

**ESSB 5825** - H COMM AMD

By Committee on Transportation

**ADOPTED AS AMENDED 04/27/2019**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the  
4 Puget Sound region is faced with growing traffic congestion and must  
5 improve mobility for people and goods by maximizing the effectiveness  
6 of the freeway system. Investments in the Interstate 405, state route  
7 number 167, and state route number 509 corridors are essential for  
8 providing benefits for the movement of vehicles and people. Further,  
9 the legislature recognizes that in 2015, the passage of the  
10 connecting Washington transportation revenue proposal assumed that  
11 tolling would be a component of projects on these corridors.

12 (2) The legislature recognizes that completion of state route  
13 number 167 in Pierce county and completion of state route number 509  
14 in King county provide essential connections to the Port of Tacoma  
15 and the Port of Seattle and will help ensure people and goods move  
16 more reliably through the Puget Sound region. The completion of these  
17 corridors, known as the Gateway project, will play an essential role  
18 in enhancing the state's economic competitiveness, both nationally  
19 and globally.

20 (3) The legislature acknowledges that as one of the most  
21 congested freeway sections in the state, the combined Interstate 405  
22 and state route number 167 corridor in King county serves as an ideal  
23 candidate for an express toll lanes network. The express toll lanes  
24 network provides a tool for managing the use of high occupancy  
25 vehicle lanes while generating funds to improve projects in the  
26 corridor.

27 (4) Therefore, it is the intent of this act to expedite the  
28 delivery of the Puget Sound Gateway facility, designate the Puget  
29 Sound Gateway project as an eligible toll facility, and authorize the  
30 imposition of tolls on the Puget Sound Gateway facility. It is  
31 further the intent of this act to direct the department of  
32 transportation to develop and operate an express toll lanes network

1 on Interstate 405 from the city of Lynnwood on the north end to the  
2 intersection of state route number 167 and state route number 512 on  
3 the south end.

4 NEW SECTION. **Sec. 2.** (1) In order to provide funds necessary  
5 for the design, right-of-way, and construction of projects as allowed  
6 in sections 11 through 14 of this act, there shall be issued and sold  
7 upon the request of the department of transportation up to the  
8 following amounts of general obligation bonds of the state of  
9 Washington first payable from toll revenue and excise taxes on fuel  
10 and vehicle-related fees in accordance with section 5 of this act:

11 (a) One billion one hundred sixty million dollars for the  
12 Interstate 405 and state route number 167 express toll lanes; and

13 (b) Three hundred forty million dollars for the Puget Sound  
14 Gateway facility.

15 (2) For purposes of chapter . . . , Laws of 2019 (this act),  
16 "vehicle-related fees" means vehicle-related fees imposed under Title  
17 46 RCW that constitute license fees for motor vehicles to be used for  
18 highway purposes.

19 NEW SECTION. **Sec. 3.** Upon the request of the department, the  
20 state finance committee shall supervise and provide for the issuance,  
21 sale, and retirement of bonds authorized by this act in accordance  
22 with chapter 39.42 RCW. Bonds authorized by this act shall be sold in  
23 the manner, at time or times, in amounts, and at the price as the  
24 state finance committee shall determine. No bonds may be offered for  
25 sale without prior legislative appropriation of the net proceeds of  
26 the sale of the bonds.

27 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of bonds  
28 authorized by:

29 (a) Section 2(1)(a) of this act shall be deposited in the  
30 Interstate 405 and state route number 167 express toll lanes account  
31 created in section 12 of this act; and

32 (b) Section 2(1)(b) of this act shall be deposited in the Puget  
33 Sound Gateway facility account created in section 14 of this act.

34 (2) The bond proceeds shall be available only for the purposes  
35 enumerated in section 2, chapter . . . , Laws of 2019 (section 2 of  
36 this act), for the payment of bond anticipation notes or other  
37 interim financing, if any, capitalizing interest on the bonds,

1 funding a debt service reserve fund, if any, and for the payment of  
2 bond issuance costs, including the costs of underwriting.

