
SUBSTITUTE SENATE BILL 5700

State of Washington

62nd Legislature

2011 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen and King)

READ FIRST TIME 02/10/11.

1 AN ACT Relating to certain toll facilities; amending RCW 47.10.882,
2 47.10.887, 47.10.888, and 47.56.810; reenacting RCW 47.10.886; adding
3 a new section to chapter 47.56 RCW; creating a new section; and
4 declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that Washington
7 voters strongly supported Initiative Measure No. 1053 during the 2010
8 general election, which indicates the clear desire on the part of the
9 state's citizens that legislators approve any new fees or increases to
10 existing fees. The legislature further recognizes that during the 2009
11 legislative session tolling was authorized on the state route number
12 520 corridor, bonds were authorized to finance construction of corridor
13 projects, and the legislature committed to continue imposing tolls on
14 the corridor in amounts sufficient to pay the principal and interest on
15 those bonds. As tolling is scheduled to begin on the corridor in early
16 April 2011, the legislature intends to honor the voters' clear
17 direction as identified in Initiative Measure No. 1053 by reviewing the
18 transportation commission's recommended schedule for tolling charges

1 and explicitly approving those rates applicable to the state route
2 number 520 corridor.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.56 RCW
4 to read as follows:

5 (1) Consistent with RCW 43.135.055 and 47.56.805 through 47.56.876,
6 the legislature approves the action taken by the transportation
7 commission on January 5, 2011, adopting amended rules to set the
8 schedule of toll rates applicable to the state route number 520
9 corridor. The legislature approves the delegation to the
10 transportation commission, as the tolling authority for the state, of
11 the authority to set and adjust toll rates on the state route number
12 520 corridor in accordance with the requirements and guidelines set
13 forth in RCW 47.56.830, 47.56.850, and 47.56.870. The transportation
14 commission may adjust the toll rates, as identified in the adopted
15 schedule of toll rates, only in amounts not greater than those
16 sufficient to meet (a) the operating costs of the state route number
17 520 corridor, including necessary maintenance, preservation, renewal,
18 replacement, administration, and toll enforcement by public law
19 enforcement and (b) obligations for the timely payment of debt service
20 on bonds issued under chapter 498, Laws of 2009 and this act, and any
21 other associated financing costs including, but not limited to,
22 required reserves, minimum debt coverage or other appropriate
23 contingency funding, insurance, and compliance with all other financial
24 and other covenants made by the state in the bond proceedings. Prior
25 to the convening of each regular session of the legislature, the
26 transportation commission must provide the transportation committees of
27 the legislature with a detailed report regarding any increase or
28 decrease in any toll rate approved by the commission that has not been
29 described in a previous report provided pursuant to this subsection
30 (1), along with a detailed justification for each such increase or
31 decrease.

32 (2) Consistent with RCW 43.135.055 and 47.46.100, the legislature
33 approves the action taken by the transportation commission on January
34 25, 2011, adopting amended rules to set the schedule of photo toll, or
35 "pay by mail," charges applicable to the Tacoma Narrows bridge.

36 (3) Consistent with RCW 43.135.055 and 47.56.795(6), the
37 legislature approves the action taken by the transportation commission

1 on January 5, 2011, adopting amended rules concerning the assessment of
2 administrative fees for toll collection processes. The administrative
3 fees must not exceed toll collection costs.

4 **Sec. 3.** RCW 47.10.882 and 2009 c 498 s 11 are each amended to read
5 as follows:

6 The toll facility bond retirement account is created in the state
7 treasury for the purpose of payment of the principal of and interest
8 and premium on bonds. Both principal of and interest on the bonds
9 issued for the purposes of chapter 498, Laws of 2009 and this act shall
10 be payable from the toll facility bond retirement account. The state
11 finance committee may provide that special subaccounts be created in
12 the account to facilitate payment of the principal of and interest on
13 the bonds. The state finance committee shall, on or before June 30th
14 of each year, certify to the state treasurer the amount required for
15 principal and interest on the bonds in accordance with the bond
16 proceedings.

17 **Sec. 4.** RCW 47.10.886 and 2009 c 498 s 16 are each reenacted to
18 read as follows:

19 If and to the extent that the state finance committee determines,
20 in consultation with the department of transportation and the tolling
21 authority, that it will be beneficial for the state to issue any bonds
22 authorized in RCW 47.10.879 and 47.10.883 through 47.10.885 as toll
23 revenue bonds rather than as general obligation bonds, the state
24 finance committee is authorized to issue and sell, upon the request of
25 the department of transportation, such bonds as toll revenue bonds and
26 not as general obligation bonds. Notwithstanding RCW 47.10.883, each
27 such bond shall contain a recital that payment or redemption of the
28 bond and payment of the interest and any premium thereon is payable
29 solely from and secured solely by a direct pledge, charge, and lien
30 upon toll revenue and is not a general obligation of the state to which
31 the full faith and credit of the state is pledged.

