CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5488**

Chapter 223, Laws of 2022

67th Legislature

2022 Regular Session

TACOMA NARROWS BRIDGE—FINANCIAL OBLIGATIONS—TOLL REDUCTION

EFFECTIVE DATE: June 9, 2022

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| Passed by the Senate March 10, 2022Yeas 28 Nays 21DENNY HECK**President of the Senate**Passed by the House March 8, 2022Yeas 58 Nays 39LAURIE JINKINS**Speaker of the House of Representatives** | CERTIFICATEI, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5488** as passed by the Senate and the House of Representatives on the dates hereon set forth.SARAH BANNISTERSecretary |
| Approved March 30, 2022 2:41 PM | March 31, 2022 |
| JAY INSLEE**Governor of the State of Washington** | **Secretary of State** **State of Washington** |

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**SUBSTITUTE SENATE BILL 5488**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

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

**By** Senate Transportation (originally sponsored by Senators Randall, Rolfes, Billig, Dhingra, Nobles, Van De Wege, and C. Wilson)

AN ACT Relating to state contributions in support of the Tacoma Narrows toll bridge; and amending RCW 47.56.165, 47.46.190, and 47.46.200.

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

**Sec.**  RCW 47.56.165 and 2009 c 567 s 1 are each amended to read as follows:

A special account to be known as the Tacoma Narrows toll bridge account is created in the motor vehicle fund in the state treasury.

(1) Deposits to the account must include:

(a) All proceeds of bonds issued for construction of the Tacoma Narrows public-private initiative project, including any capitalized interest;

(b) All of the toll charges and other revenues received from the operation of the Tacoma Narrows bridge as a toll facility, to be deposited at least monthly;

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

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for the purpose of building the second Tacoma Narrows bridge; ((~~and~~))

(e) All liquidated damages collected under any contract involving the construction of the second Tacoma Narrows bridge; and

(f) Beginning with September 2022 and ending July 1, 2032, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the general fund to the account the sum of $3,250,000. The total amount that may be transferred pursuant to this subsection is $130,000,000.

(2) Proceeds of bonds shall be used consistent with RCW 47.46.130, including the reimbursement of expenses and fees incurred under agreements entered into under RCW 47.46.040 as required by those agreements.

(3) Toll charges, other revenues, and interest may only be used to:

(a) Pay required costs that contribute directly to the financing, operation, maintenance, management, and necessary repairs of the tolled facility, as determined by rule by the transportation commission; and

(b) Repay amounts to the motor vehicle fund as required under RCW 47.46.140.

(4) Toll charges, other revenues, and interest may not be used to pay for costs that do not contribute directly to the financing, operation, maintenance, management, and necessary repairs of the tolled facility, as determined by rule by the transportation commission.

(5) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's website using current department resources.

(6) When repaying the motor vehicle fund under RCW 47.46.140, the state treasurer shall transfer funds from the Tacoma Narrows toll bridge account to the motor vehicle fund on or before each debt service date for bonds issued for the Tacoma Narrows public-private initiative project in an amount sufficient to repay the motor vehicle fund for amounts transferred from that fund to the highway bond retirement fund to provide for any bond principal and interest due on that date. The state treasurer may establish subaccounts for the purpose of segregating toll charges, bond sale proceeds, and other revenues.

**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~~)) 72 percent of which is 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~~)) $125,000,000 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.

(4) Due to the findings aforementioned, an alternative is put forward by the legislature. State contribution loans for each fiscal biennium are to be made through the life of the debt service plan of up to a total of ((~~eighty-five million dollars~~)) $85,000,000, and will be repaid in annual amounts beginning after the debt service and deferred sales tax are fully repaid. 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 cents higher than the toll rates effective at the fiscal year 2018 level beginning in fiscal year 2022~~)) adjust tolls accordingly, in consideration of annual contributions from nontoll sources and the costs required to be covered under RCW 47.46.100, 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 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 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 at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level, while also maintaining~~)) the 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.

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Passed by the Senate March 10, 2022.

Passed by the House March 8, 2022.

Approved by the Governor March 30, 2022.

Filed in Office of Secretary of State March 31, 2022.