

CHAPTER 7.

[Senate Bill No. 545.]

HIGHWAY CONSTRUCTION BONDS.

AN ACT relating to public highways; amending section 47.10.706, chapter 13, Laws of 1961 and RCW 47.10.706; amending section 47.10.724, chapter 13, Laws of 1961 and RCW 47.10.724; repealing sections 1 through 11, chapter 163, Laws of 1965 extraordinary session and RCW 47.10.740 through 47.10.750; and making appropriations.

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

RCW 47.10.706
amended.

Section 1. Section 47.10.706, chapter 13, Laws of 1961 and RCW 47.10.706 are each amended to read as follows:

Highways—
Tacoma-Seat-
tle-Everett
highway
bonds. Issu-
ance and sale
authorized.

In order to finance the immediate construction of the project referred to in RCW 47.10.700 pending receipt of federal grants in aid and in accordance with the federal-aid highway act of 1956, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of forty-five million dollars or such amount thereof and at such times as determined to be necessary by the state highway commission. No bonds shall be issued under the provisions of RCW 47.10.700 through 47.10.724 until the congress of the United States shall approve the estimated cost of completing the federal interstate system to be submitted to it within ten days subsequent to January 2, 1958, as provided by section 108 (d), federal-aid highway act of 1956. 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 progress of said project.

Sec. 2. Section 47.10.724, chapter 13, Laws of 1961 and RCW 47.10.724 are each amended to read as follows:

RCW 47.10.724 amended.

There is hereby appropriated from the motor vehicle fund to the state highway commission for the biennium ending June 30, 1959 the sum of forty-five million dollars, or so much thereof as may be necessary to carry out the provisions of RCW 47.10.700 through 47.10.724, but no money shall be available under this appropriation from said fund unless a like amount of bonds provided for herein are sold and the money derived therefrom deposited to the credit of such fund.

Appropriations from motor vehicle fund.

Sec. 3. Increased costs of construction combined with an unprecedented increase in motor vehicle use in this state have created an urgent demand for additional highway construction funds. It is vital to the economy of this state and the safety of the public that additional funds be provided for the construction of state highways.

Additional highway construction bonds—Necessity.

Sec. 4. In order to provide funds for the construction and improvement of state highways, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of thirty million dollars or such amount thereof and at such times as 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 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 shall be requested by the state highway commission.

Issuance and sale of limited obligation bonds.

Sec. 5. Each of such bonds shall be made payable at any time not exceeding twenty-five years

Highways—
Additional
construction
bonds—Term
and form.

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.

Sale of bonds
—Legal in-
vestment.

Sec. 6. 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 sections 3 through 12 of this 1967 amendatory act shall be legal investment for any of the funds of the state, except the permanent school fund.

Bond proceeds
—Deposit and
use.

Sec. 7. 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 state

highways and for payment of the expenses incurred in the printing, issuance, and sale of any such bonds.

Sec. 8. Bonds issued under the provisions of sections 3 through 12 of this 1967 amendatory act shall distinctly state that they are not a general obligation of the state, but are payable in the manner provided in sections 3 through 12 of this 1967 amendatory 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 sections 3 through 12 of this 1967 amendatory 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 sections 3 through 12 of this 1967 amendatory act.

Bonds not
general obli-
gations—Taxes
pledged.

Sec. 9. 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 state highway commission for state highway purposes, and shall never constitute a charge against any allocations of any other such funds to the state, counties, cities and towns unless and until the amount of the motor vehicle fund arising from the excise taxes on motor vehicle fuels and available to the state for construction of state highways proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Source of
funds for pay-
ment of bonds.

Sec. 10. At least one year prior to the date any interest is due and payable on such bonds or before the maturity date of any such bonds, the state

Highway bond
retirement
fund.

Highway bond
retirement
fund.

finance committee shall estimate, subject to the provisions of section 9 of this 1967 amendatory 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 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, hereby created, 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 finance 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.

Excess sums—
Use.

Sec. 11. Whenever the percentage of the motor vehicle fund arising from excise taxes on motor vehicle fuels payable into the 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.

Appropriation.

Sec. 12. There is hereby appropriated from the motor vehicle fund to the state highway commission for the biennium ending June 30, 1969, the sum of

thirty million dollars, or so much thereof as may be necessary to carry out the provisions of sections 3 through 12 of this 1967 amendatory act.

Sec. 13. It is the purpose of sections 13 through 23 of this 1967 amendatory act, to provide reserve funds to the state highway commission for the following purposes:

Reserve fund for highway, street and road purposes.

(1) For construction, reconstruction, or repair of any state highway made necessary by slides, storm damage, or other unexpected or unusual causes.

(2) For construction or improvement of any state highway when necessary to alleviate or prevent intolerable traffic congestion caused by extraordinary and unanticipated economic development within any area of the state.

(3) To advance funds to any city or county to be used exclusively for the construction or improvement of any city street or county road when necessary to alleviate or prevent intolerable traffic congestion caused by extraordinary and unanticipated economic development within a particular area of the state. Before funds provided by the sale of bonds as authorized in sections 13 through 22 of this 1967 amendatory act, are loaned to any city or county for the purposes specified herein, the state highway commission shall enter into an agreement with the city or county providing for repayment to the motor vehicle fund of such funds, together with the amount of bond interest thereon, from the city's or the county's share of the motor vehicle funds arising from excise taxes on motor vehicle fuels, over a period not to exceed twenty-five years.

Sec. 14. In order to provide reserve funds for the purposes specified in section 13 of this 1967 amendatory act, 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

Limited obligation bonds.

and at such 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.

Highways—
Reserve fund
—Bonds
—Terms and
conditions.

Sec. 15. 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.

Denomina-
tions—Sale—
Legal invest-
ment.

Sec. 16. 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 sections 13 through 23 of this 1967 amendatory act shall be legal investment for any of the funds of the state, except the permanent school fund.

Sec. 17. 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 purposes enumerated in section 13 of this 1967 amendatory act and for payment of the expense incurred in the drafting, printing, issuance and sale of any such bonds.

Bond proceeds
—Deposit and
use.

Sec. 18. Bonds issued under the provisions of sections 13 through 23 of this 1967 amendatory act shall distinctly state that they are not a general obligation of the state, but are payable in the manner provided in sections 13 through 23 of this 1967 amendatory 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 sections 13 through 23 of this 1967 amendatory 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 sections 13 through 23 of this 1967 amendatory act.

Limited obligation—State
—Pledge
of excise
taxes.

Sec. 19. 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 im-

Source of
funds to repay
bonds.

**Highways—
Reserve fund
—Bonds.**

position 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 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.

**Federal aid
funds may be
pledged.**

Sec. 20. 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.

**Repayment
procedure—
Bond retire-
ment fund.**

Sec. 21. 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 19 of this 1967 amendatory 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 20 of this 1967 amendatory 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 finance 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. 22. 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 20 of this 1967 amendatory 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.

Excess sums—
Use.

Sec. 23. There is hereby appropriated from the motor vehicle fund to the state highway commission for the biennium ending June 30, 1969, the sum of twenty-five million dollars, or so much thereof as may be necessary to carry out the provisions of sections 13 through 23 of this 1967 amendatory act.

Appropriation
from motor
vehicle fund.

Sec. 24. Sections 1 through 11, chapter 163, Laws of 1965 extraordinary session and RCW 47.10.740 through 47.10.750 are each repealed.

Repeal.

Passed the Senate March 16, 1967.

Passed the House March 23, 1967.

Approved by the Governor April 3, 1967.