

E2SHB 1773 - S COMM AMD
By Committee on Transportation

ADOPTED 03/05/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds and declares that it
4 is the policy of the state of Washington to use tolling to provide a
5 source of transportation funding and to encourage effective use of the
6 transportation system.

7 The legislature intends that the policy framework created by this
8 act will guide subsequent legislation and decisions regarding the
9 tolling of specific facilities and corridors. For each state-owned
10 facility or corridor, the legislature intends that it will authorize
11 the budget and finance plan. Specific issues that may be addressed in
12 the finance plan and budget authorization legislation include the
13 amount of financing required for a facility or corridor, the budget for
14 any construction and operations financed by tolling, whether and how
15 variable pricing will be applied, and the timing of tolling.

16 The legislature also intends that while the transportation
17 commission, as the toll-setting authority, may set toll rates for
18 facilities, corridors, or systems thereof, the legislature reserves the
19 authority to impose tolls on any state transportation route or
20 facility. Similarly, local or quasi-local entities that retain the
21 power to impose tolls may do so as long as the effect of those tolls on
22 the state highway system is consistent with the policy guidelines
23 detailed in this act. If the imposition of tolls could have an impact
24 on state facilities, the state tolling authority must review and
25 approve such tolls.

26 NEW SECTION. **Sec. 2.** This subchapter applies only to all state
27 toll bridges and other state toll facilities, excluding the Washington
28 state ferries, first authorized within this state after July 1, 2008.

1 NEW SECTION. **Sec. 3.** The definitions in this section apply
2 throughout this subchapter unless the context clearly requires
3 otherwise:

4 (1) "Tolling authority" means the governing body that is legally
5 empowered to review and adjust toll rates. Unless otherwise delegated,
6 the transportation commission is the tolling authority for all state
7 highways.

8 (2) "Eligible toll facility" or "eligible toll facilities" means
9 portions of the state highway system specifically identified by the
10 legislature including, but not limited to, transportation corridors,
11 bridges, crossings, interchanges, on-ramps, off-ramps, approaches,
12 bistate facilities, and interconnections between highways.

13 (3) "Toll revenue" or "revenue from an eligible toll facility"
14 means toll receipts, all interest income derived from the investment of
15 toll receipts, and any gifts, grants, or other funds received for the
16 benefit of the eligible toll facility.

17 NEW SECTION. **Sec. 4.** (1) Unless otherwise delegated, only the
18 legislature may authorize the imposition of tolls on eligible toll
19 facilities.

20 (2) All revenue from an eligible toll facility must be used only to
21 construct, improve, preserve, maintain, manage, or operate the eligible
22 toll facility on or in which the revenue is collected. Expenditures of
23 toll revenues are subject to appropriation and must be made only:

24 (a) To cover the operating costs of the eligible toll facility,
25 including necessary maintenance, preservation, administration, and toll
26 enforcement by public law enforcement within the boundaries of the
27 facility;

28 (b) To meet obligations for the repayment of debt and interest on
29 the eligible toll facilities, and any other associated financing costs
30 including, but not limited to, required reserves and insurance;

31 (c) To meet any other obligations to provide funding contributions
32 for any projects or operations on the eligible toll facilities;

33 (d) To provide for the operations of conveyances of people or
34 goods; or

35 (e) For any other improvements to the eligible toll facilities.

1 NEW SECTION. **Sec. 5.** Any proposal for the establishment of
2 eligible toll facilities shall consider the following policy
3 guidelines:

4 (1) Overall direction. Washington should use tolling to encourage
5 effective use of the transportation system and provide a source of
6 transportation funding.

7 (2) When to use tolling. Tolling should be used when it can be
8 demonstrated to contribute a significant portion of the cost of a
9 project that cannot be funded solely with existing sources or optimize
10 the performance of the transportation system. Such tolling should, in
11 all cases, be fairly and equitably applied in the context of the
12 statewide transportation system and not have significant adverse
13 impacts through the diversion of traffic to other routes that cannot
14 otherwise be reasonably mitigated. Such tolling should also consider
15 relevant social equity, environmental, and economic issues, and should
16 be directed at making progress toward the state's greenhouse gas
17 reduction goals.

18 (3) Use of toll revenue. All revenue from an eligible toll
19 facility must be used only to improve, preserve, manage, or operate the
20 eligible toll facility on or in which the revenue is collected.
21 Additionally, toll revenue should provide for and encourage the
22 inclusion of recycled and reclaimed construction materials.

