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**SUBSTITUTE HOUSE BILL 2211**

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**State of Washington**

**61st Legislature**

**2009 Regular Session**

**By** House Transportation (originally sponsored by Representatives Clibborn, Eddy, Maxwell, and Lias)

READ FIRST TIME 04/09/09.

1       AN ACT Relating to the authorization, administration, collection,  
2 and enforcement of tolls on the state route number 520 corridor;  
3 reenacting and amending RCW 43.84.092; adding new sections to chapter  
4 47.56 RCW; creating a new section; and providing an effective date.

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

6       NEW SECTION.   **Sec. 1.** It is the intent of the legislature to  
7 impose tolls on the state route number 520 bridge subject to section 2  
8 of this act, to help finance construction of critical safety projects,  
9 including replacement of the floating bridge, and to generate  
10 additional funds to help finance associated projects in the state route  
11 number 520 corridor program, which consists of, on the west side of the  
12 corridor, connections from Interstate 5 to the floating bridge, and on  
13 the east side of the corridor, from the east end of the floating bridge  
14 to state route number 202.

15       It is further the intent of the legislature that the cost of the  
16 design options for renovating the state route number 520 corridor must  
17 not exceed four billion six hundred fifty million dollars and, of that  
18 total, the cost of the east side projects must not exceed eight hundred  
19 million dollars and the cost of the west side projects must not exceed

1 two billion dollars. Of the total project cost, the legislature  
2 intends that one billion seven hundred million dollars will be provided  
3 through the issuance of bonds backed by toll revenue, and that this act  
4 provide for the funding of one billion two hundred million dollars of  
5 these bonds.

6 It is further the intent of the legislature that if the tolls on  
7 the state route number 520 corridor significantly alter the performance  
8 of nearby facilities, the legislature intends to reconsider the tolling  
9 policy for the corridor.

10 It is further the intent of the legislature that the department of  
11 transportation apply for federal stimulus funds for projects in the  
12 state route number 520 corridor.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.56 RCW  
14 under the subchapter heading "toll facilities created after July 1,  
15 2008" to read as follows:

16 (1) The initial imposition of tolls on the state route number 520  
17 corridor is authorized, the state route number 520 corridor is  
18 designated an eligible toll facility, and toll revenue generated in the  
19 corridor must only be expended as allowed under RCW 47.56.820.

20 (2) The state route number 520 corridor consists of that portion of  
21 state route number 520 between the junctions of Interstate 5 and state  
22 route number 202. The tolls imposed under this section must be charged  
23 only for travel on the floating bridge portion of the state route  
24 number 520 corridor.

25 (3)(a) In setting the toll rates for the corridor pursuant to RCW  
26 47.56.850, the tolling authority shall set a variable schedule of toll  
27 rates to maintain travel time, speed, and reliability on the corridor  
28 and generate the necessary revenue as required under (b) of this  
29 subsection.

30 (b) The tolling authority shall initially set the variable schedule  
31 of toll rates, which the tolling authority may adjust at least annually  
32 to reflect inflation as measured by the consumer price index or as  
33 necessary to meet the redemption of bonds and interest payments on the  
34 bonds, to generate revenue sufficient to provide for:

35 (i) The issuance of up to one billion two hundred million dollars  
36 in general obligation bonds first payable from toll revenue and excise

1 taxes on motor vehicle and special fuels pledged for the payment of  
2 those bonds; and

3 (ii) Costs associated with the project designated in subsection (4)  
4 of this section that are eligible under RCW 47.56.820.

5 (4) The proceeds of the bonds designated in subsection (3)(b)(i) of  
6 this section, which together with other appropriated and identified  
7 state and federal funds is more than sufficient to pay for pontoon  
8 construction and the replacement of the state route number 520 floating  
9 bridge, must be used only to fund:

10 (a) The construction of a replacement state route number 520  
11 floating bridge; and

12 (b) The construction of other projects on the state route number  
13 520 corridor.

14 (5) The state toll agency may carry out the construction and  
15 improvements designated in subsection (4) of this section and  
16 administer the tolling program on the state route number 520 corridor.

