer shall withdraw  
39 revenues from the connecting Washington account in the motor vehicle

1 fund and deposit in the highway bond retirement fund, or a special  
2 account in the fund, such amounts, and at such times, as are required  
3 by the bond proceedings.

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

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

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

27 Bonds issued under the authority of RCW 47.10.--- through  
28 47.10.--- (sections 1 through 5 of this act) and this section and any  
29 other general obligation bonds of the state of Washington that have  
30 been or that may be authorized and that pledge (~~motor vehicle and  
31 special~~) fuel((s)) excise taxes and vehicle-related fees for the  
32 payment of principal and interest thereon shall be an equal charge  
33 against the revenues from such (~~motor vehicle and special~~)  
34 fuel((s)) excise taxes and vehicle-related fees.

35 NEW SECTION. **Sec. 10.** Sections 1 through 6 of this act are each  
36 added to chapter 47.10 RCW.

1        NEW SECTION.    **Sec. 11.**    Except for sections 7 through 9 of this  
2 act, this act is necessary for the immediate preservation of the  
3 public peace, health, or safety, or support of the state government  
4 and its existing public institutions, and takes effect July 1, 2015.

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

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

9        NEW SECTION.        **Sec. 14.**        This act takes effect only if  
10 chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of  
11 2015 is enacted by June 30, 2015.

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