
SUBSTITUTE SENATE BILL 5989

State of Washington

64th Legislature

2015 Regular Session

By Senate Transportation (originally sponsored by Senators King, Hobbs, Fain, Liiias, and Litzow)

1 AN ACT Relating to authorizing bonds for transportation funding;
2 adding new sections to chapter 47.10 RCW; providing an effective
3 date; providing a contingent effective date; and declaring an
4 emergency.

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

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

14 NEW SECTION. **Sec. 2.** Upon the request of the department of
15 transportation, as appropriate, the state finance committee shall
16 supervise and provide for the issuance, sale, and retirement of the
17 bonds in this act in accordance with chapter 39.42 RCW. Bonds
18 authorized by this act shall be sold in the manner, at time or times,
19 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
16 sections 1 through 6 of this act shall distinctly state that they are
17 a general obligation of the state of Washington, shall pledge the
18 full faith and credit of the state to the payment of the principal
19 thereof and the interest thereon, and shall contain an unconditional
20 promise to pay such principal and interest as the same shall become
21 due. The principal and interest on the bonds shall be first payable
22 in the manner provided in sections 1 through 6 of this act from the
23 proceeds of the state excise taxes on motor vehicle and special fuels
24 imposed by chapters 82.36 and 82.38 RCW and vehicle-related fees
25 imposed under Title 46 RCW that constitute license fees for motor
26 vehicles required to be used for highway purposes. Proceeds of these
27 excise taxes and vehicle-related fees are hereby pledged to the
28 payment of any bonds and the interest thereon issued under the
29 authority of sections 1 through 6 of this act, and the legislature
30 agrees to continue to impose these excise taxes on motor vehicle and
31 special fuels and vehicle-related fees in amounts from such sources
32 sufficient to pay, when due, the principal and interest on all bonds
33 issued under the authority of sections 1 through 6 of this act.

34 NEW SECTION. **Sec. 5.** Both principal and interest on the bonds
35 issued for the purposes of sections 1 through 6 of this act shall be
36 payable from the highway bond retirement fund. The state finance
37 committee may provide that a special account be created in the fund

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

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

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

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

37 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act are each
38 added to chapter 47.10 RCW.

1 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect July 1, 2015.

5 NEW SECTION. **Sec. 9.** This act takes effect only if chapter ...
6 (Senate Bill No. ... (S-1301/15)), Laws of 2015 is enacted by June
7 30, 2015.

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