
SECOND SUBSTITUTE HOUSE BILL 1773

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives
Clibborn and Jarrett)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to the imposition of tolls; amending RCW 47.56.030,
2 47.56.040, 47.56.070, 47.56.076, 47.56.078, 47.56.120, 47.56.240,
3 35.74.050, 36.120.050, 36.73.040, 47.29.060, 47.58.030, 47.60.010, and
4 53.34.010 adding new sections to chapter 47.56 RCW; and repealing RCW
5 47.56.0761 and 47.56.080.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds and declares that it
8 is the policy of the state of Washington to use tolling to provide a
9 source of transportation funding and to encourage effective use of the
10 transportation system.

11 The legislature intends that the policy framework created by this
12 act will guide subsequent legislation and decisions regarding the
13 tolling of specific facilities and corridors. For each state-owned
14 facility or corridor, the legislature intends that it will authorize
15 the budget and finance plan. Specific issues that may be addressed in
16 the finance plan and budget authorization legislation include the
17 amount of financing required for a facility or corridor, the budget for
18 any construction and operations financed by tolling, whether and how
19 variable pricing will be applied, and the timing of tolling.

1 The legislature also intends that while the transportation
2 commission, as the toll-setting authority, may set toll rates for
3 facilities, corridors, or systems thereof, the legislature reserves the
4 authority to impose tolls on any state transportation route or
5 facility. Similarly, local or quasi-local entities that retain the
6 power to impose tolls may do so as long as the effect of those tolls on
7 the state highway system is consistent with the policy guidelines
8 detailed in this act. If the imposition of tolls could have an impact
9 on state facilities, the state tolling authority must review and
10 approve such tolls.

11 NEW SECTION. **Sec. 2.** This subchapter applies only to all state
12 toll bridges and other state toll facilities, excluding the Washington
13 state ferries, first authorized within this state after July 1, 2008.

14 NEW SECTION. **Sec. 3.** The definitions in this section apply
15 throughout this subchapter unless the context clearly requires
16 otherwise:

17 (1) "Tolling authority" means the governing body that is legally
18 empowered to review and adjust toll rates. Unless otherwise delegated,
19 the transportation commission is the tolling authority for all state
20 highways.

21 (2) "Eligible toll facility" or "eligible toll facilities" means
22 portions of the state highway system specifically identified by the
23 legislature including, but not limited to, transportation corridors,
24 bridges, crossings, interchanges, on-ramps, off-ramps, approaches,
25 bistate facilities, and interconnections between highways.

26 NEW SECTION. **Sec. 4.** (1) Unless otherwise delegated, only the
27 legislature may authorize the imposition of tolls on eligible toll
28 facilities.

29 (2) All revenue from an eligible toll facility must be used only to
30 construct, improve, preserve, maintain, manage, or operate the eligible
31 toll facility on or in which the revenue is collected. Expenditures of
32 toll revenues are subject to appropriation and must be made only:

33 (a) To cover the operating costs of the eligible toll facility,
34 including necessary maintenance, preservation, administration, and toll

1 enforcement by public law enforcement within the boundaries of the
2 facility;

3 (b) To meet obligations for the repayment of debt and interest on
4 the eligible toll facilities, and any other associated financing costs
5 including, but not limited to, required reserves and insurance;

6 (c) To meet any other obligations to provide funding contributions
7 for any projects or operations on the eligible toll facilities;

8 (d) To provide for the operations of conveyances of people or
9 goods; or

10 (e) For any other improvements to the eligible toll facilities.

11 NEW SECTION. **Sec. 5.** Any proposal for the establishment of
12 eligible toll facilities shall consider the following policy
13 guidelines:

14 (1) Overall direction. Washington should use tolling to encourage
15 effective use of the transportation system and provide a source of
16 transportation funding.

17 (2) When to use tolling. Tolling should be used when it can be
18 demonstrated to contribute a significant portion of the cost of a
19 project that cannot be funded solely with existing sources or optimize
20 the performance of the transportation system. Such tolling should, in
21 all cases, be fairly and equitably applied in the context of the
22 statewide transportation system and not have significant adverse
23 impacts through the diversion of traffic to other routes that cannot
24 otherwise be reasonably mitigated. Such tolling should also consider
25 relevant social equity, environmental, and economic issues, and should
26 be directed at making progress toward the state's greenhouse gas
27 reduction goals.

