

the application of the provision to other persons or circumstances is not affected.

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Passed by the vote of the people at the November 7, 1978 state general election.

Proclamation signed by the Governor, December 7, 1978.

CHAPTER 5

[Senate Bill No. 2065]

URBAN ARTERIAL BONDS—REAUTHORIZATION—EXPENDITURES

AN ACT Relating to urban arterial bonds; amending section 14, chapter 83, Laws of 1967 ex. sess. as amended by section 22, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.080; reenacting and amending section 45, chapter 83, Laws of 1967 ex. sess. as last amended by section 18, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.420; amending section 46, chapter 83, Laws of 1967 ex. sess. as amended by section 5, chapter 169, Laws of 1973 1st ex. sess. and RCW 47.26.421; amending section 47, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.422; amending section 48, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.423; amending section 49, chapter 83, Laws of 1967 ex. sess. as last amended by section 19, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.424; amending section 51, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.426; amending section 52, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.427; adding new sections to chapter 47.26 RCW and directing their codification; creating new sections; repealing section 21, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.4251; and declaring an emergency.

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

Section 1. Section 14, chapter 83, Laws of 1967 ex. sess. as amended by section 22, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.080 are each amended to read as follows:

There is hereby created in the motor vehicle fund the urban arterial trust account. All moneys deposited in the motor vehicle fund to be credited to the urban arterial trust account shall be expended for the construction and improvement of city arterial streets and county arterial roads within urban areas, for expenses of the urban arterial board, or for the payment of principal or interest on bonds issued for the purpose of constructing or improving city arterial streets and county arterial roads within urban areas, or for reimbursement to the state, counties, cities, and towns in accordance with (~~RCW 47.26.4251~~) section 8 of this 1979 act, the amount of any payments made on principal or interest on urban arterial trust account bonds from motor vehicle or special fuel tax revenues which were distributable to the state, counties, cities, and towns.

NEW SECTION. Sec. 2. Moneys deposited in the motor vehicle fund to be credited to the urban arterial trust account, in addition to the purposes mentioned in RCW 47.26.080, as now or hereafter amended, may be expended for the following purposes: (1) To reimburse the motor vehicle fund for all moneys advanced to cities and towns for preliminary engineering on urban arterial projects between July 1, 1978, and the effective date of this

1979 act, together with interest on such advances, pursuant to agreements with the state transportation commission; and (2) to reimburse any city or town for the amount of the urban arterial trust account share of construction costs incurred and paid by the city or town with respect to any urban arterial project approved for preliminary engineering by the urban arterial board between July 1, 1977, and the effective date of this 1979 act. The urban arterial share of such construction costs shall be determined by the board in accordance with its adopted rules.

Sec. 3. Section 45, chapter 83, Laws of 1967 ex. sess. as last amended by section 18, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.420 are each reenacted and amended to read as follows:

In order to provide funds necessary to meet the urgent construction needs on county and city arterials within urban areas, there are hereby authorized for issuance general obligation bonds of the state of Washington, the first authorization of which shall be in the sum of two hundred million dollars, and the second authorization of which, to be known as series II bonds, shall be in the sum of sixty million dollars which shall be issued and sold in such amounts and at such times as determined to be necessary by the state (~~(highway)~~) transportation commission. The amount of such bonds issued and sold under the provisions of RCW 47.26.420 through 47.26.427 in any biennium shall not exceed the amount of a specific appropriation therefor, from the proceeds of such bonds, for the construction of county and city arterials in urban areas. 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)~~) transportation 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)~~) transportation commission.

Sec. 4. Section 46, chapter 83, Laws of 1967 ex. sess. as amended by section 5, chapter 169, Laws of 1973 1st ex. sess. and RCW 47.26.421 are each amended to read as follows:

Each of such first authorization bonds and series II bonds shall be made payable at any time not exceeding thirty 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 Seattle or 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.

Sec. 5. Section 47, chapter 83, Laws of 1967 ex. sess. and RCW 47.26-.422 are each amended to read as follows:

The first authorization bonds and the series II 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 ~~((RCW 47.26.420 through 47.26.427))~~ sections 3 through 11 of this 1979 act and RCW 47.26.425 shall be legal investment for any of the funds of the state, except the permanent school fund.

