

CHAPTER 56.

[ Senate Bill No. 518. ]

URBAN MASS TRANSPORTATION—FERRY VESSELS—  
BONDS.

AN ACT relating to urban mass transportation; authorizing the state highway commission to make application to the United States for a grant of financial assistance for the acquisition of new ferry vessels; authorizing the sale of limited obligation bonds and the use of the proceeds for acquisition of new ferry vessels; and making an appropriation; and declaring an emergency.

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

Ferries—  
Financing.  
Commission to  
seek federal  
assistance  
financing  
ferries.

SECTION 1. Recognizing that the Washington state ferries system is an integral part of the state highway system, the Washington state highway commission is authorized to enter into an agreement with the administrator of the housing and home finance agency and to make application for a grant for financial assistance for the acquisition by construction or purchase of new vessels pursuant to the provisions of the Urban Mass Transportation Act of 1964.

Bonds for  
matching funds  
—Amount—  
Committee to  
supervise  
issuance, sale  
and retire-  
ment.

SEC. 2. In order to provide necessary state matching funds as required by the Urban Mass Transportation Act of 1964, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of eleven 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 this act until the administrator of the housing and home finance agency has approved a grant to the Washington state highway commission of not less than fifty percent of the cost of acquisition of vessels referred to in section 1 of this act. The issuance, sale and retirement of said bonds shall be under the supervision and control of the state finance com-

mittee 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. 3. Each of such bonds shall be made payable at any time not exceeding twenty-five years from the time 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.

Bonds—  
Maturity—  
Interest on—  
Terms—  
Conditions.

SEC. 4. 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 at the state finance committee may provide. All bonds issued hereunder shall be fully negotiable instruments.

Bonds—  
Signatures—  
Registration—  
Payable, where  
—Negotiable  
instruments.

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 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

Bonds—  
Denominations  
—Sale—As  
legal invest-  
ment for state  
funds.

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.

Ferries—  
Financing,  
proceeds from  
bonds,  
Disposition,  
use.

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 acquisition by construction or purchase of new ferry vessels and for the payment of all expense incurred in the drafting, printing, issuance, and sale of any such bonds.

Bonds limited  
obligation—  
Tax proceeds  
pledged to  
payment.

SEC. 7. 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 and 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 to reflect  
federal grant  
agreement.

SEC. 8. Bonds issued under the provisions of section 2 of this act shall fully reflect the terms and conditions of the grant agreement to be executed pursuant to the provisions of section 1 of this act.

Source of  
funds to repay  
bonds.

SEC. 9. 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 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.

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 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 under the provisions of this act 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 estimates so that all requirements for interest and principal of all bonds issued shall be fully met at all times.

Procedure for  
payment of  
interest and  
bonds.

SEC. 11. Whenever the percentage of the motor vehicle fund arising from excise taxes on motor vehicle 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, or in the event there is appropriated from time to time additional amounts

Excess in bond  
retirement  
fund, use.

Ferries—  
Financing.  
Excess in bond  
retirement  
fund, use.

to be placed in the said bond retirement fund, 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  
—Limitation.

SEC. 12. There is hereby appropriated from the motor vehicle fund to the state highway commission for the biennium ending June 30, 1967, the sum of eleven million dollars, or so much thereof as may be necessary to carry out the provisions of this act, 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 moneys derived therefrom are deposited to the credit of such funds.

Emergency.

SEC. 13. 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 18, 1965.

Passed the House March 25, 1965.

Approved by the Governor April 2, 1965.