28 (3) Use of toll revenue. All revenue from an eligible toll
29 facility must be used only to improve, preserve, manage, or operate the
30 eligible toll facility on or in which the revenue is collected.
31 Additionally, toll revenue should provide for and encourage the
32 inclusion of recycled and reclaimed construction materials.

33 (4) Setting toll rates. Toll rates, which may include variable
34 pricing, must be set to meet anticipated funding obligations. To the
35 extent possible, the toll rates should be set to optimize system
36 performance, recognizing necessary trade-offs to generate revenue.

1 (5) Duration of toll collection. Because transportation
2 infrastructure projects have costs and benefits that extend well beyond
3 those paid for by initial construction funding, tolls on future toll
4 facilities should remain in place to fund additional capacity, capital
5 rehabilitation, maintenance, management, and operations, and to
6 optimize performance of the system.

7 NEW SECTION. **Sec. 6.** (1) A tolling advisory committee may be
8 created at the direction of the tolling authority for any eligible toll
9 facilities. The tolling authority shall appoint nine members to the
10 committee, all of whom must be permanent residents of the affected
11 project area as defined for each project. Members of the committee
12 shall serve without receiving compensation.

13 (2) The tolling advisory committee shall serve in an advisory
14 capacity to the tolling authority on all matters related to the
15 imposition of tolls including, but not limited to: (a) The feasibility
16 of providing discounts; (b) the trade-off of lower tolls versus the
17 early retirement of debt; and (c) consideration of variable or time of
18 day pricing.

19 (3) In setting toll rates, the tolling authority shall consider
20 recommendations of the tolling advisory committee.

21 NEW SECTION. **Sec. 7.** (1) Unless these powers are otherwise
22 delegated by the legislature, the transportation commission is the
23 tolling authority for the state. The tolling authority shall:

24 (a) Set toll rates, establish appropriate exemptions, if any, and
25 make adjustments as conditions warrant on eligible toll facilities;

26 (b) Review toll collection policies, toll operations policies, and
27 toll revenue expenditures on the eligible toll facilities and report
28 annually on this review to the legislature.

29 (2) The tolling authority, in determining toll rates, shall
30 consider the policy guidelines established in section 5 of this act.

31 (3) Unless otherwise directed by the legislature, in setting and
32 periodically adjusting toll rates, the tolling authority must ensure
33 that toll rates will generate revenue sufficient to:

34 (a) Meet the operating costs of the eligible toll facilities,
35 including necessary maintenance, preservation, administration, and toll
36 enforcement by public law enforcement;

1 (b) Meet obligations for the repayment of debt and interest on the
2 eligible toll facilities, and any other associated financing costs
3 including, but not limited to, required reserves, minimum debt coverage
4 or other appropriate contingency funding, and insurance; and

5 (c) Meet any other obligations of the tolling authority to provide
6 its proportionate share of funding contributions for any projects or
7 operations of the eligible toll facilities.

8 (4) The established toll rates may include variable pricing, and
9 should be set to optimize system performance, recognizing necessary
10 trade-offs to generate revenue for the purposes specified in subsection
11 (3) of this section. Tolls may vary for type of vehicle, time of day,
12 traffic conditions, or other factors designed to improve performance of
13 the system.

14 **Sec. 8.** RCW 47.56.030 and 2002 c 114 s 19 are each amended to read
15 as follows:

16 (1) Except as permitted under chapter 47.29 or 47.46 RCW:

17 (a) Unless otherwise delegated, and subject to section 4 of this
18 act, the department of transportation shall have full charge of the
19 planning, analysis, and construction of all toll bridges and other toll
20 facilities including the Washington state ferries, and the operation
21 and maintenance thereof.

22 (b) The transportation commission shall determine and establish the
23 tolls and charges thereon(~~(, and shall perform all duties and exercise~~
24 ~~all powers relating to the financing, refinancing, and fiscal~~
25 ~~management of all toll bridges and other toll facilities including the~~
26 ~~Washington state ferries, and bonded indebtedness in the manner~~
27 ~~provided by law)).~~

28 (c) Unless otherwise delegated, and subject to section 4 of this
29 act, the department shall have full charge of planning, analysis, and
30 design of all toll facilities. The department may conduct the
31 planning, analysis, and design of toll facilities as necessary to
32 support the legislature's consideration of toll authorization.