3 NEW SECTION. **Sec. 5.** Bonds issued under the authority of this  
4 section and sections 2, 6, and 7 of this act shall distinctly state  
5 that they are a general obligation of the state of Washington, shall  
6 pledge the full faith and credit of the state to the payment of the  
7 principal thereof and the interest thereon, and shall contain an  
8 unconditional promise to pay such principal and interest as the same  
9 shall become due. The principal of and interest on the bonds shall be  
10 first payable in the manner provided in this section and sections 2,  
11 6, and 7 of this act from toll revenue and then from proceeds of  
12 excise taxes on fuel and vehicle-related fees to the extent toll  
13 revenue is not available for that purpose. Toll revenue and the state  
14 excise taxes on fuel imposed by chapter 82.38 RCW and vehicle-related  
15 fees are hereby pledged to the payment of any bonds and the interest  
16 thereon issued under the authority of this section and sections 2, 6,  
17 and 7 of this act, and the legislature agrees to continue to impose  
18 these toll charges on the Interstate 405 and state route number 167  
19 express toll lanes, and on the Puget Sound Gateway facility, and on  
20 any other eligible toll facility designated by the legislature and on  
21 which the imposition of tolls is authorized by the legislature in  
22 respect of the bonds, and excise taxes on fuel and vehicle-related  
23 fees in amounts sufficient to pay, when due, the principal and  
24 interest on all bonds issued under the authority of this section and  
25 sections 2, 6, and 7 of this act.

26 NEW SECTION. **Sec. 6.** For bonds issued under the authority of  
27 this section and sections 2, 5, and 7 of this act, the state  
28 treasurer shall first withdraw toll revenue from the appropriate toll  
29 account for the facility for which the bonds are issued and sold,  
30 and, to the extent toll revenue is not available, excise taxes on  
31 fuel and vehicle-related fees and deposit in the toll facility bond  
32 retirement account, or a special subaccount in the account, such  
33 amounts, and at such times, as are required by the bond proceedings.

34 Any excise taxes on fuel and vehicle-related fees required for  
35 bond retirement or interest on the bonds authorized by this section  
36 and sections 2, 5, and 7 of this act shall be taken from that portion  
37 of the motor vehicle fund that results from the imposition of excise  
38 taxes on fuel and vehicle-related fees and which is, or may be,

1 appropriated to the department for state highway purposes. Funds  
2 required shall never constitute a charge against any other  
3 allocations of fuel tax and vehicle-related fee revenues to the  
4 state, counties, cities, and towns unless the amount arising from  
5 excise taxes on fuel and vehicle-related fees distributed to the  
6 state in the motor vehicle fund proves insufficient to meet the  
7 requirements for bond retirement or interest on any such bonds.

8 Any payments for bond retirement or interest on the bonds taken  
9 from other revenues from the fuel taxes and vehicle-related fees that  
10 are distributable to the state, counties, cities, and towns shall be  
11 repaid from available toll revenue in the manner provided in the bond  
12 proceedings or, if toll revenue is not available for that purpose,  
13 from the first revenues from the excise taxes on fuel and vehicle-  
14 related fees distributed to the motor vehicle fund not required for  
15 bond retirement or interest on the bonds. Any excise taxes on fuel  
16 and vehicle-related fees required for bond retirement or interest on  
17 the bonds authorized by this section and sections 2, 5, and 7 of this  
18 act shall be reimbursed to the motor vehicle fund from toll revenue  
19 in the manner and with the priority specified in the bond  
20 proceedings.

21 NEW SECTION. **Sec. 7.** Bonds issued under the authority of  
22 sections 2, 5, and 6 of this act and this section and any other  
23 general obligation bonds of the state of Washington that have been or  
24 that may be authorized and that pledge excise taxes on fuel and  
25 vehicle-related fees for the payment of principal and interest  
26 thereon shall be an equal charge against the revenues from such  
27 excise taxes on fuel and vehicle-related fees.

28 **Sec. 8.** RCW 47.10.882 and 2011 c 377 s 3 are each amended to  
29 read as follows:

30 The toll facility bond retirement account is created in the state  
31 treasury for the purpose of payment of the principal of and interest  
32 and premium on bonds. Both principal of and interest on the bonds  
33 issued for the purposes of chapter 498, Laws of 2009 (~~and~~), chapter  
34 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act) shall  
35 be payable from the toll facility bond retirement account. The state  
36 finance committee may provide that special subaccounts be created in  
37 the account to facilitate payment of the principal of and interest on  
38 the bonds. The state finance committee shall, on or before June 30th

1 of each year, certify to the state treasurer the amount required for  
2 principal and interest on the bonds in accordance with the bond  
3 proceedings.