17 (6)(a) To ensure thorough and appropriate analysis, the department  
18 shall report to the legislature by January 5, 2010, on the key results  
19 of its supplemental draft environmental impact statement analysis of  
20 the two west side alternatives and the cost estimates of each  
21 alternative. The department shall describe the design components it  
22 has included in each of the supplemental draft environmental impact  
23 statement alternatives and shall provide the cost estimates in such a  
24 way that all the design components can be compared across the  
25 alternatives, and so that the cost factors and risk assumptions are  
26 consistent among the alternatives. The department shall report on its  
27 methodology and results at least quarterly to the city of Seattle and  
28 selected community groups at each stage of this process. These  
29 selected community groups and the city of Seattle must have the  
30 opportunity to provide comments, which must include recommendations for  
31 local funding sources sufficient to finance any costs in excess of two  
32 billion dollars for the west side projects, which the department shall  
33 include in its report to the legislature.

34 (b) The department shall consult with the city of Seattle and  
35 affected communities prior to reaching a final decision regarding the  
36 design of the projects on the west side of the state route number 520  
37 corridor which meets the requirements of subsection (7) of this  
38 section. If an agreement regarding the design of the projects on the

1 west side of the corridor and the local funding sources sufficient to  
2 finance any costs in excess of two billion dollars for the west side  
3 projects is reached between the city of Seattle and the department by  
4 June 30, 2010, then the department shall reach a decision regarding the  
5 design of the projects on the west side of the corridor that is agreed  
6 to by the department and the city of Seattle and meets the requirements  
7 of subsection (7) of this section.

8 (7) The department must ensure that the total cost of all the  
9 intended projects in the state route number 520 corridor does not  
10 exceed four billion six hundred fifty million dollars. Of this amount,  
11 the cost of the state route number 520 floating bridge must not exceed  
12 one billion eight hundred fifty million dollars, and the total cost of  
13 the east side projects must not exceed eight hundred million dollars.  
14 The total cost of the west side projects must not exceed two billion  
15 dollars. However, if the total cost of the west side projects exceeds  
16 two billion dollars, in order to expend any toll revenues or the  
17 proceeds of any bonds backed in whole or in part by toll revenues on  
18 projects on the west side of the state route number 520 corridor, any  
19 costs in excess of two billion dollars for the construction of the  
20 projects on the west side of the state route number 520 corridor must  
21 be financed by local revenues, which may include contributions from  
22 local governments, local improvement districts, private contributions,  
23 or other local revenue sources.

24 Upon the completion of the final design for the projects on the  
25 west side of the state route number 520 corridor, the department shall  
26 update the finance plan for the state route number 520 corridor  
27 program. In updating the finance plan, the department shall include  
28 the cost of the design for the projects on the west side of the  
29 corridor reached under subsection (6) of this section and, if  
30 necessary, the local revenue sources identified to provide additional  
31 funding.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.56 RCW  
33 under the subchapter heading "toll facilities created after July 1,  
34 2008" to read as follows:

35 Unless otherwise delegated, the department is the state toll agency  
36 with the authority to administer tolling programs on eligible toll  
37 facilities, including the state route number 520 corridor. The state

1 toll agency may adopt and amend rules to govern operations,  
2 collections, and enforcement on each eligible toll facility. In  
3 implementing tolling programs, the state toll agency may (1) collect  
4 and retain any toll charges and penalties imposed, (2) issue toll bills  
5 and notices of infraction, (3) use available resources to collect  
6 unpaid toll charges, including forwarding unpaid infractions to the  
7 department of licensing pursuant to RCW 46.20.270(3) and assigning the  
8 unpaid infractions to collection agencies under RCW 19.16.500, (4)  
9 allocate administrative fees and infraction charges to the toll  
10 facilities on which the fees and charges were incurred, (5) resolve  
11 disputes involving toll charges, and (6) procure and sell transponders  
12 or enter into contracts and license agreements to procure and sell  
13 transponders as necessary for the operation of electronic toll  
14 collection systems on eligible toll facilities.

