

CHAPTER 311.

[S. B. 293.]

HIGHWAYS—ARTERIALS AND FARM TO MARKET ROADS
IN GRANT, FRANKLIN AND ADAMS COUNTIES.

AN ACT relating to county arterial highways and farm to market roads in Grant, Franklin and Adams counties; providing for the issuance, sale and retirement of motor vehicle bonds; providing for reimbursement of all construction costs in said counties; making an appropriation; and declaring an emergency.

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

SECTION 1. Construction of county arterial highways and farm to market roads in Grant, Franklin and Adams counties to coincide with the opening of lands for settlement in the Columbia Basin irrigation project, is declared to be a project of the first priority. The construction of said project is required in the interest of the public safety and for the orderly development of the state.

Construction of county arterial highways and farm to market roads—declared first priority.

SEC. 2. To provide funds for construction of this first priority project, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of four million three hundred thousand dollars.

Limited obligation bonds.

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 this first priority project.

State finance committee—supervision and control of issuance, sale and retirement of bonds.

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 com-

Bonds; form, etc.

mittee 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 signatures 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.

Bonds payable.
Not general obligation bonds.

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 RCW, and RCW 82.36.020, 82.36.230, 82.36.250 and 82.36.400; and chapter 82.40 RCW and RCW 82.40.020. The proceeds of such excise taxes are pledged to the payment of any bonds and the interest thereon issued under the provisions of this chapter. The legislature agrees to continue to impose the same excise taxes on motor fuels in amounts sufficient to pay the principal and interest on all bonds issued under the provisions of this chapter when due.

Denomination and selling of bonds.

SEC. 5. The bonds issued hereunder shall be in denominations to be prescribed by the state finance committee. They 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 such bonds are sold to any purchaser other than the state of Washington, they shall be sold at public

sale. 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.

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 this first priority project, and payment of the expense incurred in the printing, issuance and sale of any such bonds.

Money from
sale of bonds.

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 all excise taxes on motor vehicle fuels and which is, or may be, appropriated to the highway department for state highway purposes. They shall never constitute a charge against any allocation 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: *Provided*, That money required hereunder to pay interest on or to retire any bonds issued for Columbia Basin county arterial highways or farm to market roads shall be repaid by any such county or counties wherein such highways or roads are constructed in the manner set forth in section 9 of this act.

Repayment of
bonds and in-
terest thereon.

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, subject to the provisions of section 7 of this act, the percentage of receipts in

Procedural
steps in
retirement
of bonds.

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, which is hereby established, 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 estimates so that all requirements for interest and principal of all bonds issued shall be fully met at all times.

Highway bond retirement fund established.

Report of sums expended from funds resulting from sale of bonds in counties.

SEC. 9. The director of highways shall report to the state finance committee all sums expended from funds resulting from the sale of bonds for Columbia Basin county arterial highways and farm to market roads in Grant, Franklin and Adams counties under the provisions of this chapter. Said counties shall repay to the state all the cost of any Columbia Basin highway or road facilities actually constructed under the provisions of this chapter within each of said counties as follows: The state finance committee, at least one year prior to the date any such interest is due and payable on such bonds or before the maturity date of any such bonds, shall ascertain the percentage of the motor vehicle funds arising from the excise taxes on motor vehicle fuels, which is to be transferred to such counties under the provisions of law which will be necessary

Construction costs repaid.

to pay all of the interest upon or retire when due all of the portion of said bonds chargeable to expenditures incurred under the provisions of this chapter in each of said counties. The state finance committee shall notify the state treasurer of this estimate and the treasurer shall thereafter, when distributions are made from the motor vehicle fund to counties, retain such percentage of the total sums credited to such counties as aforesaid in the motor vehicle fund arising from such excise taxes on motor vehicle fuels until such fund is fully reimbursed for all expenditures under this chapter in Grant, Adams and Franklin counties. Any money so retained shall be available for state highway purposes.

SEC. 10. The sums retained from motor vehicle funds, arising from the excise taxes on motor vehicle fuel, of any such counties shall not exceed in any distribution period fifty percent of the total amount to be credited to such county. If there shall be a deficit in the amount available for reimbursement of the motor vehicle fund, due to this provision, then such deficit shall continue to be a charge against any sums due any such county from the motor vehicle fund from such excise taxes until the full cost of such Columbia Basin highway facilities is paid.

Limitation on amount retained from county.

Deficit in amount available for reimbursement.

SEC. 11. 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 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 over that required for interest on or retirement of bonds.

SEC. 12. The bonds authorized herein are allocated to the counties as follows:

Bond allocation to counties.

(1) For Adams county—six hundred thousand dollars.

(2) For Franklin county—one million five hundred thousand dollars.

(3) For Grant county—two million two hundred thousand dollars:

Qualification on bonds issued for Columbia Basin county arterial highway and road purposes.

Provided, That no bonds shall be issued for Columbia Basin county arterial highway and road purposes unless expenditures are actually required for the settlement of lands ready for irrigation in the Columbia Basin project and all construction of arterial highways and roads in such counties shall be accomplished by the engineering forces of the various counties under the supervision of the director of highways.

Appropriation.

SEC. 13. There is appropriated from the motor vehicle fund the sum of four million three hundred thousand dollars, or so much thereof as may be necessary, to carry out the provisions of this chapter, but no money shall be available under this appropriation from said fund unless a like amount of the bonds provided for herein are sold and the money derived deposited to the credit of such fund.

Qualification before money available out of motor vehicle fund.

Emergency.

SEC. 14. 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 February 21, 1955.

Passed the House March 7, 1955.

Approved by the Governor March 21, 1955.