

# HOUSE BILL REPORT

## SSB 5558

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**As Passed House:**

March 3, 2022

**Title:** An act relating to the bistate governance of interstate toll bridges owned by local governments.

**Brief Description:** Concerning the bistate governance of interstate toll bridges owned by local governments.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators King, Liias and Mullet).

**Brief History:**

**Committee Activity:**

Transportation: 2/24/22, 2/28/22 [DP].

**Floor Activity:**

Passed House: 3/3/22, 97-0.

**Brief Summary of Substitute Bill**

- Allows local governments along a bordering state to form a bistate commission to finance, construct, and operate a new replacement interstate bridge.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 28 members: Representatives Fey, Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Dent, Donaghy, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, McCaslin, Orcutt, Paul, Ramel, Riccelli, Slatter, Sutherland, Taylor, Valdez, Walsh and Wicks.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** David Munnecke (786-7315).

**Background:**

There are two interstate toll bridges between the states of Washington and Oregon. The Hood River–White Salmon Interstate Bridge spans the Columbia River connecting Hood River, Oregon, with the communities of White Salmon and Bingen in Washington. The bridge is owned and operated by the Port of Hood River in the City of Hood River, Oregon. The Bridge of the Gods spans the Columbia River connecting State Route 14 in Washington to Interstate 84 in Oregon. The bridge is owned and operated by the Port of Cascade Locks in the City of Cascade Locks, Oregon.

The Joint Transportation Committee (JTC) is a bicameral legislative committee established in law to review and research transportation programs and issues in order to educate and promote the dissemination of transportation research to state and local government policymakers, including legislators and associated staff. The JTC is governed by an executive committee consisting of the chairs and ranking members of the House of Representatives and Senate Transportation committees. The chairs of the House and Senate Transportation committees serve as cochairs of the JTC.

The enacted 2021-2023 Transportation Budget directed the JTC to contract for a legal consultant to analyze and recommend options for the formation of a bistate bridge authority for the purpose of constructing, financing, operating, and maintaining a new replacement bridge over the Columbia River near Hood River connecting Klickitat County in Washington to Hood River County in Oregon. The required legal analysis was submitted to the JTC in September 2021. It included recommendations for alternative or additional statutory authority to allow local governments to form a bistate bridge authority or governance structure for the Hood River Bridge replacement that at a minimum may issue bonds for bridge construction, collect tolls, and secure and administer grants and loans. The authors of the legal analysis reviewed and provided comment on draft legislation prepared by the Hood River Bistate Working Group that provides new, standalone authority for cities, counties, and ports to enter into an interlocal agreement to form a public corporation to accomplish a project, such as the Hood River bridge project.

**Summary of Bill:**

Formation of a Bistate Bridge Commission.

Upon enactment of a similar bill by a bordering state, local governments along the bordering state may enter into a commission formation agreement to form and charter a bistate commission to finance, construct, and operate a new replacement interstate bridge. A bordering state is a state that shares a boundary with the State of Washington, the majority of which is formed by a river. The commission is a public corporation formed under the laws of both states, vested with the powers and duties granted under the bill. The commission formation agreement must be approved by the owner of an existing bridge and

the governing bodies of the counties within which an existing bridge is situated.

Governance of a Bistate Bridge Commission.

The commission must be governed by an appointed board of directors as established in the commission formation agreement. Directors must serve without compensation, but may be reimbursed for reasonable expenses related to the performance of their duties. Except for the initial appointments of directors, directors must serve four-year, staggered terms. The board must elect two cochair from among its directors, with one cochair residing in Washington and the other cochair residing in the bordering state. The two cochair must serve as first cochair and second cochair, with the first cochair responsible for presiding at all commission meetings. The two cochair positions must alternate on an annual basis.

Powers of a Bistate Bridge Commission.

A commission has broad powers to finance, construct, and operate a new replacement interstate bridge. A commission has the exclusive authority to set tolls on the bridge, but may not impose any taxes or assessments. Toll revenues must only be used for a variety of specified purposes related to financing and operating the bridge, including repaying revenue bonds issued to finance the bridge. In setting toll rates, the board must ensure toll rates will annually yield revenue sufficient to meet all costs, expenses, and obligations of the commission, including the satisfaction of all debt obligations. A commission may exercise the power of eminent domain to acquire by condemnation any property interests situated within the State of Washington or the bordering state as the board deems necessary or incidental to the purposes of the commission.

Miscellaneous.

A commission must design and construct the bridge to standards and specifications satisfactory to the departments of Transportation, and in accordance with all applicable permits, clearances, and mitigation requirements. A commission must arrange for timely review by the departments of Transportation of all pertinent engineering plans, specifications, and related reports. A board must require a feasibility review of the initial bridge financial plan and must submit the feasibility review to the departments of Transportation and the local governments for their review.

The public road construction sales tax exemption on labor and services must apply to taxes otherwise owing from construction of a bridge. The commission may apply for a deferral of all state and local sales and use taxes incurred from construction of a bridge that are not subject to the public road construction exemption. A commission is otherwise subject to taxes and assessments to the extent that a municipal corporation would be subject to the tax or assessment.

The commission board has the exclusive power to enact and enforce rules and regulations as the board may elect for the use, operations, maintenance, inspection, and preservation of any bridge owned or operated by the commission.

A commission must be governed by applicable federal law, this bill, rules adopted by the board under this bill, and by the laws of the commission's primary place of business. However, a commission's actions pertaining to the ownership, control, or use of a particular property site or area must be governed by the laws of the state and local government within which the particular property site or area is situated.

No legal challenge to the formation of a commission may be commenced more than 30 days after the effective date of the commission formation agreement.

The Attorney General's Office must determine whether a bordering state has enacted an act having the same material effect as this act, for purposes of indicating when the authority begins for local governments to form a commission.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The current Hood River bridge needs to be replaced, because it is too narrow and lacks pedestrian and bicycle facilities, and both sides of the river are working together to do it. This bill is an important step in getting the replacement done, and an environmental impact statement will soon be ready.

Both states have stated that they do not want to own the bridge. Klickitat County will own the Washington side of the bridge.

No other entities are planning to use the commission authority created in the bill, and people are currently trying to pass similar legislation in both states.

Weight restrictions on the current bridge are effecting the economy in agriculture, timber, and other resources, and this bill is the first step to resolve them.

The plan is to open the new bridge in 2030. A bistate authority would be required, and Oregon has already passed the necessary legislation to do so.

The Hood River bridge is a lifeline, and 60 percent of the users are from Washington. The bridge is needed to provide access to both White Salmon and Bingen, and this bill would give Washington residents a say in the bridge they use.

The replacement of this bridge is the number one priority in the Columbia Gorge

Development Strategy. The bill would allow for an authority to be created if authorized by the local governments. Both the environmental process and the tribal agreements should be completed soon.

Klickitat and Hood River counties will form the bridge authority, but the authority would own and operate the bridge. Other entities could use the same authority if they so choose.

The bistate working group has identified a \$500 million cost for the project, and 100 percent of the tolls collected would go to pay for bonds and operations. It costs \$500,000 to operate the current bridge, which collects \$4 million per year in tolls.

(Opposed) None.

**Persons Testifying:** Senator Curtis King, prime sponsor; Jacob Anderson, Klickitat County Commission; Mike Fox, Hood River Port Commission; Marla Keethler, City of White Salmon; Matt Ransom, Southwest Washington Regional Transportation Council; and Kevin Greenwood, Port of Hood River.

**Persons Signed In To Testify But Not Testifying:** None.