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HOUSE BILL 1980

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State of Washington                      56th Legislature                      1999 Regular Session

By Representatives Lantz, Dunn, O'Brien, Van Luven and Mielke

Read first time 02/12/1999. Referred to Committee on Transportation.

1            AN ACT Relating to regulation by the utilities and transportation  
2 commission when tolls exceed a rate established in an advisory vote;  
3 and amending RCW 47.46.050.

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

5            **Sec. 1.** RCW 47.46.050 and 1995 2nd sp.s. c 19 s 4 are each amended  
6 to read as follows:

7            (1) The department may enter into agreements using federal, state,  
8 and local financing in connection with the projects, including without  
9 limitation, grants, loans, and other measures authorized by section  
10 1012 of ISTEPA, and to do such things as necessary and desirable to  
11 maximize the funding and financing, including the formation of a  
12 revolving loan fund to implement this section.

13            (2) Agreements entered into under this section shall authorize the  
14 private entity to lease the facilities within a designated area or  
15 areas from the state and to impose user fees or tolls within the  
16 designated area to allow a reasonable rate of return on investment, as  
17 established through a negotiated agreement between the state and the  
18 private entity. The negotiated agreement shall determine a maximum  
19 rate of return on investment, based on project characteristics. If the

1 negotiated rate of return on investment is not affected, the private  
2 entity may establish and modify toll rates and user fees. Any such  
3 request resulting in a toll or user fee increase that would exceed the  
4 initial rate established in the advisory vote places that specific  
5 public-private initiatives program, from the date of the request  
6 forward, under the control and governance of the Washington utilities  
7 and transportation commission as if the private entity were a service  
8 company. Thereafter the private entity shall comply with chapter 81.04  
9 RCW.

10 (3) Agreements may establish "incentive" rates of return beyond the  
11 negotiated maximum rate of return on investment. The incentive rates  
12 of return shall be designed to provide financial benefits to the  
13 affected public jurisdictions and the private entity, given the  
14 attainment of various safety, performance, or transportation demand  
15 management goals. The incentive rates of return shall be negotiated in  
16 the agreement.

17 (4) Agreements shall require that over the term of the ownership or  
18 lease the user fees or toll revenues be applied only to payment of the  
19 private entity's capital outlay costs for the project, including  
20 project development costs, interest expense, the costs associated with  
21 design, construction, operations, toll collection, maintenance and  
22 administration of the project, reimbursement to the state for all costs  
23 associated with an election as required under RCW 47.46.030, the costs  
24 of project review and oversight, technical and law enforcement  
25 services, establishment of a fund to assure the adequacy of maintenance  
26 expenditures, and a reasonable return on investment to the private  
27 entity. A negotiated agreement shall not extend the term of the  
28 ownership or lease beyond the period of time required for payment of  
29 the private entity's capital outlay costs for the project under this  
30 subsection.

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