4 **Sec. 9.** RCW 47.10.887 and 2011 c 377 s 5 are each amended to  
5 read 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~~), chapter 377, Laws of 2011, and chapter . . . ,  
9 Laws of 2019 (this act), such terms, provisions, covenants, and  
10 conditions as it may deem appropriate in order to assist with the  
11 marketing and sale of the bonds, confer rights upon the owners of  
12 bonds, and safeguard rights of the owners of bonds including, among  
13 other things:

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

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

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

24 (4) Provisions that bonds shall be payable from and secured by  
25 both toll revenue and by a pledge of excise taxes on fuel and  
26 vehicle-related fees and the full faith and credit of the state as  
27 provided in sections 2 and 5 through 7 of this act;

28 (5) In consultation with the department of transportation and the  
29 tolling authority, financial covenants requiring that the eligible  
30 toll facilities must produce specified coverage ratios of toll  
31 revenue to debt service on bonds;

32 (~~(5)~~) (6) The purposes and conditions that must be satisfied  
33 prior to the issuance of any additional bonds that are to be payable  
34 from and secured by any toll revenue on an equal basis with  
35 previously issued and outstanding bonds payable from and secured by  
36 toll revenue;

37 (~~(6)~~) (7) Provisions that bonds for which any toll revenue are  
38 pledged, or for which a pledge of any toll revenue may be reserved,  
39 may be structured on a senior, parity, subordinate, or special lien

1 basis in relation to any other bonds for which toll revenue is  
2 pledged, with respect to toll revenue only; and

3 ~~((7))~~ (8) Provisions regarding reserves, credit enhancement,  
4 liquidity facilities, and payment agreements with respect to bonds.

5 Notwithstanding the foregoing, covenants and conditions detailing  
6 the character of management, maintenance, and operation of eligible  
7 toll facilities, insurance for eligible toll facilities, financial  
8 management of toll revenue, and disposition of eligible toll  
9 facilities must first be approved by the department of  
10 transportation.

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

20 **Sec. 10.** RCW 47.10.888 and 2011 c 377 s 6 are each amended to  
21 read as follows:

22 (1) For the purposes of chapter 498, Laws of 2009 ~~((and))~~,  
23 chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this  
24 act), "toll revenue" means all toll receipts, all interest income  
25 derived from the investment of toll receipts, and any gifts, grants,  
26 or other funds received for the benefit of transportation facilities  
27 in the state, including eligible toll facilities. However, for the  
28 purpose of any pledge of toll revenue to the payment of particular  
29 bonds issued under chapter 498, Laws of 2009 ~~((and))~~, chapter 377,  
30 Laws of 2011, and chapter . . ., Laws of 2019 (this act), "toll  
31 revenue" means and includes only such toll revenue or portion thereof  
32 that is pledged to the payment of those bonds in the resolution  
33 authorizing the issuance of such bonds. Toll revenue constitutes  
34 "fees and revenues derived from the ownership or operation of any  
35 undertaking, facility, or project" as that phrase is used in Article  
36 VIII, section 1(c)(1) of the state Constitution.

37 (2) For the purposes of chapter 498, Laws of 2009 ~~((and))~~,  
38 chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this  
39 act), "tolling authority" has the same meaning as in RCW 47.56.810.

1       **Sec. 11.** RCW 47.56.880 and 2011 c 369 s 3 are each amended to  
2 read as follows:

3       (1) The imposition of tolls for express toll lanes on Interstate  
4 405 between ~~((the junctions with))~~ Interstate 5 on the north end  
5 ~~((and NE 6th Street))~~ in the city of ~~((Bellevue))~~ Lynnwood and  
6 Interstate 5 on the south end in the city of Tukwila, and for state  
7 route number 167 between Interstate 405 on the north end and state  
8 route number 512 on the south end is authorized~~((7))~~. Interstate 405  
9 ~~((is))~~ and state route number 167 are designated an eligible toll  
10 facility, and toll revenue generated in the corridor must only be  
11 expended on the Interstate 405 and state route number 167 projects as  
12 identified in each corridor's master plan and as allowed under RCW  
13 47.56.820.

14       (2) Tolls for the express toll lanes must be set as follows:

15       (a) The schedule of toll rates must be set by the tolling  
16 authority pursuant to RCW 47.56.850. Toll rates may vary in amount by  
17 time of day, level of traffic congestion within the highway facility,  
18 or other criteria, as the tolling authority deems appropriate.

19       (b) In those locations with two express toll lanes in each  
20 direction, the toll rate must be the same in both lanes.

21       (c) Toll charges may not be assessed on transit buses and  
22 vanpools.