33 (d) The department shall utilize and administer toll collection
34 systems that are simple, unified, and interoperable. To the extent
35 practicable, the department shall avoid the use of toll booths. The
36 department shall set the statewide standards and protocols for all toll

1 facilities within the state, including those authorized by local
2 authorities.

3 (e) Except as provided in this section, the department shall
4 proceed with the construction of such toll bridges and other facilities
5 and the approaches thereto by contract in the manner of state highway
6 construction immediately upon there being made available funds for such
7 work and shall prosecute such work to completion as rapidly as
8 practicable. The department is authorized to negotiate contracts for
9 any amount without bid under ~~((d)(i))~~ (e)(i) and (ii) of this
10 subsection:

11 (i) Emergency contracts, in order to make repairs to ferries or
12 ferry terminal facilities or removal of such facilities whenever
13 continued use of ferries or ferry terminal facilities constitutes a
14 real or immediate danger to the traveling public or precludes prudent
15 use of such ferries or facilities; and

16 (ii) Single source contracts for vessel dry dockings, when there is
17 clearly and legitimately only one available bidder to conduct dry dock-
18 related work for a specific class or classes of vessels. The contracts
19 may be entered into for a single vessel dry docking or for multiple
20 vessel dry dockings for a period not to exceed two years.

21 (2) The department shall proceed with the procurement of materials,
22 supplies, services, and equipment needed for the support, maintenance,
23 and use of a ferry, ferry terminal, or other facility operated by
24 Washington state ferries, in accordance with chapter 43.19 RCW except
25 as follows:

26 ~~((Except as provided in (d) of this subsection,))~~ When the
27 secretary of the department of transportation determines in writing
28 that the use of invitation for bid is either not practicable or not
29 advantageous to the state and it may be necessary to make competitive
30 evaluations, including technical or performance evaluations among
31 acceptable proposals to complete the contract award, a contract may be
32 entered into by use of a competitive sealed proposals method, and a
33 formal request for proposals solicitation. Such formal request for
34 proposals solicitation shall include a functional description of the
35 needs and requirements of the state and the significant factors.

36 (b) When purchases are made through a formal request for proposals
37 solicitation the contract shall be awarded to the responsible proposer
38 whose competitive sealed proposal is determined in writing to be the

1 most advantageous to the state taking into consideration price and
2 other evaluation factors set forth in the request for proposals. No
3 significant factors may be used in evaluating a proposal that are not
4 specified in the request for proposals. Factors that may be considered
5 in evaluating proposals include but are not limited to: Price;
6 maintainability; reliability; commonality; performance levels; life
7 cycle cost if applicable under this section; cost of transportation or
8 delivery; delivery schedule offered; installation cost; cost of spare
9 parts; availability of parts and service offered; and the following:

10 (i) The ability, capacity, and skill of the proposer to perform the
11 contract or provide the service required;

12 (ii) The character, integrity, reputation, judgment, experience,
13 and efficiency of the proposer;

14 (iii) Whether the proposer can perform the contract within the time
15 specified;

16 (iv) The quality of performance of previous contracts or services;

17 (v) The previous and existing compliance by the proposer with laws
18 relating to the contract or services;

19 (vi) Objective, measurable criteria defined in the request for
20 proposal. These criteria may include but are not limited to items such
21 as discounts, delivery costs, maintenance services costs, installation
22 costs, and transportation costs; and

23 (vii) Such other information as may be secured having a bearing on
24 the decision to award the contract.

25 (c) When purchases are made through a request for proposal process,
26 proposals received shall be evaluated based on the evaluation factors
27 set forth in the request for proposal. When issuing a request for
28 proposal for the procurement of propulsion equipment or systems that
29 include an engine, the request for proposal must specify the use of a
30 life cycle cost analysis that includes an evaluation of fuel
31 efficiency. When a life cycle cost analysis is used, the life cycle
32 cost of a proposal shall be given at least the same relative importance
33 as the initial price element specified in the request of proposal
34 documents. The department may reject any and all proposals received.
35 If the proposals are not rejected, the award shall be made to the
36 proposer whose proposal is most advantageous to the department,
37 considering price and the other evaluation factors set forth in the
38 request for proposal.