15 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56 RCW  
16 under the subchapter heading "toll facilities created after July 1,  
17 2008" to read as follows:

18 A special account to be known as the state route number 520  
19 corridor account is created in the state treasury.

20 (1) Deposits to the account must include:

21 (a) All proceeds of bonds issued for construction of the state  
22 route number 520 corridor, including any capitalized interest;

23 (b) All of the tolls and other revenues received from the operation  
24 of the state route number 520 corridor as a toll facility, to be  
25 deposited at least monthly;

26 (c) Any interest that may be earned from the deposit or investment  
27 of those revenues;

28 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any  
29 surplus real property acquired for the purpose of building the  
30 replacement state route number 520 floating bridge or the construction  
31 of other projects on the state route number 520 corridor; and

32 (e) All damages, liquidated or otherwise, collected under any  
33 contract involving the construction of projects on the state route  
34 number 520 corridor.

35 (2) Subject to the covenants made by the state in the bond  
36 proceedings authorizing the issuance and sale of bonds for the state

1 route number 520 corridor projects, toll charges, other revenues, and  
2 interest received from the operation of the state route number 520  
3 corridor as a toll facility may be used to:

- 4 (a) Pay any required costs allowed under RCW 47.56.820; and
- 5 (b) Repay amounts to the motor vehicle fund as required.

6 (3) When repaying the motor vehicle fund, the state treasurer shall  
7 transfer funds from the state route number 520 corridor account to the  
8 motor vehicle fund on or before each debt service date for bonds issued  
9 for the replacement state route number 520 floating bridge project or  
10 the construction of other projects on the state route number 520  
11 corridor in an amount sufficient to repay the motor vehicle fund for  
12 amounts transferred from that fund to the highway bond retirement fund  
13 to provide for any bond principal and interest due on that date. The  
14 state treasurer may establish subaccounts for the purpose of  
15 segregating toll charges, bond sale proceeds, and other revenues.

16 **Sec. 5.** RCW 43.84.092 and 2008 c 128 s 19 and 2008 c 106 s 4 are  
17 each reenacted and amended to read as follows:

18 (1) All earnings of investments of surplus balances in the state  
19 treasury shall be deposited to the treasury income account, which  
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or receive  
22 funds associated with federal programs as required by the federal cash  
23 management improvement act of 1990. The treasury income account is  
24 subject in all respects to chapter 43.88 RCW, but no appropriation is  
25 required for refunds or allocations of interest earnings required by  
26 the cash management improvement act. Refunds of interest to the  
27 federal treasury required under the cash management improvement act  
28 fall under RCW 43.88.180 and shall not require appropriation. The  
29 office of financial management shall determine the amounts due to or  
30 from the federal government pursuant to the cash management improvement  
31 act. The office of financial management may direct transfers of funds  
32 between accounts as deemed necessary to implement the provisions of the  
33 cash management improvement act, and this subsection. Refunds or  
34 allocations shall occur prior to the distributions of earnings set  
35 forth in subsection (4) of this section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury income  
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,  
2 safekeeping, and disbursement functions for the state treasury and  
3 affected state agencies. The treasury income account is subject in all  
4 respects to chapter 43.88 RCW, but no appropriation is required for  
5 payments to financial institutions. Payments shall occur prior to  
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the treasury  
10 income account except:

11 The following accounts and funds shall receive their proportionate  
12 share of earnings based upon each account's and fund's average daily  
13 balance for the period: The aeronautics account, the aircraft search  
14 and rescue account, the budget stabilization account, the capitol  
15 building construction account, the Cedar River channel construction and  
16 operation account, the Central Washington University capital projects  
17 account, the charitable, educational, penal and reformatory  
18 institutions account, the cleanup settlement account, the Columbia  
19 river basin water supply development account, the common school  
20 construction fund, the county arterial preservation account, the county  
21 criminal justice assistance account, the county sales and use tax  
22 equalization account, the data processing building construction  
23 account, the deferred compensation administrative account, the deferred  
24 compensation principal account, the department of licensing services  
25 account, the department of retirement systems expense account, the  
26 developmental disabilities community trust account, the drinking water  
27 assistance account, the drinking water assistance administrative  
28 account, the drinking water assistance repayment account, the Eastern  
29 Washington University capital projects account, the education  
30 construction fund, the education legacy trust account, the election  
31 account, the energy freedom account, the essential rail assistance  
32 account, The Evergreen State College capital projects account, the  
33 federal forest revolving account, the ferry bond retirement fund, the  
34 freight congestion relief account, the freight mobility investment  
35 account, the freight mobility multimodal account, the grade crossing  
36 protective fund, the health services account, the public health  
37 services account, the health system capacity account, the personal  
38 health services account, the high capacity transportation account, the