23       (d) The department shall establish performance standards for  
24 travel time, speed, and reliability for the express toll lanes  
25 project. The department must automatically adjust the toll rate  
26 within the schedule established by the tolling authority, using  
27 dynamic tolling, to ~~((ensure))~~ maintain the goal that average vehicle  
28 speeds in the lanes remain above forty-five miles per hour at least  
29 ninety percent of the time during peak hours.

30       (e) The tolling authority shall periodically review the toll  
31 rates against traffic performance of all lanes to determine if the  
32 toll rates are effectively maintaining travel time, speed, and  
33 reliability on the highway facilities.

34       (f)(i) Toll charges may not be assessed on carpools with two or  
35 more people in the vehicle on the portion of Interstate 405 between  
36 Bellevue and state route number 167 for at least the first year  
37 following the initial imposition of tolls on that portion of the  
38 express toll lanes, contingent upon the analysis described in (f)(ii)  
39 of this subsection.

1 (ii) The department must analyze the effect of (f)(i) of this  
2 subsection utilizing forecasting and modeling data and present the  
3 results of the analysis to the tolling authority. If the analysis  
4 indicates that the express toll lanes on the portion of Interstate  
5 405 between Bellevue and state route number 167 will not cover the  
6 financial obligations outlined in section 12(4) of this act, then the  
7 restriction on toll charges in (f)(i) of this subsection will not be  
8 implemented and the department must provide the transportation  
9 committees of the legislature with a report, within thirty days, that  
10 provides options for not assessing toll charges on carpools with two  
11 or more people in the vehicle, which also meet the financial  
12 obligations outlined in section 12(4) of this act.

13 ~~(3) ((The department may construct and operate express toll lanes~~  
14 ~~on Interstate 405 between the city of Bellevue on the south end and~~  
15 ~~Interstate 5 on the north end. Operation of the express toll lanes~~  
16 ~~may not commence until the department has completed capacity~~  
17 ~~improvements necessary to provide a two-lane system from NE 6th~~  
18 ~~Street in the city of Bellevue to state route number 522 and the~~  
19 ~~conversion of the existing high occupancy vehicle lane to an express~~  
20 ~~toll lane between state route number 522 and the city of Lynnwood.~~  
21 ~~Construction of the capacity improvements described in this~~  
22 ~~subsection, including items that enable implementation of express~~  
23 ~~toll lanes such as conduit and other underground features, must begin~~  
24 ~~as soon as practicable. However, any contract term regarding tolling~~  
25 ~~equipment, such as gantries, barriers, or cameras, for Interstate 405~~  
26 ~~may not take effect unless specific appropriation authority is~~  
27 ~~provided in 2012 stating that funding is provided solely for tolling~~  
28 ~~equipment on Interstate 405.))~~ The department shall work with local  
29 jurisdictions to minimize and monitor impacts to local streets and,  
30 after consultation with local jurisdictions, recommend mitigation  
31 measures to the legislature in those locations where it is  
32 appropriate.

33 (4) The department shall monitor the express toll lanes  
34 ~~((project))~~ and shall annually report to the transportation  
35 commission and the legislature on the impacts from the project on the  
36 following performance measures:

37 (a) Whether the express toll lanes maintain speeds of forty-five  
38 miles per hour at least ninety percent of the time during peak  
39 periods, and any alternate metric determined by the department in  
40 conjunction with the federal highway administration;



1 (b) Whether the average traffic speed changed in the general  
2 purpose lanes;

3 (c) Whether transit ridership changed;

4 (d) Whether the actual use of the express toll lanes is  
5 consistent with the projected use;

6 (e) Whether the express toll lanes generated sufficient revenue  
7 to pay for all (~~Interstate 405~~) express toll lane-related operating  
8 costs; and

9 (f) Whether travel times and volumes have increased or decreased  
10 on adjacent local streets and state highways (~~;~~ and

11 ~~(g) Whether the actual gross revenues are consistent with~~  
12 ~~projected gross revenues as identified in the fiscal note for~~  
13 ~~Engrossed House Bill No. 1382 distributed by the office of financial~~  
14 ~~management on March 15, 2011.~~

15 ~~(5) If after two years of operation of the express toll lanes on~~  
16 ~~Interstate 405 performance measures listed in subsection (4) (a) and~~  
17 ~~(e) of this section are not being met, the express toll lanes project~~  
18 ~~must be terminated as soon as practicable)).~~

19 ~~((6))~~ (5) The department, in consultation with the  
20 transportation commission, shall consider making operational changes  
21 necessary to fix any unintended consequences of implementing the  
22 express toll lanes (~~project~~).