32 Toll revenue is hereby pledged to the payment of any bonds and the
33 interest thereon issued under the authority of this section, and the
34 legislature agrees to continue to impose these toll charges on the
35 state route number 520 corridor, and on any other eligible toll
36 facility designated by the legislature and on which the imposition of

1 tolls is authorized by the legislature in respect of the bonds, in
2 amounts sufficient to pay, when due, the principal and interest on all
3 bonds issued under the authority of this section.

4 **Sec. 5.** RCW 47.10.887 and 2009 c 498 s 17 are each amended to read
5 as follows:

6 The state finance committee may determine and include in any
7 resolution authorizing the issuance of any bonds under chapter 498,
8 Laws of 2009 and this act, such terms, provisions, covenants, and
9 conditions as it may deem appropriate in order to assist with the
10 marketing and sale of the bonds, confer rights upon the owners of
11 bonds, and safeguard rights of the owners of bonds including, among
12 other things:

13 (1) Provisions regarding the maintenance and operation of eligible
14 toll facilities;

15 (2) The pledges, uses, and priorities of application of toll
16 revenue;

17 (3) Provisions that bonds shall be payable from and secured solely
18 by toll revenue as provided by RCW 47.10.886, or shall be payable from
19 and secured by both toll revenue and by a pledge of excise taxes on
20 motor vehicle and special fuels and the full faith and credit of the
21 state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

22 (4) In consultation with the department of transportation and the
23 tolling authority, financial covenants requiring that the eligible toll
24 facilities must produce specified coverage ratios of toll revenue to
25 debt service on bonds;

26 (5) The purposes and conditions that must be satisfied prior to the
27 issuance of any additional bonds that are to be payable from and
28 secured by any toll revenue on an equal basis with previously issued
29 and outstanding bonds payable from and secured by toll revenue;

30 (6) Provisions that bonds for which any toll revenue are pledged,
31 or for which a pledge of any toll revenue may be reserved, may be
32 structured on a senior, parity, subordinate, or special lien basis in
33 relation to any other bonds for which toll revenue is pledged, with
34 respect to toll revenue only; and

35 (7) Provisions regarding reserves, credit enhancement, liquidity
36 facilities, and payment agreements with respect to bonds.

1 Notwithstanding the foregoing, covenants and conditions detailing
2 the character of management, maintenance, and operation of eligible
3 toll facilities, insurance for eligible toll facilities, financial
4 management of toll revenue, and disposition of eligible toll facilities
5 must first be approved by the department of transportation.

6 The owner of any bond may by mandamus or other appropriate
7 proceeding require and compel performance of any duties imposed upon
8 the tolling authority and the department of transportation and their
9 respective officials, including any duties imposed upon or undertaken
10 by them or by their respective officers, agents, and employees, in
11 connection with the construction, maintenance, and operation of
12 eligible toll facilities and in connection with the collection,
13 deposit, investment, application, and disbursement of the proceeds of
14 the bonds and toll revenue.

15 **Sec. 6.** RCW 47.10.888 and 2009 c 498 s 18 are each amended to read
16 as follows:

17 (1) For the purposes of chapter 498, Laws of 2009 and this act,
18 "toll revenue" means all toll receipts, all interest income derived
19 from the investment of toll receipts, and any gifts, grants, or other
20 funds received for the benefit of transportation facilities in the
21 state, including eligible toll facilities. However, for the purpose of
22 any pledge of toll revenue to the payment of particular bonds issued
23 under chapter 498, Laws of 2009 and this act, "toll revenue" means and
24 includes only such toll revenue or portion thereof that is pledged to
25 the payment of those bonds in the resolution authorizing the issuance
26 of such bonds. Toll revenue constitutes "fees and revenues derived
27 from the ownership or operation of any undertaking, facility, or
28 project" as that phrase is used in Article VIII, section 1(c)(1) of the
29 state Constitution.

30 (2) For the purposes of chapter 498, Laws of 2009 and this act,
31 "tolling authority" has the same meaning as in RCW 47.56.810.

32 **Sec. 7.** RCW 47.56.810 and 2008 c 122 s 3 are each amended to read
33 as follows:

34 The definitions in this section apply throughout this subchapter
35 unless the context clearly requires otherwise:

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

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

10 (3) "Toll revenue" or "revenue from an eligible toll facility"
11 means toll receipts, all interest income derived from the investment of
12 toll receipts, and any gifts, grants, or other funds received for the
13 benefit of ((the)) transportation facilities in the state, including
14 eligible toll ((facility)) facilities.

15 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately.

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