1 ~~((d) If the department is procuring large equipment or systems~~
2 ~~(e.g., electrical, propulsion) needed for the support, maintenance, and~~
3 ~~use of a ferry operated by Washington state ferries, the department~~
4 ~~shall proceed with a formal request for proposal solicitation under~~
5 ~~this subsection (2) without a determination of necessity by the~~
6 ~~secretary.))~~

7 **Sec. 9.** RCW 47.56.040 and 1984 c 7 s 248 are each amended to read
8 as follows:

9 The department is empowered, in accordance with the provisions of
10 this chapter, to provide for the establishment and construction of toll
11 bridges upon any public highways of this state together with approaches
12 thereto wherever it is considered necessary or advantageous and
13 practicable for crossing any stream, body of water, gulch, navigable
14 water, swamp, or other topographical formation whether that formation
15 is within this state or constitutes a boundary between this state and
16 an adjoining state or country. ~~((The necessity or advantage and~~
17 ~~practicability of any such toll bridge shall be determined by the~~
18 ~~department, and the feasibility of financing any toll bridge in the~~
19 ~~manner provided by this chapter shall be a primary consideration and~~
20 ~~determined according to the best judgment of the department.))~~ For the
21 purpose of obtaining information for the consideration of the
22 department upon the construction of any toll bridge or any other
23 matters pertaining thereto, any cognizant officer or employee of the
24 state shall, upon the request of the department, make reasonable
25 examination, investigation, survey, or reconnaissance for the
26 determination of material facts pertaining thereto and report this to
27 the department. The cost of any such examination, investigation,
28 survey, or reconnaissance shall be borne by the department or office
29 conducting these activities from the funds provided for that department
30 or office for its usual functions.

31 **Sec. 10.** RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended
32 to read as follows:

33 The department of transportation may, ~~((with the approval of the~~
34 ~~transportation commission))~~ in accordance with this chapter, provide
35 for the ~~((establishment,))~~ construction~~((,))~~ and operation of toll
36 tunnels, toll roads, and other facilities necessary for their

1 construction and connection with public highways of the state. It may
2 cause surveys to be made to determine the propriety of their
3 (~~establishment,~~) construction(~~(,)~~) and operation, and may acquire
4 rights-of-way and other facilities necessary to carry out the
5 provisions hereof; and may issue, sell, and redeem bonds, and deposit
6 and expend them; secure and remit financial and other assistance in the
7 construction thereof; carry insurance thereon; and handle any other
8 matters pertaining thereto, all of which shall be conducted in the same
9 manner and under the same procedure as provided for the
10 (~~establishing,~~) constructing, operating, and maintaining of toll
11 bridges by the department, insofar as reasonably consistent and
12 applicable. (~~No toll facility, toll bridge, toll road, or toll
13 tunnel, shall be combined with any other toll facility for the purpose
14 of financing unless such facilities form a continuous project, to the
15 end that each such facility or project be self liquidating and self-
16 sustaining.))~~)

17 **Sec. 11.** RCW 47.56.076 and 2006 c 311 s 19 are each amended to
18 read as follows:

19 (1) Upon approval of a majority of the voters within its boundaries
20 voting on the ballot proposition, (~~and with the approval of the state~~
21 ~~transportation commission or its successor statewide tolling~~
22 ~~authority,~~) a regional transportation investment district may
23 authorize vehicle tolls on a local or regional arterial or a state or
24 federal highway within the boundaries of the district. The department
25 shall administer the collection of vehicle tolls authorized on
26 designated facilities unless otherwise specified in law or by contract,
27 and the commission or its successor statewide tolling authority shall
28 set and impose the tolls in amounts sufficient to implement the
29 regional transportation investment plan under RCW 36.120.020.

30 (2) Consistent with section 4 of this act, vehicle tolls must first
31 be authorized by the legislature if the tolls are imposed on a state
32 route.