23 (4) Setting toll rates. Toll rates, which may include variable
24 pricing, must be set to meet anticipated funding obligations. To the
25 extent possible, the toll rates should be set to optimize system
26 performance, recognizing necessary trade-offs to generate revenue.

27 (5) Duration of toll collection. Because transportation
28 infrastructure projects have costs and benefits that extend well beyond
29 those paid for by initial construction funding, tolls on future toll
30 facilities may remain in place to fund additional capacity, capital
31 rehabilitation, maintenance, management, and operations, and to
32 optimize performance of the system.

33 NEW SECTION. **Sec. 6.** (1) A tolling advisory committee may be
34 created at the direction of the tolling authority for any eligible toll
35 facilities. The tolling authority shall appoint nine members to the
36 committee, all of whom must be permanent residents of the affected

1 project area as defined for each project. Members of the committee
2 shall serve without receiving compensation.

3 (2) The tolling advisory committee shall serve in an advisory
4 capacity to the tolling authority on all matters related to the
5 imposition of tolls including, but not limited to: (a) The feasibility
6 of providing discounts; (b) the trade-off of lower tolls versus the
7 early retirement of debt; and (c) consideration of variable or time of
8 day pricing.

9 (3) In setting toll rates, the tolling authority shall consider
10 recommendations of the tolling advisory committee.

11 NEW SECTION. **Sec. 7.** (1) Unless these powers are otherwise
12 delegated by the legislature, the transportation commission is the
13 tolling authority for the state. The tolling authority shall:

14 (a) Set toll rates, establish appropriate exemptions, if any, and
15 make adjustments as conditions warrant on eligible toll facilities;

16 (b) Review toll collection policies, toll operations policies, and
17 toll revenue expenditures on the eligible toll facilities and report
18 annually on this review to the legislature.

19 (2) The tolling authority, in determining toll rates, shall
20 consider the policy guidelines established in section 5 of this act.

21 (3) Unless otherwise directed by the legislature, in setting and
22 periodically adjusting toll rates, the tolling authority must ensure
23 that toll rates will generate revenue sufficient to:

24 (a) Meet the operating costs of the eligible toll facilities,
25 including necessary maintenance, preservation, administration, and toll
26 enforcement by public law enforcement;

27 (b) Meet obligations for the repayment of debt and interest on the
28 eligible toll facilities, and any other associated financing costs
29 including, but not limited to, required reserves, minimum debt coverage
30 or other appropriate contingency funding, and insurance; and

31 (c) Meet any other obligations of the tolling authority to provide
32 its proportionate share of funding contributions for any projects or
33 operations of the eligible toll facilities.

34 (4) The established toll rates may include variable pricing, and
35 should be set to optimize system performance, recognizing necessary
36 trade-offs to generate revenue for the purposes specified in subsection

1 (3) of this section. Tolls may vary for type of vehicle, time of day,
2 traffic conditions, or other factors designed to improve performance of
3 the system.

4 **Sec. 8.** RCW 47.56.030 and 2002 c 114 s 19 are each amended to read
5 as follows:

6 (1) Except as permitted under chapter 47.29 or 47.46 RCW:

7 (a) Unless otherwise delegated, and subject to section 4 of this
8 act, the department of transportation shall have full charge of the
9 planning, analysis, and construction of all toll bridges and other toll
10 facilities including the Washington state ferries, and the operation
11 and maintenance thereof.

12 (b) The transportation commission shall determine and establish the
13 tolls and charges thereon(~~(, and shall perform all duties and exercise~~
14 ~~all powers relating to the financing, refinancing, and fiscal~~
15 ~~management of all toll bridges and other toll facilities including the~~
16 ~~Washington state ferries, and bonded indebtedness in the manner~~
17 ~~provided by law)).~~

18 (c) Unless otherwise delegated, and subject to section 4 of this
19 act, the department shall have full charge of planning, analysis, and
20 design of all toll facilities. The department may conduct the
21 planning, analysis, and design of toll facilities as necessary to
22 support the legislature's consideration of toll authorization.

23 (d) The department shall utilize and administer toll collection
24 systems that are simple, unified, and interoperable. To the extent
25 practicable, the department shall avoid the use of toll booths. The
26 department shall set the statewide standards and protocols for all toll
27 facilities within the state, including those authorized by local
28 authorities.