23 ~~((7))~~ (6) A violation of the lane restrictions applicable to  
24 the express toll lanes established under this section is a traffic  
25 infraction.

26 **Sec. 12.** RCW 47.56.884 and 2011 c 369 s 5 are each amended to  
27 read as follows:

28 (1) The Interstate 405 and state route number 167 express toll  
29 lanes ((operations)) account is created in the motor vehicle fund.  
30 ((All revenues received by the department as toll charges collected  
31 from Interstate 405 express toll lane users must be deposited into  
32 the account))

33 (2) Deposits to the account must include:

34 (a) All proceeds of bonds authorized in section 2(1)(a) of this  
35 act and loans for the Interstate 405 and state route number 167  
36 projects, including capitalized interest;

37 (b) All tolls and other revenues received from the operation of  
38 the Interstate 405 and state route number 167 express toll lanes  
39 facility, to be deposited at least monthly;

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

3 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any  
4 surplus real property acquired for completing the Interstate 405 and  
5 state route number 167 express toll lanes facility; and

6 (e) All damages liquidated or otherwise, collected under any  
7 contract involving Interstate 405 or state route number 167 projects.

8 (3) Moneys in the account may be spent only after  
9 appropriation((-)), consistent with RCW 47.56.820((,- expenditures  
10 from the account may be used for debt service, planning,  
11 administration, construction, maintenance, operation, repair,  
12 rebuilding, enforcement, and the expansion of express toll lanes on  
13 Interstate 405)).

14 (4) The proceeds of the general obligation bonds authorized in  
15 section 2(1)(a) of this act shall be used to make progress toward  
16 completion of the Interstate 405 and state route number 167 master  
17 plans. It is the intent of the legislature to first use the bond  
18 proceeds for the following projects:

19 (a) Up to six hundred million dollars to design and construct  
20 capacity improvements on Interstate 405 between state route number  
21 522 and state route number 527. This project would widen Interstate  
22 405 through the state route number 522 interchange, build direct  
23 access ramps to the express toll lanes at state route number 522,  
24 build one new lane in each direction to be used as a second express  
25 toll lane, and build a partial direct access ramp at state route  
26 number 527 to the east, north, and south, to provide connections to  
27 the Canyon Park park and ride;

28 (b) Up to two hundred fifteen million dollars toward completion  
29 of the I-405/Renton to Bellevue - Corridor Widening project  
30 (M00900R);

31 (c) Up to three million dollars to update the state route number  
32 167 master plan;

33 (d) Up to one hundred million dollars to construct both the  
34 northbound and southbound state route number 167 stage 6 extension  
35 project. This project would extend the express toll lanes south to  
36 the state route number 410 and state route number 512 interchange to  
37 help mitigate traffic congestion; and

38 (e) Up to twenty million dollars to design the Interstate 405/  
39 North 8th Street Direct Access Ramp project in the city of Renton. It

1 is the intent of the legislature to provide construction funding for  
2 this project at a later date.

3 NEW SECTION. **Sec. 13.** (1) The Puget Sound Gateway facility is  
4 designated an eligible toll facility, tolls are authorized to be  
5 imposed on the Puget Sound Gateway facility, and toll revenue  
6 generated must be expended only as allowed under RCW 47.56.820.

7 (2) (a) In setting toll rates for the Puget Sound Gateway  
8 facility, pursuant to RCW 47.56.850, the tolling authority shall set  
9 a variable schedule of toll rates to maintain travel time, speed, and  
10 reliability on the Puget Sound Gateway facility.

11 (b) The tolling authority may adjust toll rates to reflect  
12 inflation as measured by the consumer price index or as necessary for  
13 those costs that are eligible under RCW 47.56.820 and to meet the  
14 obligations of the tolling authority under RCW 47.56.850.

15 (3) For the purposes of this section and section 14 of this act,  
16 "Puget Sound Gateway facility" means the state route number 167  
17 roadway between north Meridian Avenue in Puyallup and Interstate 5 in  
18 Fife, the state route number 509 spur between Interstate 5 in Fife  
19 and state route number 509 in Tacoma, and the state route number 509  
20 roadway between south 188th Street and Interstate 5 in SeaTac.