33 (3) Consistent with section 7 of this act, vehicle tolls, including
34 any change in an existing toll rate, must first be reviewed and
35 approved by the tolling authority designated in section 7 of this act
36 if the tolls, or change in toll rate, would have a significant impact,

1 as determined by the tolling authority, on the operation of any state
2 facility.

3 **Sec. 12.** RCW 47.56.078 and 2005 c 336 s 25 are each amended to
4 read as follows:

5 (1) Subject to the provisions under chapter 36.73 RCW, a
6 transportation benefit district may authorize vehicle tolls on state
7 routes or federal highways, city streets, or county roads, within the
8 boundaries of the district, unless otherwise prohibited by law. The
9 department of transportation shall administer the collection of vehicle
10 tolls authorized on state routes or federal highways, unless otherwise
11 specified in law or by contract, and the state transportation
12 commission, or its successor, may approve, set, and impose the tolls in
13 amounts sufficient to implement the district's transportation
14 improvement finance plan. The district shall administer the collection
15 of vehicle tolls authorized on city streets or county roads, and shall
16 set and impose the tolls, only with approval of the transportation
17 commission, in amounts sufficient to implement the district's
18 transportation improvement plan. Tolls may vary for type of vehicle,
19 for time of day, for traffic conditions, and/or other factors designed
20 to improve performance of the facility or the transportation network.

21 (2) Consistent with section 4 of this act, vehicle tolls must first
22 be authorized by the legislature if the tolls are imposed on a state
23 route.

24 (3) Consistent with section 7 of this act, vehicle tolls, including
25 any change in an existing toll rate, must first be reviewed and
26 approved by the tolling authority designated in section 7 of this act
27 if the tolls, or change in toll rate, would have a significant impact,
28 as determined by the tolling authority, on the operation of any state
29 facility.

30 **Sec. 13.** RCW 47.56.120 and 1977 ex.s. c 151 s 70 are each amended
31 to read as follows:

32 In the event that (~~the transportation commission should determine~~
33 ~~that~~)) any toll bridge should be constructed, all cost thereof
34 including right-of-way, survey, and engineering shall be paid out of
35 any funds available for payment of the cost of such toll bridge under
36 this chapter.

1 **Sec. 14.** RCW 47.56.240 and 1984 c 7 s 265 are each amended to read
2 as follows:

3 Except as otherwise provided in section 7 of this act, the
4 commission is hereby empowered to fix the rates of toll and other
5 charges for all toll bridges built under the terms of this chapter.
6 Toll charges so fixed may be changed from time to time as conditions
7 warrant. The commission, in establishing toll charges, shall give due
8 consideration to the cost of operating and maintaining such toll bridge
9 or toll bridges including the cost of insurance, and to the amount
10 required annually to meet the redemption of bonds and interest payments
11 on them. The tolls and charges shall be at all times fixed at rates to
12 yield annual revenue equal to annual operating and maintenance expenses
13 including insurance costs and all redemption payments and interest
14 charges of the bonds issued for any particular toll bridge or toll
15 bridges as the bonds become due. The bond redemption and interest
16 payments constitute a first direct (~~and exclusive~~) charge and lien on
17 all such tolls and other revenues and interest thereon. Sinking funds
18 created therefrom received from the use and operation of the toll
19 bridge or toll bridges, and such tolls and revenues together with the
20 interest earned thereon shall constitute a trust fund for the security
21 and payment of such bonds and shall not be used or pledged for any
22 other purpose as long as any of these bonds are outstanding and unpaid.

23 **Sec. 15.** RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended
24 to read as follows:

25 A city or town may build and maintain toll bridges and charge and
26 collect tolls thereon, and to that end may provide a system and elect
27 or appoint persons to operate the same, or the said bridges may be made
28 free, as it may elect.

29 Consistent with section 7 of this act, any toll proposed under this
30 section, including any change in an existing toll rate, must first be
31 reviewed and approved by the tolling authority designated in section 7
32 of this act if the toll, or change in toll rate, would have a
33 significant impact, as determined by the tolling authority, on the
34 operation of any state facility.