29 (e) Except as provided in this section, the department shall
30 proceed with the construction of such toll bridges and other facilities
31 and the approaches thereto by contract in the manner of state highway
32 construction immediately upon there being made available funds for such
33 work and shall prosecute such work to completion as rapidly as
34 practicable. The department is authorized to negotiate contracts for
35 any amount without bid under ~~((d)(i))~~ (e)(i) and (ii) of this
36 subsection:

1 (i) Emergency contracts, in order to make repairs to ferries or
2 ferry terminal facilities or removal of such facilities whenever
3 continued use of ferries or ferry terminal facilities constitutes a
4 real or immediate danger to the traveling public or precludes prudent
5 use of such ferries or facilities; and

6 (ii) Single source contracts for vessel dry dockings, when there is
7 clearly and legitimately only one available bidder to conduct dry dock-
8 related work for a specific class or classes of vessels. The contracts
9 may be entered into for a single vessel dry docking or for multiple
10 vessel dry dockings for a period not to exceed two years.

11 (2) The department shall proceed with the procurement of materials,
12 supplies, services, and equipment needed for the support, maintenance,
13 and use of a ferry, ferry terminal, or other facility operated by
14 Washington state ferries, in accordance with chapter 43.19 RCW except
15 as follows:

16 (a) (~~Except as provided in (d) of this subsection,~~) When the
17 secretary of the department of transportation determines in writing
18 that the use of invitation for bid is either not practicable or not
19 advantageous to the state and it may be necessary to make competitive
20 evaluations, including technical or performance evaluations among
21 acceptable proposals to complete the contract award, a contract may be
22 entered into by use of a competitive sealed proposals method, and a
23 formal request for proposals solicitation. Such formal request for
24 proposals solicitation shall include a functional description of the
25 needs and requirements of the state and the significant factors.

26 (b) When purchases are made through a formal request for proposals
27 solicitation the contract shall be awarded to the responsible proposer
28 whose competitive sealed proposal is determined in writing to be the
29 most advantageous to the state taking into consideration price and
30 other evaluation factors set forth in the request for proposals. No
31 significant factors may be used in evaluating a proposal that are not
32 specified in the request for proposals. Factors that may be considered
33 in evaluating proposals include but are not limited to: Price;
34 maintainability; reliability; commonality; performance levels; life
35 cycle cost if applicable under this section; cost of transportation or
36 delivery; delivery schedule offered; installation cost; cost of spare
37 parts; availability of parts and service offered; and the following:

1 (i) The ability, capacity, and skill of the proposer to perform the
2 contract or provide the service required;

3 (ii) The character, integrity, reputation, judgment, experience,
4 and efficiency of the proposer;

5 (iii) Whether the proposer can perform the contract within the time
6 specified;

7 (iv) The quality of performance of previous contracts or services;

8 (v) The previous and existing compliance by the proposer with laws
9 relating to the contract or services;

10 (vi) Objective, measurable criteria defined in the request for
11 proposal. These criteria may include but are not limited to items such
12 as discounts, delivery costs, maintenance services costs, installation
13 costs, and transportation costs; and

14 (vii) Such other information as may be secured having a bearing on
15 the decision to award the contract.

16 (c) When purchases are made through a request for proposal process,
17 proposals received shall be evaluated based on the evaluation factors
18 set forth in the request for proposal. When issuing a request for
19 proposal for the procurement of propulsion equipment or systems that
20 include an engine, the request for proposal must specify the use of a
21 life cycle cost analysis that includes an evaluation of fuel
22 efficiency. When a life cycle cost analysis is used, the life cycle
23 cost of a proposal shall be given at least the same relative importance
24 as the initial price element specified in the request of proposal
25 documents. The department may reject any and all proposals received.
26 If the proposals are not rejected, the award shall be made to the
27 proposer whose proposal is most advantageous to the department,
28 considering price and the other evaluation factors set forth in the
29 request for proposal.

