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**HOUSE BILL 2028**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Young, Barkis, Orcutt, and Sutherland

AN ACT Relating to making full payment of deferred sales taxes regarding the Tacoma Narrows toll bridge project; adding a new section to chapter 82.32 RCW; creating a new section; and making an appropriation.

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

NEW SECTION. **Sec.**  A new section is added to chapter 82.32 RCW to read as follows:

By the last day of July 2027, the state treasurer shall transfer $57,593,000 from the general fund to the Tacoma Narrows toll bridge account under RCW 47.56.165.

NEW SECTION. **Sec.**  In the 2027-2029 biennium, the legislature shall appropriate $57,593,000, or as much thereof as may be necessary, from the Tacoma Narrows toll bridge account to the department of transportation for the purpose of making full payment of deferred sales taxes under RCW 47.46.060 regarding construction of the Tacoma Narrows public-private initiative project under chapter 47.46 RCW.

NEW SECTION. **Sec.**  (1) The legislature recognizes the following with respect to the payment of deferred sales taxes pursuant to section 2 of this act regarding the Tacoma Narrows toll bridge project under RCW 47.56.165:

(a) Washington state sales tax may not be forgiven due to federal rules and must therefore be paid;

(b) Though the Tacoma Narrows toll bridge project may not be paid off early due to its unique financing structure, including noncallable bonds, the state portion of the deferred sales taxes may be paid off early without penalty;

(c) While the state is, in effect, both taxing itself in transportation budget appropriations and paying itself in the omnibus operating appropriations act, should the omnibus operating appropriations act transfer money back to the Tacoma Narrows toll bridge account following payment of the deferred sales tax through transportation budget appropriations, the following would be achieved:

(i) Satisfaction of federal rules;

(ii) Forgiveness of the deferred sales tax; and

(iii) Imposition of a net zero fiscal impact to the state.

(2) The legislature finds that by planning the transaction beyond the budgetary cumulative forecast required under RCW 43.88A.020, the transaction is secured with a more technically accurate fiscal impact of zero cost, that:

(a) Directs taxes generated by transportation projects toward funding transportation projects; and

(b) Directs Tacoma Narrows toll bridge revenue toward Tacoma Narrows toll bridge payments for debt service.

(3) The legislature also finds that paying the state portion of the deferred sales taxes earlier than required under RCW 47.46.060 brings another level of equity to a toll payer project that received no upfront state investments, unlike other state tolling projects that received substantial state support of approximately 30 percent of project costs, and therefore:

(a) Corrects a wrong; and

(b) Pays off the deferred sales tax toll debt earlier than scheduled.

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