

SEC. 3. This act shall take effect on September 1, 1965. Effective date.

Passed the Senate May 5, 1965.

Passed the House May 5, 1965.

Approved by the Governor May 12, 1965.

CHAPTER 163.

[Senate Bill No. 557.]

INTERSTATE AND DEFENSE HIGHWAYS—BOND ISSUE—APPROPRIATION.

AN ACT relating to public highways and making an appropriation.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. The orderly and undelayed completion of Washington's portion of the national system of interstate and defense highways is vital to the safety of highway users and to the economic development of the state. The legislature declares it to be a public purpose and a highway purpose to provide adequate reserve funds to meet unanticipated costs and to assure the timely and scheduled completion of the interstate highways of this state.

Interstate and defense highways, bond issue for. Declaration of purpose.

SEC. 2. In order to provide reserve funds to assure undelayed progress in the scheduled construction of Washington's portion of the national system of interstate and defense highways and to meet any extraordinary, unanticipated construction costs of any interstate highway projects, pending receipt of federal-aid apportionments in accordance with the federal-aid highway act of 1956, as amended, and the resulting availability of federal-aid funds, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of twenty-five million dollars or such amount thereof and at such

Bonds—Authorized—Amount—Committee to supervise issuance, sale and retirement.

Interstate and defense highways, bond issue for. Committee to supervise issuance, sale and retirement.

times as may be determined to be necessary by the state highway commission. The issuance, sale and retirement of said bonds shall be under the supervision and control of the state finance committee which, upon request being made by the Washington state highway commission, shall provide for the issuance, sale and retirement of coupon or registered bonds to be dated, issued and sold from time to time in such amounts as may be necessary for the orderly scheduled construction of the interstate highway system.

Bonds—Terms and conditions—Signatures—Registration—As negotiable instruments.

SEC. 3. Each of such bonds shall be made payable at any time not exceeding twenty-five years from the date of its issuance, with such reserved rights of prior redemption, bearing such interest, and such terms and conditions, as the state finance committee may prescribe to be specified therein. The bonds shall be signed by the governor and the state treasurer under the seal of the state, one of which signatures shall be made manually and the other signature may be in printed facsimile, and any coupons attached to such bonds shall be signed by the same officers whose signatures thereon may be in printed facsimile. Any bonds may be registered in the name of the holder on presentation to the state treasurer or at the fiscal agency of the state of Washington in New York City, as to principal alone, or as to both principal and interest under such regulations as the state treasurer may prescribe. Such bonds shall be payable at such places as the state finance committee may provide. All bonds issued hereunder shall be fully negotiable instruments.

Bonds—Denominations—Sale—As legal investment for state funds.

SEC. 4. The bonds issued hereunder shall be in denominations to be prescribed by the state finance committee and may be sold in such manner and in such amounts and at such times and on such terms and conditions as the committee may prescribe. If the bonds are sold to any purchaser other than the

state of Washington, they shall be sold at public sale, and it shall be the duty of the state finance committee to cause such sale to be advertised in such manner as it shall deem sufficient. Bonds issued under the provisions of this act shall be legal investment for any of the funds of the state, except the permanent school fund.

SEC. 5. The money arising from the sale of said bonds shall be deposited in the state treasury to the credit of the motor vehicle fund and such money shall be available only for the construction of Washington's portion of the national system of interstate and defense highways, and for payment of the expense incurred in the drafting, printing, issuance, and sale of any such bonds.

Disposition of proceeds from sale of bonds.

SEC. 6. Bonds issued under the provisions of this act shall distinctly state that they are not a general obligation of the state, but are payable in the manner provided in this act from the proceeds of state excise taxes on motor vehicle fuels imposed by chapter 82.36 RCW and chapter 82.40 RCW. The proceeds of such excise taxes are hereby pledged to the payment of any bonds and the interest thereon issued under the provisions of this act, and the legislature hereby agrees to continue to impose the same excise taxes on motor vehicle fuels in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the provisions of this act.

Bonds not state obligation—Payable from excise tax proceeds—Pledge to impose tax.

SEC. 7. Any funds required to repay such bonds, or the interest thereon when due, subject to the proviso of this section, shall be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle fuels and which is, or may be appropriated to the highway department for state highway purposes, and shall never constitute a charge against any allocations of such funds to counties, cities and towns unless and

Funds to repay bonds to be from portion allocated for state highway purposes—Exception.

until the amount of the motor vehicle fund arising from the excise taxes on motor vehicle fuels and available for state highway purposes proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Interstate and defense highways, bond issue for. Federal funds may be pledged as additional security.

SEC. 8. As additional security for payment of the principal amount of any or all of the bonds to be issued hereunder, the state finance committee, with the consent of the state highway commission, may pledge all or any portion of the federal aid funds received or from time to time to be received by the state from the United States under the provisions of the federal-aid highway act of 1956, as amended, for the construction of Washington's portion of the national system of interstate and defense highways.

Payments of bonds and interest, procedure.

SEC. 9. At least one year prior to the date any interest is due and payable on such bonds or before the maturity date of any bonds, the state finance committee shall estimate, subject to the provisions of section 7 of this act, the percentage of the receipts in money of the motor vehicle fund, resulting from collection of excise taxes on motor vehicle fuels, for each month of the year which, together with federal funds which may be pledged as provided in section 8 of this act, shall be required to meet interest or bond payments hereunder when due, and shall notify the state treasurer of such estimated requirement. The state treasurer shall thereafter from time to time each month as such funds are paid into the motor vehicle fund, transfer such percentage of the monthly receipts from excise taxes on motor vehicle fuels of the motor vehicle fund to the bond retirement fund, which fund shall be available solely for payment of interest or bonds when due. If in any month it shall appear that the estimated percentage of money so made is insufficient to meet the requirements for interest or bond retirement, the treasurer shall notify the state fi-

nance committee forthwith and such committee shall adjust its estimates so that all requirements for interest and principal of all bonds issued shall be fully met at all times.

SEC. 10. Whenever the percentage of the motor vehicle fund arising from excise taxes on motor fuels and the federal funds which may be pledged as provided in section 8 of this act, payable into the highway bond retirement fund, shall prove more than is required for the payment of interest on bonds when due, or current retirement of bonds, any excess may, in the discretion of the state finance committee, be available for the prior redemption of any bonds or remain available in the fund to reduce the requirements upon the fuel excise tax portion of the motor vehicle fund at the next interest or bond payment period.

Use of funds in excess of that needed for bond retirement and interest.

SEC. 11. There is hereby appropriated from the motor vehicle fund to the state highway commission for the biennium ending June 30, 1967, the sum of twenty-five million dollars, or so much thereof as may be necessary to carry out the provisions of this act.

Appropriation.

Passed the Senate April 13, 1965.

Passed the House May 7, 1965.

Approved by the Governor May 12, 1965.