35 **Sec. 16.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to
36 read as follows:

1 (1) A regional transportation investment district planning
2 committee may, as part of a regional transportation investment plan,
3 recommend the imposition or authorization of some or all of the
4 following revenue sources, which a regional transportation investment
5 district may impose or authorize upon approval of the voters as
6 provided in this chapter:

7 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
8 up to 0.1 percent of the selling price, in the case of a sales tax, or
9 value of the article used, in the case of a use tax, upon the
10 occurrence of any taxable event in the regional transportation
11 investment district;

12 (b) A local option vehicle license fee, as specified under RCW
13 82.80.100, of up to one hundred dollars per vehicle registered in the
14 district. As used in this subsection, "vehicle" means motor vehicle as
15 defined in RCW 46.04.320. Certain classes of vehicles, as defined
16 under chapter 46.04 RCW, may be exempted from this fee;

17 (c) A parking tax under RCW 82.80.030;

18 (d) A local motor vehicle excise tax under RCW 81.100.060;

19 (e) A local option fuel tax under RCW 82.80.120;

20 (f) An employer excise tax under RCW 81.100.030; and

21 (g) Vehicle tolls on new or reconstructed local or regional
22 arterials or state (~~or federal highways~~) routes within the boundaries
23 of the district, if the following conditions are met:

24 (~~(i) (Any such toll must be approved by the state transportation
25 commission or its successor statewide tolling authority;~~

26 ~~(ii))~~ Consistent with section 4 of this act, the vehicle toll must
27 first be authorized by the legislature if the toll is imposed on a
28 state route;

29 (ii) Consistent with section 7 of this act, the vehicle toll,
30 including any change in an existing toll rate, must first be reviewed
31 and approved by the tolling authority designated in section 7 of this
32 act if the toll, or change in toll rate, would have a significant
33 impact, as determined by the tolling authority, on the operation of any
34 state facility;

35 (iii) The regional transportation investment plan must identify the
36 facilities that may be tolled; and

37 ~~((iii))~~ (iv) Unless otherwise specified by law, the department
38 shall administer the collection of vehicle tolls on designated

1 facilities, and the state transportation commission, or its successor,
2 shall be the tolling authority, and shall act in accordance with
3 section 7 of this act.

4 (2) Taxes, fees, and tolls may not be imposed or authorized without
5 an affirmative vote of the majority of the voters within the boundaries
6 of the district voting on a ballot proposition as set forth in RCW
7 36.120.070. Revenues from these taxes and fees may be used only to
8 implement the plan as set forth in this chapter. A district may
9 contract with the state department of revenue or other appropriate
10 entities for administration and collection of any of the taxes or fees
11 authorized in this section.

12 (3) Existing statewide motor vehicle fuel and special fuel taxes,
13 at the distribution rates in effect on January 1, 2001, are not
14 intended to be altered by this chapter.

15 **Sec. 17.** RCW 36.73.040 and 2005 c 336 s 4 are each amended to read
16 as follows:

17 (1) A transportation benefit district is a quasi-municipal
18 corporation, an independent taxing "authority" within the meaning of
19 Article VII, section 1 of the state Constitution, and a "taxing
20 district" within the meaning of Article VII, section 2 of the state
21 Constitution.

22 (2) A transportation benefit district constitutes a body corporate
23 and possesses all the usual powers of a corporation for public purposes
24 as well as all other powers that may now or hereafter be specifically
25 conferred by statute, including, but not limited to, the authority to
26 hire employees, staff, and services, to enter into contracts, to
27 acquire, hold, and dispose of real and personal property, and to sue
28 and be sued. Public works contract limits applicable to the
29 jurisdiction that established the district apply to the district.

30 (3) To carry out the purposes of this chapter, and subject to the
31 provisions of RCW 36.73.065, a district is authorized to impose the
32 following taxes, fees, charges, and tolls:

33 (a) A sales and use tax in accordance with RCW 82.14.0455;

34 (b) A vehicle fee in accordance with RCW 82.80.140;

35 (c) A fee or charge in accordance with RCW 36.73.120. However, if
36 a county or city within the district area is levying a fee or charge
37 for a transportation improvement, the fee or charge shall be credited

1 against the amount of the fee or charge imposed by the district.
2 Developments consisting of less than twenty residences are exempt from
3 the fee or charge under RCW 36.73.120; and

