H-2757.1

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**HOUSE BILL 2127**

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

**By** Representative Young

AN ACT Relating to the Tacoma Narrows bridge toll debt; and amending RCW 47.46.190, 47.46.200, and 47.46.110.

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

**Sec.**  RCW 47.46.190 and 2018 c 195 s 1 are each amended to read as follows:

(1) The legislature finds funding of the Tacoma Narrows bridge facility to be distinct from other Washington state tolling facilities due to its increasing debt service costs, which is the primary driver of the facility's escalating costs. Washington state has since recommended and established financing structures with steadier levels of debt service payments for subsequent tolled transportation facilities, supporting better management of the state's debt burden and a lower financial burden for toll ratepayers.

(2) The Tacoma Narrows bridge facility debt service structure resulted, in part, from a decision by the legislature to fund construction of the bridge without drawing from state tax dollars. As a result, toll revenue was committed to fund ((~~ninety-nine~~)) 99 percent of bridge construction costs, as well as the associated interest payments and other associated debt service costs. This is not the standard more recently utilized by the legislature, as is the case of the state route 520 bridge's construction((~~, seventy-two~~)) project and the construction of the portion of state route number 99 that is a deep bore tunnel, wherein 72 percent and six percent of which ((~~is~~)), respectively, are to be paid for with toll revenues. In light of the maximum burden for bridge construction that was placed on Tacoma Narrows bridge toll ratepayers, there is no equitable reason that the burden of future debt service payment increases should be borne by these same toll ratepayers.

(3) The legislature established the Tacoma Narrows bridge work group in 2017 and tasked it with identifying opportunities for long-term toll payer relief from increasing toll rates on the Tacoma Narrows bridge. ((~~The work group recommended a request of up to one hundred twenty-five million dollars in state funding from the legislature to offset future debt service payment increases, allocated across the remaining years of tolling at levels that result in maintaining toll rates at fiscal year 2018 levels.~~)) In 2018, the legislature enacted the first phase of corrective funding measures and, with an eye on future revenue, established a financial structure base from which to enact future equitable solutions. The legislature now finds that current revenues are in place to enact phase two of the corrective funding measures and intends to convert the 2018 monetary allocations into permanent state grants to bring further stability to the Tacoma Narrows bridge toll rate setting and to offset the tolling revenue impacts of the COVID-19 pandemic.

(4) ((~~Due to the findings aforementioned, an alternative is put forward by the legislature. State contribution loans~~)) It is the intent of the legislature that state appropriations or transfers for each fiscal biennium, without an expectation of repayment from tollpayers, are to be made from other accounts to the Tacoma Narrows toll bridge account created in RCW 47.56.165 through the life of the debt service plan of up to a total of ((~~eighty-five million dollars, and will be repaid in annual amounts beginning after the debt service and deferred sales tax are fully repaid~~)) $85,000,000. It is the intent of the legislature that the commission will:

(a) Maintain tolls at no more than toll rates effective at the fiscal year 2018 level until fiscal year 2022; and

(b) Maintain tolls at no more than ((~~twenty-five~~)) 25 cents higher than the toll rates effective at the fiscal year 2018 level beginning in fiscal year 2022 until such time as the debt service and deferred sales tax obligation is fully met according to the repayment schedule in place as of June 7, 2018((~~, and until any state contribution loans are fully repaid~~)).

(5) To offset part of the toll rate increases that would otherwise be necessary to meet increases in future debt service payments, it is the intent of the legislature that ((~~the state treasurer make state contribution loan transfers~~)) sufficient amounts of funds be appropriated or transferred from other accounts to the Tacoma Narrows toll bridge account created in RCW 47.56.165 on the first day of each fiscal biennium, beginning in the 2019-2021 fiscal biennium, through the life of the debt service plan. It is the intent of the legislature that the ((~~state treasurer make state contribution loan transfers in~~)) amounts ((~~necessary~~)) are adequately sufficient to ensure debt service payments are made in full after toll revenue from the Tacoma Narrows bridge toll facility is applied to the debt payment amounts and other required costs.

(6) This section does not create a private right of action.

**Sec.**  RCW 47.46.200 and 2018 c 195 s 2 are each amended to read as follows:

(1) Through 2031, the commission shall submit to the transportation committees of the legislature on an annual basis a report that includes sufficient information to enable the legislature to determine an adequate amount of contribution from nontoll sources required for each fiscal biennium to maintain tolls for the Tacoma Narrows toll bridge at no more than ((~~twenty-five~~)) 25 cents higher than the toll rates effective at the fiscal year 2018 level, while also maintaining the Tacoma Narrows toll bridge debt service plan repayment schedule in place as of June 7, 2018. The report must be submitted by January 5th of each year.

(2) ((~~Beginning in 2031, and until such time as the state contribution loans described in RCW 47.46.190(4) are repaid, the commission shall submit to the transportation committees of the legislature on an annual basis a report that includes information detailing the annual expected toll revenue to be used for repayment of the state contribution loans while maintaining tolls at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level. The report must be submitted by January 5th of each year.~~

~~(3)~~)) This section does not create a private right of action.

**Sec.**  RCW 47.46.110 and 2018 c 195 s 3 are each amended to read as follows:

(1) The commission shall retain toll charges on any existing and future facilities constructed under this chapter and financed primarily by bonds issued by the state until:

(a) All costs of investigation, financing, acquisition of property, and construction advanced from the motor vehicle fund have been fully repaid, except as provided in subsection (2)(b) of this section;

(b) Obligations incurred in constructing that facility have been fully paid; and

(c) The motor vehicle fund is fully repaid under RCW 47.46.140((~~; and~~

~~(d) The accounts from which moneys are provided to reduce the debt service according to RCW 47.46.190(5) are fully repaid~~)).

(2) This section does not:

(a) Prohibit the use of toll revenues to fund maintenance, operations, or management of facilities constructed under this chapter except as prohibited by RCW 47.56.245;

(b) Require repayment of funds specifically appropriated as a nonreimbursable state financial contribution to a project.

(3) Notwithstanding the provisions of subsection (2)(a) of this section, upon satisfaction of the conditions enumerated in subsection (1) of this section:

(a) The facility must be operated as a toll-free facility; and

(b) The operation, maintenance, upkeep, and repair of the facility must be paid from funds appropriated for the use of the department for the construction and maintenance of the primary state highways of the state of Washington.

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