Sec. 6. Section 48, chapter 83, Laws of 1967 ex. sess. and RCW 47.26-.423 are each amended to read as follows:

The money arising from the sale of ~~((said))~~ the first authorization bonds and the series II bonds shall be deposited in the state treasury to the credit of the urban arterial trust account in the motor vehicle fund, and such money shall be available only for the construction and improvement of county and city urban arterials, and for payment of the expense incurred in the printing, issuance, and sale of any such bonds.

Sec. 7. Section 49, chapter 83, Laws of 1967 ex. sess. as last amended by section 19, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.424 are each amended to read as follows:

~~((Bonds issued under the provisions of RCW 47.26.420 through 47.26-.427))~~ The first authorization and series II bonds shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal and interest on such bonds shall be first payable in the manner provided in ~~((RCW 47.26.420 through 47.26.427))~~ sections 3 through 11 of this 1979 act and RCW 47.26.425 from the proceeds of state excise taxes on motor vehicle and special fuels imposed by chapters 82.36, 82.37, and 82.38 RCW. The proceeds of such excise taxes are hereby pledged to the payment of any such bonds and the interest thereon ~~((issued under the provisions of RCW 47.26.420 through 47.26.427))~~, and the legislature hereby agrees to continue to impose the same excise taxes on motor vehicle and special fuels in amounts sufficient to pay, when due, the principal and interest on all such bonds ~~((issued under the provisions of RCW 47.26.420 through 47.26.427))~~.

NEW SECTION. Sec. 8. There is added to chapter 47.26 RCW a new section to be codified as RCW 47.26.4252 to read as follows:

Any funds required to repay the authorization of series II bonds authorized by RCW 47.26.420, as reenacted by section 3 of this 1979 act, or the interest thereon when due, shall first be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels imposed by chapters 82.36, 82.37, and 82.38 RCW and which is distributed to the urban arterial trust account in the motor vehicle fund, subject, however, to the prior lien of the first authorization of bonds authorized by RCW 47.26.420, as reenacted by section 3 of this 1979 act. If the moneys distributed to the urban arterial trust account shall ever be insufficient to repay the first authorization bonds together with interest thereon, and the series II bonds or the interest thereon when due, the amount required to make such payments on such bonds or interest thereon shall next be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the state, counties, cities, and towns pursuant to RCW 46.68.100 as now existing or hereafter amended. Any payments on such bonds or interest thereon taken from motor vehicle or special fuel tax revenues which are distributable to the state, counties, cities, and towns, shall be repaid from the first moneys distributed to the urban arterial trust account not required for redemption of the first authorization bonds or series II bonds or interest on those bond issues.

NEW SECTION. Sec. 9. There is added to chapter 47.26 RCW a new section to be codified as RCW 47.26.4255 to read as follows:

Except as otherwise provided by statute, the series II bonds issued under authority of RCW 47.26.420, as reenacted by section 3 of this 1979 act, the bonds authorized by RCW 47.60.560 through 47.60.640, and any general obligation bonds of the state of Washington which may be authorized by the forty-sixth legislature or thereafter and which pledge motor vehicle and special fuel excise taxes for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuel excise taxes.

Sec. 10. Section 51, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.426 are each amended to read as follows:

At least one year prior to the date any interest is due and payable on such first authorization bonds and series II bonds or before the maturity date of any such bonds, the state finance committee shall estimate, subject to the provisions of RCW 47.26.425 and 47.26.4252, the percentage of the receipts in money of the motor vehicle fund, resulting from collection of excise taxes on motor vehicle and special 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 and special fuels of the motor vehicle fund to the highway bond retirement fund, (~~hereby created~~) maintained in the office of the state treasurer, 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. 11. Section 52, chapter 83, Laws of 1967 ex. sess. and RCW 47.26.427 are each amended to read as follows:

Whenever the percentage of the motor vehicle fund arising from excise taxes on motor vehicle and special 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.

NEW SECTION. Sec. 12. Nothing in this 1979 act shall be construed to impair the obligations of any first authorization bonds issued or to be issued under RCW 47.26.420 through 47.26.427, or to enlarge the original authorization thereof over two hundred million dollars, and the retirement of and issuance of the remainder of the authorized amount of such bonds shall proceed in accordance with law under the supervision of the state finance committee.

NEW SECTION. Sec. 13. Section 21, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.4251 are each repealed.

NEW SECTION. 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 January 16, 1979.

Passed the House January 17, 1979.

Approved by the Governor January 26, 1979.

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