21 (4) Prior to setting the schedule of toll rates on the portion of  
22 state route number 509 between South 188th Street and Interstate 5 in  
23 SeaTac, the department, in collaboration with the transportation  
24 commission, must analyze and present to the transportation commission  
25 at least one schedule of toll rates that exempts, discounts, or  
26 provides other toll relief for low-income drivers during all hours of  
27 operation on state route number 509 between South 188th Street and  
28 Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the  
29 department shall consider implementing an exemption, discount, or  
30 other toll relief policy for drivers that reside in close proximity  
31 to the corridor.

32 NEW SECTION. **Sec. 14.** (1) A special account to be known as the  
33 Puget Sound Gateway facility account is created in the motor vehicle  
34 fund.

35 (2) Deposits to the account must include:

36 (a) All proceeds of bonds authorized in section 2(1)(b) of this  
37 act and loans for the Puget Sound Gateway project, including  
38 capitalized interest;

1 (b) All tolls and other revenues received from the operation of  
2 the Puget Sound Gateway facility, to be deposited at least monthly;

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

5 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any  
6 surplus real property acquired for completing the Puget Sound Gateway  
7 project, including existing state route number 509 right-of-way in  
8 SeaTac and Des Moines; and

9 (e) All damages liquidated or otherwise, collected under any  
10 contract involving the Puget Sound Gateway project.

11 (3) Moneys in the account may be spent only after appropriation,  
12 consistent with RCW 47.56.820.

13 (4) The proceeds of the general obligation bonds authorized in  
14 section 2(1)(b) of this act shall be used to make progress toward  
15 completion of the Puget Sound Gateway facility. It is the intent of  
16 the legislature to use the bond proceeds to advance the Puget Sound  
17 Gateway facility in order to maximize net mobility benefits for both  
18 freight and the traveling public. It is the intent of the legislature  
19 for tolling to begin on stage one of the project as soon as  
20 practicable in order to leverage toll funds, use bond proceeds to  
21 advance one hundred twenty-nine million dollars of connecting  
22 Washington state appropriations by two biennia to the 2023-2025  
23 biennium, and advance local and federal contributions. This will  
24 allow the department of transportation to deliver and open to the  
25 public stage two of the project in fiscal year 2028, three years  
26 earlier than originally planned, and to realize twenty million  
27 dollars in cost savings in connecting Washington state  
28 appropriations.

29 (5) It is also the intent of the legislature to use the bond  
30 proceeds for up to five million dollars to provide noise mitigation  
31 on state route number 509 between south 188th Street and Interstate  
32 5.

33 (6) It is further the intent of the legislature to clarify how  
34 the tolling of state route number 167 and state route number 509 will  
35 be implemented by requiring the transportation commission and the  
36 department of transportation to consider naming the sections of each  
37 facility where all of the lanes are tolled as the state route number  
38 167 express way and the state route number 509 express way  
39 respectively.

1       **Sec. 15.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and  
2 2018 c 203 s 14 are each reenacted and amended to read as follows:

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

6       (2) The treasury income account shall be utilized to pay or  
7 receive funds associated with federal programs as required by the  
8 federal cash management improvement act of 1990. The treasury income  
9 account is subject in all respects to chapter 43.88 RCW, but no  
10 appropriation is required for refunds or allocations of interest  
11 earnings required by the cash management improvement act. Refunds of  
12 interest to the federal treasury required under the cash management  
13 improvement act fall under RCW 43.88.180 and shall not require  
14 appropriation. The office of financial management shall determine the  
15 amounts due to or from the federal government pursuant to the cash  
16 management improvement act. The office of financial management may  
17 direct transfers of funds between accounts as deemed necessary to  
18 implement the provisions of the cash management improvement act, and  
19 this subsection. Refunds or allocations shall occur prior to the  
20 distributions of earnings set forth in subsection (4) of this  
21 section.

22       (3) Except for the provisions of RCW 43.84.160, the treasury  
23 income account may be utilized for the payment of purchased banking  
24 services on behalf of treasury funds including, but not limited to,  
25 depository, safekeeping, and disbursement functions for the state  
26 treasury and affected state agencies. The treasury income account is  
27 subject in all respects to chapter 43.88 RCW, but no appropriation is  
28 required for payments to financial institutions. Payments shall occur  
29 prior to distribution of earnings set forth in subsection (4) of this  
30 section.

