

SENATE BILL REPORT

SB 5913

As of February 25, 2019

Title: An act relating to providing toll relief for users of the Tacoma Narrows bridge.

Brief Description: Providing toll relief for users of the Tacoma Narrows bridge.

Sponsors: Senators Randall, O'Ban, Wilson, C., Darneille and Zeiger.

Brief History:

Committee Activity: Transportation: 2/25/19.

Brief Summary of Bill

- Changes \$85 million of intended loans to the Tacoma Narrows bridge account through fiscal year 2030 to \$30 million of intended state contributions through fiscal year 2023 to preclude an otherwise expected fiscal year 2022 toll rate increase.
- Reinstates the Tacoma Narrows bridge work group so that toll relief recommendations for the 2023-2031 timeframe can be included with the Transportation Commission's 2023 required annual report.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Erica Bramlet (786-7321)

Background: The eastbound Tacoma Narrows Bridge (TNB) opened to traffic in July 2007 as a toll bridge. The bridge cost \$735 million to complete and was funded by selling general obligation bonds that were backed by the Motor Vehicle Account and the full faith and credit of the state of Washington. Toll rates are set by the Transportation Commission (commission) and currently may only be collected on the TNB until the debt service, deferred sales tax, and loans from the motor vehicle account are paid in full.

The bridge was financed with an escalating debt structure, resulting in multiple toll rate increases over the years as debt payments have increased. Over the life of the bridge, the Legislature has adjusted the funding scheme in the following ways:

- 2007: Loan of \$5.3 million, scheduled to be fully repaid using civil penalty revenue by the 2023-25 biennium;

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- 2012: Deferral of the \$57.6 million repayment of the sales tax for construction of the bridge until fiscal year 2032 after the debt service is fully paid; and
- 2016: Transfer of \$2.5 million from the motor vehicle account to the TNB account.

The 2017 transportation budget included direction to the commission to convene a refinance work group for the TNB and develop recommendations, from which stemmed 2018 legislation (SHB 2990) that authorized a series of intended loans up to \$85 million to keep TNB toll rates at no more than \$0.25 higher than current rates. At present, rates on the TNB are \$5.00 with a Good to Go! Pass, \$6.00 with cash, and \$7.00 with pay by mail for a 2-axle vehicle. According to commission estimates from the 2019 report required by SHB 2990, \$14.9 million of the intended \$85 million loan would be needed for the 2019-2021 biennium to avoid a toll rate increase by July 1, 2019.

Summary of Bill: Legislative intent is established regarding inequity in the debt financing structure for the TNB. The bill changes current intent language to provide \$85 million in loans to the TNB account through fiscal year 2030 to \$30 million of intended state contributions through fiscal year 2023. It also removes language referring to both extending the tolling timeframe and a \$0.25 rate increase in fiscal year 2022, and establishes legislative intent that the commission maintains toll rates at current levels.

A Tacoma Narrows bridge work group is reconvened, and the commission is directed to include the work group's recommendations for toll payer relief in their 2023 required annual report.

Appropriation: None.

Fiscal Note: Requested on February 16, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: The Tacoma Narrows Bridge toll payers have been responsible for carrying the costs of construction and maintenance, and have not gotten a fair deal. The work group from last year made the effects of the escalating debt structure better, but this bill makes it more equitable by not continuing the term of the tolling with loan repayments. Stakeholders would like to keep toll rates at their current, reasonable level despite the unique financing structure of the bridge. There might be changes made to the bill to continue either loans or a combination of loans and contributions after 2023.

Persons Testifying: PRO: Senator Emily Randall, Prime Sponsor; Bruce Beckett, Chair. Citizen Advisory Committee.

Persons Signed In To Testify But Not Testifying: No one.