4 (d) Vehicle tolls on state routes (~~(or federal highways)~~), city
5 streets, or county roads, within the boundaries of the district, unless
6 otherwise prohibited by law. However, consistent with section 4 of
7 this act, the vehicle toll must first be authorized by the legislature
8 if the toll is imposed on a state route. The department of
9 transportation shall administer the collection of vehicle tolls
10 authorized on state routes (~~(or federal highways)~~), unless otherwise
11 specified in law or by contract, and the state transportation
12 commission, or its successor, may approve, set, and impose the tolls in
13 amounts sufficient to implement the district's transportation
14 improvement finance plan. The district shall administer the collection
15 of vehicle tolls authorized on city streets or county roads, and shall
16 set and impose(~~(, only with approval of the transportation commission,~~
17 ~~or its successor,)~~) the tolls in amounts sufficient to implement the
18 district's transportation improvement plan. However, consistent with
19 section 7 of this act, the vehicle toll, including any change in an
20 existing toll rate, must first be reviewed and approved by the tolling
21 authority designated in section 7 of this act if the toll, or change in
22 toll rate, would have a significant impact, as determined by the
23 tolling authority, on the operation of any state facility.

24 **Sec. 18.** RCW 47.29.060 and 2005 c 317 s 6 are each amended to read
25 as follows:

26 (1) Subject to the limitations in this section, the department may,
27 in connection with the evaluation of eligible projects, consider any
28 financing mechanisms identified under subsections (3) through (5) of
29 this section or any other lawful source, either integrated as part of
30 a project proposal or as a separate, stand-alone proposal to finance a
31 project. Financing may be considered for all or part of a proposed
32 project. A project may be financed in whole or in part with:

33 (a) The proceeds of grant anticipation revenue bonds authorized by
34 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization
35 and appropriation is required in order to use this source of financing;

36 (b) Grants, loans, loan guarantees, lines of credit, revolving

1 lines of credit, or other financing arrangements available under the
2 Transportation Infrastructure Finance and Innovation Act under 23
3 U.S.C. Sec. 181 et seq., or any other applicable federal law;

4 (c) Infrastructure loans or assistance from the state
5 infrastructure bank established by RCW 82.44.195;

6 (d) Federal, state, or local revenues, subject to appropriation by
7 the applicable legislative authority;

8 (e) User fees, tolls, fares, lease proceeds, rents, gross or net
9 receipts from sales, proceeds from the sale of development rights,
10 franchise fees, or any other lawful form of consideration. However,
11 projects financed by tolls or equivalent funding sources must first be
12 authorized by the legislature under section 4 of this act.

13 (2) As security for the payment of financing described in this
14 section, the revenues from the project may be pledged, but no such
15 pledge of revenues constitutes in any manner or to any extent a general
16 obligation of the state. Any financing described in this section may
17 be structured on a senior, parity, or subordinate basis to any other
18 financing.

19 (3) For any transportation project developed under this chapter
20 that is owned, leased, used, or operated by the state, as a public
21 facility, if indebtedness is issued, it must be issued by the state
22 treasurer for the transportation project.

23 (4) For other public projects defined in RCW 47.29.050(2) that are
24 developed in conjunction with a transportation project, financing
25 necessary to develop, construct, or operate the public project must be
26 approved by the state finance committee or by the governing board of a
27 public benefit corporation as provided in the federal Internal Revenue
28 Code section 63-20;

29 (5) For projects that are developed in conjunction with a
30 transportation project but are not themselves a public facility or
31 public project, any lawful means of financing may be used.

32 **Sec. 19.** RCW 47.58.030 and 1984 c 7 s 290 are each amended to read
33 as follows:

34 Except as otherwise provided in section 7 of this act, the
35 secretary shall have full charge of the construction of all such
36 improvements and reconstruction work and the construction of any
37 additional bridge, including approaches and connecting highways, that

1 may be authorized under this chapter and the operation of such bridge
2 or bridges, as well as the collection of tolls and other charges for
3 services and facilities thereby afforded. The schedule of charges for
4 the services and facilities shall be fixed and revised from time to
5 time by the commission so that the tolls and revenues collected will
6 yield annual revenue and income sufficient, after payment or allowance
7 for all operating, maintenance, and repair expenses, to pay the
8 interest on all revenue bonds outstanding under the provisions of this
9 chapter for account of the project and to create a sinking fund for the
10 retirement of the revenue bonds at or prior to maturity. The charges
11 shall be continued until all such bonds and interest thereon and unpaid
12 advancements, if any, have been paid.