31       (4) Monthly, the state treasurer shall distribute the earnings  
32 credited to the treasury income account. The state treasurer shall  
33 credit the general fund with all the earnings credited to the  
34 treasury income account except:

35       (a) The following accounts and funds shall receive their  
36 proportionate share of earnings based upon each account's and fund's  
37 average daily balance for the period: The abandoned recreational  
38 vehicle disposal account, the aeronautics account, the aircraft  
39 search and rescue account, the Alaskan Way viaduct replacement  
40 project account, the brownfield redevelopment trust fund account, the

1 budget stabilization account, the capital vessel replacement account,  
2 the capitol building construction account, the Cedar River channel  
3 construction and operation account, the Central Washington University  
4 capital projects account, the charitable, educational, penal and  
5 reformatory institutions account, the Chehalis basin account, the  
6 cleanup settlement account, the Columbia river basin water supply  
7 development account, the Columbia river basin taxable bond water  
8 supply development account, the Columbia river basin water supply  
9 revenue recovery account, the common school construction fund, the  
10 community forest trust account, the connecting Washington account,  
11 the county arterial preservation account, the county criminal justice  
12 assistance account, the deferred compensation administrative account,  
13 the deferred compensation principal account, the department of  
14 licensing services account, the department of licensing tuition  
15 recovery trust fund, the department of retirement systems expense  
16 account, the developmental disabilities community trust account, the  
17 diesel idle reduction account, the drinking water assistance account,  
18 the drinking water assistance administrative account, the early  
19 learning facilities development account, the early learning  
20 facilities revolving account, the Eastern Washington University  
21 capital projects account, (~~the Interstate 405 express toll lanes  
22 operations account,~~) the education construction fund, the education  
23 legacy trust account, the election account, the electric vehicle  
24 charging infrastructure account, the energy freedom account, the  
25 energy recovery act account, the essential rail assistance account,  
26 The Evergreen State College capital projects account, the federal  
27 forest revolving account, the ferry bond retirement fund, the freight  
28 mobility investment account, the freight mobility multimodal account,  
29 the grade crossing protective fund, the public health services  
30 account, the high capacity transportation account, the state higher  
31 education construction account, the higher education construction  
32 account, the highway bond retirement fund, the highway infrastructure  
33 account, the highway safety fund, (~~the high occupancy toll lanes  
34 operations account,~~) the hospital safety net assessment fund, the  
35 industrial insurance premium refund account, the Interstate 405 and  
36 state route number 167 express toll lanes account, the judges'  
37 retirement account, the judicial retirement administrative account,  
38 the judicial retirement principal account, the local leasehold excise  
39 tax account, the local real estate excise tax account, the local  
40 sales and use tax account, the marine resources stewardship trust

1 account, the medical aid account, the mobile home park relocation  
2 fund, the money-purchase retirement savings administrative account,  
3 the money-purchase retirement savings principal account, the motor  
4 vehicle fund, the motorcycle safety education account, the multimodal  
5 transportation account, the multiuse roadway safety account, the  
6 municipal criminal justice assistance account, the natural resources  
7 deposit account, the oyster reserve land account, the pension funding  
8 stabilization account, the perpetual surveillance and maintenance  
9 account, the pollution liability insurance agency underground storage  
10 tank revolving account, the public employees' retirement system plan  
11 1 account, the public employees' retirement system combined plan 2  
12 and plan 3 account, the public facilities construction loan revolving  
13 account beginning July 1, 2004, the public health supplemental  
14 account, the public works assistance account, the Puget Sound capital  
15 construction account, the Puget Sound ferry operations account, the  
16 Puget Sound Gateway facility account, the Puget Sound taxpayer  
17 accountability account, the real estate appraiser commission account,  
18 the recreational vehicle account, the regional mobility grant program  
19 account, the resource management cost account, the rural arterial  
20 trust account, the rural mobility grant program account, the rural  
21 Washington loan fund, the sexual assault prevention and response  
22 account, the site closure account, the skilled nursing facility  
23 safety net trust fund, the small city pavement and sidewalk account,  
24 the special category C account, the special wildlife account, the  
25 state employees' insurance account, the state employees' insurance  
26 reserve account, the state investment board expense account, the  
27 state investment board commingled trust fund accounts, the state  
28 patrol highway account, the state route number 520 civil penalties  
29 account, the state route number 520 corridor account, the state  
30 wildlife account, the statewide tourism marketing account, the  
31 student achievement council tuition recovery trust fund, the  
32 supplemental pension account, the Tacoma Narrows toll bridge account,  
33 the teachers' retirement system plan 1 account, the teachers'  
34 retirement system combined plan 2 and plan 3 account, the tobacco  
35 prevention and control account, the tobacco settlement account, the  
36 toll facility bond retirement account, the transportation 2003  
37 account (nickel account), the transportation equipment fund, the  
38 transportation future funding program account, the transportation  
39 improvement account, the transportation improvement board bond  
40 retirement account, the transportation infrastructure account, the