1 state higher education construction account, the higher education  
2 construction account, the highway bond retirement fund, the highway  
3 infrastructure account, the highway safety account, the high occupancy  
4 toll lanes operations account, the industrial insurance premium refund  
5 account, the judges' retirement account, the judicial retirement  
6 administrative account, the judicial retirement principal account, the  
7 local leasehold excise tax account, the local real estate excise tax  
8 account, the local sales and use tax account, the medical aid account,  
9 the mobile home park relocation fund, the motor vehicle fund, the  
10 motorcycle safety education account, the multimodal transportation  
11 account, the municipal criminal justice assistance account, the  
12 municipal sales and use tax equalization account, the natural resources  
13 deposit account, the oyster reserve land account, the pension funding  
14 stabilization account, the perpetual surveillance and maintenance  
15 account, the public employees' retirement system plan 1 account, the  
16 public employees' retirement system combined plan 2 and plan 3 account,  
17 the public facilities construction loan revolving account beginning  
18 July 1, 2004, the public health supplemental account, the public  
19 transportation systems account, the public works assistance account,  
20 the Puget Sound capital construction account, the Puget Sound ferry  
21 operations account, the Puyallup tribal settlement account, the real  
22 estate appraiser commission account, the recreational vehicle account,  
23 the regional mobility grant program account, the resource management  
24 cost account, the rural arterial trust account, the rural Washington  
25 loan fund, the safety and education account, the site closure account,  
26 the small city pavement and sidewalk account, the special category C  
27 account, the special wildlife account, the state employees' insurance  
28 account, the state employees' insurance reserve account, the state  
29 investment board expense account, the state investment board commingled  
30 trust fund accounts, the state patrol highway account, the state route  
31 number 520 corridor account, the supplemental pension account, the  
32 Tacoma Narrows toll bridge account, the teachers' retirement system  
33 plan 1 account, the teachers' retirement system combined plan 2 and  
34 plan 3 account, the tobacco prevention and control account, the tobacco  
35 settlement account, the transportation 2003 account (nickel account),  
36 the transportation equipment fund, the transportation fund, the  
37 transportation improvement account, the transportation improvement  
38 board bond retirement account, the transportation infrastructure



1 account, the transportation partnership account, the traumatic brain  
2 injury account, the tuition recovery trust fund, the University of  
3 Washington bond retirement fund, the University of Washington building  
4 account, the urban arterial trust account, the volunteer firefighters'  
5 and reserve officers' relief and pension principal fund, the volunteer  
6 firefighters' and reserve officers' administrative fund, the Washington  
7 fruit express account, the Washington judicial retirement system  
8 account, the Washington law enforcement officers' and firefighters'  
9 system plan 1 retirement account, the Washington law enforcement  
10 officers' and firefighters' system plan 2 retirement account, the  
11 Washington public safety employees' plan 2 retirement account, the  
12 Washington school employees' retirement system combined plan 2 and 3  
13 account, the Washington state health insurance pool account, the  
14 Washington state patrol retirement account, the Washington State  
15 University building account, the Washington State University bond  
16 retirement fund, the water pollution control revolving fund, and the  
17 Western Washington University capital projects account. Earnings  
18 derived from investing balances of the agricultural permanent fund, the  
19 normal school permanent fund, the permanent common school fund, the  
20 scientific permanent fund, and the state university permanent fund  
21 shall be allocated to their respective beneficiary accounts. All  
22 earnings to be distributed under this subsection (4)((+a)) shall first  
23 be reduced by the allocation to the state treasurer's service fund  
24 pursuant to RCW 43.08.190.

25 (5) In conformance with Article II, section 37 of the state  
26 Constitution, no treasury accounts or funds shall be allocated earnings  
27 without the specific affirmative directive of this section.

28 NEW SECTION. **Sec. 6.** This act takes effect August 1, 2009.

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