

CHAPTER 154.

[S. B. 403.]

ISSUANCE OF BONDS FOR HIGHWAY CONSTRUCTION—
PRIMARY NO. 1—PRIMARY NO. 2—COLUMBIA
BASIN—ECHO LAKE ROUTE.

AN ACT relating to highways and roads; providing for the issuance, sale and retirement of additional motor vehicle revenue bonds, to provide money needed to offset increased construction costs, to complete certain sections of Primary State Highway No. 1 undertaken in the highway bond program, authorized by chapter 47.10, RCW, as set forth in chapter 121, Session Laws of 1951, construction of a four-lane highway upon Primary State Highway No. 2 contiguous to Snoqualmie Pass, and construction of secondary state highways in the Columbia Basin area, and construction of a highway from Primary State Highway No. 2 by way of Auburn to a junction with Primary State Highway No. 1 in the vicinity of Milton, commonly known as the "Echo Lake Route," as projects of first priority; regulating investments from the motor vehicle fund and amending section 47.60.100, RCW; and declaring an emergency.

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

SECTION 1. Increased construction costs for highway and bridge construction since the enactment of a highway bond issue by the 1951 legislature makes necessary additional money with which to complete the sections of Primary State Highway No. 1 planned from funds allocated under the act and it is vital to the economy of the state and the safety of the traffic that these sections shall be completed to relieve traffic congestions, to add capacity in event of war, and to presently insure greater safety to highway users; the rapid increase of traffic across Snoqualmie Pass necessitates continued improvement of Primary State Highway No. 2 to provide four-lane paving contiguous to Snoqualmie Pass as the funds will permit; the rapid increase of traffic and the facilitation of movement of military forces and equipment from the military centers of the state makes imperative the construction of a highway from Primary

Declaration
of necessity.

State Highway No. 2 beginning approximately four miles west of North Bend thence southwesterly by the most feasible route by the way of Auburn to a junction with Primary State Highway No. 1 in the vicinity of Milton; said highway to follow approximately the route surveyed by the director of highways and covered in the report filed by him with the 1951 legislature commonly known as the "Echo Lake Route," as the funds provided for herein will permit; the construction of secondary state highways in to the Columbia Basin area is immediately necessary to provide needed state arterial highways for the irrigated lands of the Columbia Basin areas to market centers and thereby encourage the full development of the basin project. The construction of such projects is required in the interest of the public safety and for the orderly development of the state. The threat of war makes acceleration of construction a vital necessity at this time.

Issuance
and sale
of limited
obligation
bonds.

State finance
committee
to supervise.

SEC. 2. To provide funds for accelerating construction of these priority projects there shall be issued and sold limited obligation bonds of the state of Washington in the sum of eighteen million dollars. The issuance, sale and retirement of said bonds shall be under the general supervision and control of the state finance committee. The state finance committee shall, when notified by the director of highways, provide for the issuance of coupon or registered bonds to be dated, issued and sold from time to time in such amounts as may be necessary to the orderly progress of construction of the first priority projects.

Bonds;
terms.

Redemption
rights.

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 as the state finance committee may prescribe to be specified therein. The bonds shall be signed by the governor and the state auditor 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 under authority of this act shall be fully negotiable instruments.

Signed by governor and auditor.

Registration.

Where payable.

Negotiable.

SEC. 4. Bonds issued under the provisions of this chapter shall distinctly state that they are not a general obligation of the state, but are payable in the manner provided in this chapter from the proceeds of all state excise taxes on motor vehicle fuels imposed by chapter 82.36 and sections 82.36.020, 82.36.230, 82.36.250, and 82.36.400, RCW, as derived from chapter 58, Laws of 1933, as amended, and as last amended by chapter 220, Laws of 1949; and chapter 82.40 and section 82.40.020, RCW, as derived from chapter 127, Laws of 1941, as amended, and as last amended by chapter 220, Laws of 1949. 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 chapter, and the legislature hereby agrees to continue to impose the same excise taxes on motor vehicle fuels in amounts sufficient to pay the principal and interest on all bonds issued under the provisions of this chapter when due.

Bonds payable from motor vehicle fuel excise taxes.

Pledge of taxes for bond payment.

Agreement of legislature to continue to impose taxes.

SEC. 5. 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

Denomination of bonds.

Terms and conditions of sale.

Public sale;
when.

Advertised.

Legal invest-
ment for
state funds;
exception.

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 chapter shall be legal investment for any of the funds of the state, except the permanent school fund.

Proceeds.

Deposited.

Credited.

Purpose.

SEC. 6. 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 such priority projects, and payment of the expense incurred in the printing, issuance and sale of any such bonds.

Portion
of motor
vehicle fund
to be used to
repay bonds.

SEC. 7. Any funds required to repay such bonds, or the interest thereon when due shall be taken from that portion of the motor vehicle fund which results from the imposition of all 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 the interest on any bonds.

Portion
allocated
to counties,
cities and
towns
exempted;
exception.

Finance
committee
to estimate
percentage
of taxes
required to
meet interest
on bond
payments.

SEC. 8. 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 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 will 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 highway bond retirement fund, and which fund shall be available solely for payment of such 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 estimate so that all requirements for interest and principal of all bonds issued shall be fully met at all times.

Treasurer to transfer funds to highway bond retirement fund.

Estimated percentage insufficient; procedure.

SEC. 9. Whenever the percentage of the motor vehicle fund arising from excise taxes on motor fuels, 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.

Disposal of surplus funds.

SEC. 10. Seven million dollars of the total issue of the bonds authorized herein are allocated for accelerating the completion of four-lane construction of Primary State Highway No. 1.

Allocation for Primary State Highway No. 1.

SEC. 11. Five million dollars of the total issue of the bonds authorized herein are allocated for accelerating four-lane construction of Primary State Highway No. 2 contiguous to Snoqualmie Pass.

Allocation for Primary State Highway No. 2.

SEC. 12. Three million dollars of the total issue of the bonds authorized herein are allocated for

Allocation for Columbia Basin Highways.

accelerating the construction of secondary state highways in the Columbia Basin area.

Allocation for construction of highway from vicinity of North Bend to vicinity of Milton.

SEC. 13. Three million dollars of the total issue of the bonds authorized herein are allocated insofar as said funds will permit to the construction of a highway from Primary State Highway No. 2 beginning approximately four miles west of North Bend thence southwesterly by the most feasible route by the way of Auburn to a junction with Primary State Highway No. 1 in the vicinity of Milton.

Amendment.

SEC. 14. Section 47.60.100, RCW, as derived from section 8, chapter 179, Laws of 1949, is amended to read as follows:

Bonds legal investment for state monies; exceptions.

Notwithstanding any other provision of the law, bonds issued by the authority shall be legal investments by the state finance committee of any state monies in its hands, except permanent school funds and motor vehicle funds.

Emergency.

SEC. 15. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 4, 1953.

Passed the House March 10, 1953.

Approved by the Governor March 17, 1953.