1 transportation partnership account, the traumatic brain injury  
2 account, the tuition recovery trust fund, the University of  
3 Washington bond retirement fund, the University of Washington  
4 building account, the volunteer firefighters' and reserve officers'  
5 relief and pension principal fund, the volunteer firefighters' and  
6 reserve officers' administrative fund, the Washington judicial  
7 retirement system account, the Washington law enforcement officers'  
8 and firefighters' system plan 1 retirement account, the Washington  
9 law enforcement officers' and firefighters' system plan 2 retirement  
10 account, the Washington public safety employees' plan 2 retirement  
11 account, the Washington school employees' retirement system combined  
12 plan 2 and 3 account, the Washington state health insurance pool  
13 account, the Washington state patrol retirement account, the  
14 Washington State University building account, the Washington State  
15 University bond retirement fund, the water pollution control  
16 revolving administration account, the water pollution control  
17 revolving fund, the Western Washington University capital projects  
18 account, the Yakima integrated plan implementation account, the  
19 Yakima integrated plan implementation revenue recovery account, and  
20 the Yakima integrated plan implementation taxable bond account.  
21 Earnings derived from investing balances of the agricultural  
22 permanent fund, the normal school permanent fund, the permanent  
23 common school fund, the scientific permanent fund, the state  
24 university permanent fund, and the state reclamation revolving  
25 account shall be allocated to their respective beneficiary accounts.

26 (b) Any state agency that has independent authority over accounts  
27 or funds not statutorily required to be held in the state treasury  
28 that deposits funds into a fund or account in the state treasury  
29 pursuant to an agreement with the office of the state treasurer shall  
30 receive its proportionate share of earnings based upon each account's  
31 or fund's average daily balance for the period.

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

35 NEW SECTION. **Sec. 16.** The following acts or parts of acts are  
36 each repealed:

37 (1) RCW 47.56.403 (High occupancy toll lane pilot project) and  
38 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013 c 306 s 709, 2011 c  
39 367 s 709, & 2005 c 312 s 3; and



1 (2) RCW 47.66.090 (High occupancy toll lanes operations account)  
2 and 2005 c 312 s 4.

3 NEW SECTION. **Sec. 17.** Any residual balance of funds remaining  
4 in the high occupancy toll lanes operations account repealed by  
5 section 16 of this act on the effective date of this section, and any  
6 year-end accruals accounted for after the effective date of this  
7 section from the state route number 167 high occupancy toll lanes  
8 pilot project, shall be transferred to the Interstate 405 and state  
9 route number 167 express toll lanes account created in section 12 of  
10 this act.

11 NEW SECTION. **Sec. 18.** Sections 2 through 7 of this act are each  
12 added to chapter 47.10 RCW.

13 NEW SECTION. **Sec. 19.** Sections 13 and 14 of this act are each  
14 added to chapter 47.56 RCW and codified with the subchapter heading  
15 of "toll facilities created after July 1, 2008."

16 NEW SECTION. **Sec. 20.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of  
18 the state government and its existing public institutions, and takes  
19 effect June 30, 2019."

20 Correct the title.

EFFECT: (1) Merges the Interstate 405 express toll lanes and SR  
167 express toll lanes accounts and the associated bond proceeds  
requirements.

(2) Removes the prioritization of the expenditure of the bond  
proceeds on Interstate 405.

(3) Requires the transportation commission and department of  
transportation to consider naming the portions of SR 167 and SR 509  
where all of the lanes are tolled as the SR 167 or SR 509 express  
way.

(4) Prohibits toll charges from being imposed on carpools with  
two or more people on the portion of 405 between Bellevue and Renton  
for at least the first year after imposition of tolls unless the  
WSDOT finds that the express toll lanes will not cover the financial  
obligations outlined in section 12(4). If WSDOT finds that the  
express toll lanes on the portion of Interstate 405 between Bellevue  
and state route number 167 will not cover the financial obligations  
outlined in section 12(4), then the restriction on toll charges will  
not be implemented and the department must provide the transportation  
committees of the legislature with a report, within thirty days, that  
provides options for not assessing toll charges on carpools with two

or more people in the vehicle, which also meet the financial obligations outlined in section 12(4).

--- **END** ---