30 ~~((d) If the department is procuring large equipment or systems
31 (e.g., electrical, propulsion) needed for the support, maintenance, and
32 use of a ferry operated by Washington state ferries, the department
33 shall proceed with a formal request for proposal solicitation under
34 this subsection (2) without a determination of necessity by the
35 secretary.))~~

36 **Sec. 9.** RCW 47.56.040 and 1984 c 7 s 248 are each amended to read
37 as follows:

1 The department is empowered, in accordance with the provisions of
2 this chapter, to provide for the establishment and construction of toll
3 bridges upon any public highways of this state together with approaches
4 thereto wherever it is considered necessary or advantageous and
5 practicable for crossing any stream, body of water, gulch, navigable
6 water, swamp, or other topographical formation whether that formation
7 is within this state or constitutes a boundary between this state and
8 an adjoining state or country. (~~The necessity or advantage and~~
9 ~~practicability of any such toll bridge shall be determined by the~~
10 ~~department, and the feasibility of financing any toll bridge in the~~
11 ~~manner provided by this chapter shall be a primary consideration and~~
12 ~~determined according to the best judgment of the department.)) For the
13 purpose of obtaining information for the consideration of the
14 department upon the construction of any toll bridge or any other
15 matters pertaining thereto, any cognizant officer or employee of the
16 state shall, upon the request of the department, make reasonable
17 examination, investigation, survey, or reconnaissance for the
18 determination of material facts pertaining thereto and report this to
19 the department. The cost of any such examination, investigation,
20 survey, or reconnaissance shall be borne by the department or office
21 conducting these activities from the funds provided for that department
22 or office for its usual functions.~~

23 **Sec. 10.** RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended
24 to read as follows:

25 The department of transportation may, (~~with the approval of the~~
26 ~~transportation commission~~) in accordance with this chapter, provide
27 for the (~~establishment,~~) construction(~~(~~7~~)~~) and operation of toll
28 tunnels, toll roads, and other facilities necessary for their
29 construction and connection with public highways of the state. It may
30 cause surveys to be made to determine the propriety of their
31 (~~establishment,~~) construction(~~(~~7~~)~~) and operation, and may acquire
32 rights-of-way and other facilities necessary to carry out the
33 provisions hereof; and may issue, sell, and redeem bonds, and deposit
34 and expend them; secure and remit financial and other assistance in the
35 construction thereof; carry insurance thereon; and handle any other
36 matters pertaining thereto, all of which shall be conducted in the same
37 manner and under the same procedure as provided for the

1 (~~establishing,~~) constructing, operating, and maintaining of toll
2 bridges by the department, insofar as reasonably consistent and
3 applicable. (~~No toll facility, toll bridge, toll road, or toll~~
4 ~~tunnel, shall be combined with any other toll facility for the purpose~~
5 ~~of financing unless such facilities form a continuous project, to the~~
6 ~~end that each such facility or project be self liquidating and self-~~
7 ~~sustaining.))~~

8 **Sec. 11.** RCW 47.56.076 and 2006 c 311 s 19 are each amended to
9 read as follows:

10 (1) Upon approval of a majority of the voters within its boundaries
11 voting on the ballot proposition, (~~and with the approval of the state~~
12 ~~transportation commission or its successor statewide tolling~~
13 ~~authority,~~) a regional transportation investment district may
14 authorize vehicle tolls on a local or regional arterial or a state or
15 federal highway within the boundaries of the district. The department
16 shall administer the collection of vehicle tolls authorized on
17 designated facilities unless otherwise specified in law or by contract,
18 and the commission or its successor statewide tolling authority shall
19 set and impose the tolls in amounts sufficient to implement the
20 regional transportation investment plan under RCW 36.120.020.

21 (2) Consistent with section 4 of this act, vehicle tolls must first
22 be authorized by the legislature if the tolls are imposed on a state
23 route.

24 (3) Consistent with section 7 of this act, vehicle tolls, including
25 any change in an existing toll rate, must first be reviewed and
26 approved by the tolling authority designated in section 7 of this act
27 if the tolls, or change in toll rate, would have a significant impact,
28 as determined by the tolling authority, on the operation of any state
29 facility.

30 **Sec. 12.** RCW 47.56.078 and 2005 c 336 s 25 are each amended to
31 read as follows:

32 (1) Subject to the provisions under chapter 36.73 RCW, a
33 transportation benefit district may authorize vehicle tolls on state
34 routes or federal highways, city streets, or county roads, within the
35 boundaries of the district, unless otherwise prohibited by law. The
36 department of transportation shall administer the collection of vehicle

1 tolls authorized on state routes or federal highways, unless otherwise
2 specified in law or by contract, and the state transportation
3 commission, or its successor, may approve, set, and impose the tolls in
4 amounts sufficient to implement the district's transportation
5 improvement finance plan. The district shall administer the collection
6 of vehicle tolls authorized on city streets or county roads, and shall
7 set and impose the tolls, only with approval of the transportation
8 commission, in amounts sufficient to implement the district's
9 transportation improvement plan. Tolls may vary for type of vehicle,
10 for time of day, for traffic conditions, and/or other factors designed
11 to improve performance of the facility or the transportation network.

