

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5989

Chapter 45, Laws of 2015

64th Legislature
2015 3rd Special Session

TRANSPORTATION FUNDING--BONDS

EFFECTIVE DATE: 7/15/2015 - Except for Sections 8 through 10, which become effective 7/1/2016.

Passed by the Senate June 29, 2015
Yeas 40 Nays 7

PAM ROACH

President of the Senate

Passed by the House July 10, 2015
Yeas 63 Nays 29

FRANK CHOPP

Speaker of the House of Representatives

Approved July 15, 2015 4:13 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Pablo G. Campos, Deputy Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5989** as passed by Senate and the House of Representatives on the dates hereon set forth.

PABLO G. CAMPOS

Deputy Secretary

FILED

July 16, 2015

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5989

Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

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

READ FIRST TIME 02/24/15.

1 AN ACT Relating to authorizing bonds for transportation funding;
2 amending RCW 47.10.---, 47.10.---, and 47.10.---; adding new sections
3 to chapter 47.10 RCW; providing an effective date; providing an
4 expiration date; and declaring an 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 five billion three hundred
12 million dollars of general obligation bonds of the state of
13 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 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.** (1) Both principal and interest on the
37 bonds issued for the purposes of this section and sections 1 through

1 4 and 6 of this act shall be payable from the highway bond retirement
2 fund. The state finance committee may provide that a special account
3 be 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 (2)(a) Any funds required for bond retirement or interest on the
13 bonds authorized by this section and sections 1 through 4 and 6 of
14 this act shall be taken from that portion of the motor vehicle fund
15 that 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.

18 (b) Funds required shall never constitute a charge against any
19 other allocations of motor vehicle fuel and special fuel tax and
20 vehicle-related fee revenues to the state, counties, cities, and
21 towns unless the amount arising from excise taxes on motor vehicle
22 and special fuels and vehicle-related fees distributed to the
23 connecting Washington account described in (a) of this subsection
24 proves insufficient to meet the requirements for bond retirement or
25 interest on any such bonds.

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

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

1 revenues from such motor vehicle and special fuels excise taxes and
2 vehicle-related fees.

3 NEW SECTION. **Sec. 7.** For purposes of sections 1 through 6 of
4 this act, "vehicle-related fees" means vehicle-related fees imposed
5 under Title 46 RCW that constitute license fees for motor vehicles
6 required to be used for highway purposes.

7 **Sec. 8.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 4 (section 4 of
8 this act) are each amended to read as follows:

9 Bonds issued under the authority of this section and RCW
10 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1
11 through 3, 5, and 6 of this act) shall distinctly state that they are
12 a general obligation of the state of Washington, shall pledge the
13 full faith and credit of the state to the payment of the principal
14 thereof and the interest thereon, and shall contain an unconditional
15 promise to pay such principal and interest as the same shall become
16 due. The principal and interest on the bonds shall be first payable
17 in the manner provided in this section and RCW 47.10.--- through
18 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6
19 of this act) from the proceeds of the state excise taxes on (~~motor~~
20 ~~vehicle and special~~) fuel(~~s~~) imposed by chapter(~~s 82.36 and~~)
21 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that
22 constitute license fees for motor vehicles required to be used for
23 highway purposes. Proceeds of these excise taxes and vehicle-related
24 fees are hereby pledged to the payment of any bonds and the interest
25 thereon issued under the authority of this section and RCW 47.10.---
26 through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5,
27 and 6 of this act), and the legislature agrees to continue to impose
28 these excise taxes on (~~motor vehicle and special~~) fuel(~~s~~) and
29 vehicle-related fees in amounts from such sources sufficient to pay,
30 when due, the principal and interest on all bonds issued under the
31 authority of this section and RCW 47.10.--- through 47.10.---,
32 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this
33 act).

34 **Sec. 9.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 5 (section 5 of
35 this act) are each amended to read as follows:

36 (1) Both principal and interest on the bonds issued for the
37 purposes of this section and RCW 47.10.--- through 47.10.--- and

1 47.10.--- (sections 1 through 4 and 6 of this act) shall be payable
2 from the highway bond retirement fund. The state finance committee
3 may provide that a special account be created in the fund to
4 facilitate payment of the principal and interest. The state finance
5 committee shall, on or before June 30th of each year, certify to the
6 state treasurer the amount required for principal and interest on the
7 bonds in accordance with the bond proceedings. The state treasurer
8 shall withdraw revenues from the connecting Washington account in the
9 motor vehicle fund and deposit in the highway bond retirement fund,
10 or a special account in the fund, such amounts, and at such times, as
11 are required by the bond proceedings.

12 (2)(a) Any funds required for bond retirement or interest on the
13 bonds authorized by this section and RCW 47.10.--- through 47.10.---
14 and 47.10.--- (sections 1 through 4 and 6 of this act) shall be taken
15 from that portion of the motor vehicle fund that results from the
16 imposition of excise taxes on ((~~motor vehicle and special~~)) fuel((s))
17 and vehicle-related fees, and that is distributed to the connecting
18 Washington account in the motor vehicle fund.

19 (b) Funds required shall never constitute a charge against any
20 other allocations of ((~~motor vehicle fuel and special~~)) fuel tax and
21 vehicle-related fee revenues to the state, counties, cities, and
22 towns unless the amount arising from excise taxes on ((~~motor vehicle~~
23 ~~and special~~)) fuel((s)) and vehicle-related fees distributed to the
24 connecting Washington account described in (a) of this subsection
25 proves insufficient to meet the requirements for bond retirement or
26 interest on any such bonds.

27 (c) Any payments for bond retirement or interest on the bonds
28 taken from other revenues from the ((~~motor vehicle fuel or special~~))
29 fuel taxes and vehicle-related fees that are distributable to the
30 state, counties, cities, and towns shall be repaid from the first
31 revenues from the ((~~motor vehicle fuel or special~~)) fuel taxes and
32 vehicle-related fees distributed to the connecting Washington account
33 described in (a) of this subsection not required for bond retirement
34 or interest on the bonds.

35 **Sec. 10.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 6 (section 6
36 of this act) are each amended to read as follows:

37 Bonds issued under the authority of RCW 47.10.--- through
38 47.10.--- (sections 1 through 5 of this act) and this section and any
39 other general obligation bonds of the state of Washington that have

1 been or that may be authorized and that pledge (~~motor vehicle and~~
2 ~~special~~) fuel(~~(s)~~) excise taxes and vehicle-related fees for the
3 payment of principal and interest thereon shall be an equal charge
4 against the revenues from such (~~motor vehicle and special~~)
5 fuel(~~(s)~~) excise taxes and vehicle-related fees.

6 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act are each
7 added to chapter 47.10 RCW.

8 NEW SECTION. **Sec. 12.** Except for sections 8 through 10 of this
9 act, this act is necessary for the immediate preservation of the
10 public peace, health, or safety, or support of the state government
11 and its existing public institutions, and takes effect immediately.

12 NEW SECTION. **Sec. 13.** Sections 4 through 6 of this act expire
13 July 1, 2016.

14 NEW SECTION. **Sec. 14.** Sections 8 through 10 of this act take
15 effect July 1, 2016.

Passed by the Senate June 29, 2015.

Passed by the House July 10, 2015.

Approved by the Governor July 15, 2015.

Filed in Office of Secretary of State July 16, 2015.