13 **Sec. 20.** RCW 47.60.010 and 1984 c 18 s 1 are each amended to read
14 as follows:

15 The department is authorized to acquire by lease, charter,
16 contract, purchase, condemnation, or construction, and partly by any or
17 all of such means, and to thereafter operate, improve, and extend, a
18 system of ferries on and crossing Puget Sound and any of its tributary
19 waters and connections thereof, and connecting with the public streets
20 and highways in the state. The system of ferries shall include such
21 boats, vessels, wharves, docks, approaches, landings, franchises,
22 licenses, and appurtenances as shall be determined by the department to
23 be necessary or desirable for efficient operation of the ferry system
24 and best serve the public. Subject to section 4 of this act, the
25 department may in like manner acquire by purchase, condemnation, or
26 construction and include in the ferry system such toll bridges,
27 approaches, and connecting roadways as may be deemed by the department
28 advantageous in channeling traffic to points served by the ferry
29 system. In addition to the powers of acquisition granted by this
30 section, the department is empowered to enter into any contracts,
31 agreements, or leases with any person, firm, or corporation and to
32 thereby provide, on such terms and conditions as it shall determine,
33 for the operation of any ferry or ferries or system thereof, whether
34 acquired by the department or not.

35 The authority of the department to sell and lease back any state
36 ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec.
37 168(f)(8) is confirmed. Legal title and all incidents of legal title

1 to any ferry sold and leased back (except for the federal tax benefits
2 attributable to the ownership thereof) shall remain in the state of
3 Washington.

4 **Sec. 21.** RCW 53.34.010 and 1984 c 7 s 365 are each amended to read
5 as follows:

6 In addition to all other powers granted to port districts, any such
7 district may, with the consent of the department of transportation,
8 acquire by condemnation, purchase, lease, or gift, and may construct,
9 reconstruct, maintain, operate, furnish, equip, improve, better, add
10 to, extend, and lease to others in whole or in part and sell in whole
11 or in part any one or more of the following port projects, within or
12 without or partially within and partially without the corporate limits
13 of the district whenever the commission of the district determines that
14 any one or more of such projects are necessary for or convenient to the
15 movement of commercial freight and passenger traffic a part of which
16 traffic moves to, from, or through the territory of the district:

17 (1) Toll bridges;

18 (2) Tunnels under or upon the beds of any river, stream, or other
19 body of water, or through mountain ranges.

20 In connection with the acquisition or construction of any one or
21 more of such projects the port districts may, with the consent of the
22 state department of transportation, further acquire or construct,
23 maintain, operate, or improve limited or unlimited access highway
24 approaches of such length as the commission of such district deems
25 advisable to provide means of interconnection of the facilities with
26 public highways and of ingress and egress to any such project,
27 including plazas and toll booths, and to construct and maintain under,
28 along, over, or across any such project telephone, telegraph, or
29 electric transmission wires and cables, fuel lines, gas transmission
30 lines or mains, water transmission lines or mains, and other mechanical
31 equipment not inconsistent with the appropriate use of the project, all
32 for the purpose of obtaining revenues for the payment of the cost of
33 the project.

34 Consistent with section 7 of this act, any toll, including any
35 change in an existing toll rate, proposed under this section must first
36 be reviewed and approved by the tolling authority designated in section

1 7 of this act if the toll, or change in toll rate, would have a
2 significant impact, as determined by the tolling authority, on the
3 operation of any state facility.

4 NEW SECTION. **Sec. 22.** The following acts or parts of acts are
5 each repealed:

6 (1) RCW 47.56.0761 (Regional transportation investment district--
7 Tolls on Lake Washington bridges) and 2006 c 311 s 20; and

8 (2) RCW 47.56.080 (Construction of toll bridges and issuance of
9 bonds authorized) and 1977 ex.s. c 151 s 68 & 1961 c 13 s 47.56.080.

10 NEW SECTION. **Sec. 23.** Sections 1 through 7 of this act are each
11 added to chapter 47.56 RCW under the subchapter heading "toll
12 facilities created after July 1, 2008."

--- END ---