12 (2) Consistent with section 4 of this act, vehicle tolls must first
13 be authorized by the legislature if the tolls are imposed on a state
14 route.

15 (3) Consistent with section 7 of this act, vehicle tolls, including
16 any change in an existing toll rate, must first be reviewed and
17 approved by the tolling authority designated in section 7 of this act
18 if the tolls, or change in toll rate, would have a significant impact,
19 as determined by the tolling authority, on the operation of any state
20 facility.

21 **Sec. 13.** RCW 47.56.120 and 1977 ex.s. c 151 s 70 are each amended
22 to read as follows:

23 In the event that (~~the transportation commission should determine~~
24 ~~that~~)) any toll bridge should be constructed, all cost thereof
25 including right-of-way, survey, and engineering shall be paid out of
26 any funds available for payment of the cost of such toll bridge under
27 this chapter.

28 **Sec. 14.** RCW 47.56.240 and 1984 c 7 s 265 are each amended to read
29 as follows:

30 Except as otherwise provided in section 7 of this act, the
31 commission is hereby empowered to fix the rates of toll and other
32 charges for all toll bridges built under the terms of this chapter.
33 Toll charges so fixed may be changed from time to time as conditions
34 warrant. The commission, in establishing toll charges, shall give due
35 consideration to the cost of operating and maintaining such toll bridge
36 or toll bridges including the cost of insurance, and to the amount

1 required annually to meet the redemption of bonds and interest payments
2 on them. The tolls and charges shall be at all times fixed at rates to
3 yield annual revenue equal to annual operating and maintenance expenses
4 including insurance costs and all redemption payments and interest
5 charges of the bonds issued for any particular toll bridge or toll
6 bridges as the bonds become due. The bond redemption and interest
7 payments constitute a first direct (~~and exclusive~~) charge and lien on
8 all such tolls and other revenues and interest thereon. Sinking funds
9 created therefrom received from the use and operation of the toll
10 bridge or toll bridges, and such tolls and revenues together with the
11 interest earned thereon shall constitute a trust fund for the security
12 and payment of such bonds and shall not be used or pledged for any
13 other purpose as long as any of these bonds are outstanding and unpaid.

14 **Sec. 15.** RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended
15 to read as follows:

16 A city or town may build and maintain toll bridges and charge and
17 collect tolls thereon, and to that end may provide a system and elect
18 or appoint persons to operate the same, or the said bridges may be made
19 free, as it may elect.

20 Consistent with section 7 of this act, any toll proposed under this
21 section, including any change in an existing toll rate, must first be
22 reviewed and approved by the tolling authority designated in section 7
23 of this act if the toll, or change in toll rate, would have a
24 significant impact, as determined by the tolling authority, on the
25 operation of any state facility.

26 **Sec. 16.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to
27 read as follows:

28 (1) A regional transportation investment district planning
29 committee may, as part of a regional transportation investment plan,
30 recommend the imposition or authorization of some or all of the
31 following revenue sources, which a regional transportation investment
32 district may impose or authorize upon approval of the voters as
33 provided in this chapter:

34 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
35 up to 0.1 percent of the selling price, in the case of a sales tax, or

1 value of the article used, in the case of a use tax, upon the
2 occurrence of any taxable event in the regional transportation
3 investment district;

4 (b) A local option vehicle license fee, as specified under RCW
5 82.80.100, of up to one hundred dollars per vehicle registered in the
6 district. As used in this subsection, "vehicle" means motor vehicle as
7 defined in RCW 46.04.320. Certain classes of vehicles, as defined
8 under chapter 46.04 RCW, may be exempted from this fee;

9 (c) A parking tax under RCW 82.80.030;

10 (d) A local motor vehicle excise tax under RCW 81.100.060;

11 (e) A local option fuel tax under RCW 82.80.120;

12 (f) An employer excise tax under RCW 81.100.030; and

13 (g) Vehicle tolls on new or reconstructed local or regional
14 arterials or state (~~or federal highways~~) routes within the boundaries
15 of the district, if the following conditions are met:

16 (i) (~~Any such toll must be approved by the state transportation
17 commission or its successor statewide tolling authority;~~

18 ~~(ii))~~ Consistent with section 4 of this act, the vehicle toll must
19 first be authorized by the legislature if the toll is imposed on a
20 state route;

21 (ii) Consistent with section 7 of this act, the vehicle toll,
22 including any change in an existing toll rate, must first be reviewed
23 and approved by the tolling authority designated in section 7 of this
24 act if the toll, or change in toll rate, would have a significant
25 impact, as determined by the tolling authority, on the operation of any
26 state facility;

27 (iii) The regional transportation investment plan must identify the
28 facilities that may be tolled; and

29 (~~(iii))~~ (iv) Unless otherwise specified by law, the department
30 shall administer the collection of vehicle tolls on designated
31 facilities, and the state transportation commission, or its successor,
32 shall be the tolling authority, and shall act in accordance with
33 section 7 of this act.

34 (2) Taxes, fees, and tolls may not be imposed or authorized without
35 an affirmative vote of the majority of the voters within the boundaries
36 of the district voting on a ballot proposition as set forth in RCW
37 36.120.070. Revenues from these taxes and fees may be used only to
38 implement the plan as set forth in this chapter. A district may

1 contract with the state department of revenue or other appropriate
2 entities for administration and collection of any of the taxes or fees
3 authorized in this section.

4 (3) Existing statewide motor vehicle fuel and special fuel taxes,
5 at the distribution rates in effect on January 1, 2001, are not
6 intended to be altered by this chapter.

7 **Sec. 17.** RCW 36.73.040 and 2005 c 336 s 4 are each amended to read
8 as follows:

9 (1) A transportation benefit district is a quasi-municipal
10 corporation, an independent taxing "authority" within the meaning of
11 Article VII, section 1 of the state Constitution, and a "taxing
12 district" within the meaning of Article VII, section 2 of the state
13 Constitution.

14 (2) A transportation benefit district constitutes a body corporate
15 and possesses all the usual powers of a corporation for public purposes
16 as well as all other powers that may now or hereafter be specifically
17 conferred by statute, including, but not limited to, the authority to
18 hire employees, staff, and services, to enter into contracts, to
19 acquire, hold, and dispose of real and personal property, and to sue
20 and be sued. Public works contract limits applicable to the
21 jurisdiction that established the district apply to the district.

22 (3) To carry out the purposes of this chapter, and subject to the
23 provisions of RCW 36.73.065, a district is authorized to impose the
24 following taxes, fees, charges, and tolls:

25 (a) A sales and use tax in accordance with RCW 82.14.0455;

26 (b) A vehicle fee in accordance with RCW 82.80.140;

27 (c) A fee or charge in accordance with RCW 36.73.120. However, if
28 a county or city within the district area is levying a fee or charge
29 for a transportation improvement, the fee or charge shall be credited
30 against the amount of the fee or charge imposed by the district.
31 Developments consisting of less than twenty residences are exempt from
32 the fee or charge under RCW 36.73.120; and

33 (d) Vehicle tolls on state routes (~~(or federal highways)~~), city
34 streets, or county roads, within the boundaries of the district, unless
35 otherwise prohibited by law. However, consistent with section 4 of
36 this act, the vehicle toll must first be authorized by the legislature
37 if the toll is imposed on a state route. The department of

1 transportation shall administer the collection of vehicle tolls
2 authorized on state routes (~~(or federal highways)~~), unless otherwise
3 specified in law or by contract, and the state transportation
4 commission, or its successor, may approve, set, and impose the tolls in
5 amounts sufficient to implement the district's transportation
6 improvement finance plan. The district shall administer the collection
7 of vehicle tolls authorized on city streets or county roads, and shall
8 set and impose(~~(, only with approval of the transportation commission,~~
9 ~~or its successor,)~~) the tolls in amounts sufficient to implement the
10 district's transportation improvement plan. However, consistent with
11 section 7 of this act, the vehicle toll, including any change in an
12 existing toll rate, must first be reviewed and approved by the tolling
13 authority designated in section 7 of this act if the toll, or change in
14 toll rate, would have a significant impact, as determined by the
15 tolling authority, on the operation of any state facility.

16 **Sec. 18.** RCW 47.29.060 and 2005 c 317 s 6 are each amended to read
17 as follows:

18 (1) Subject to the limitations in this section, the department may,
19 in connection with the evaluation of eligible projects, consider any
20 financing mechanisms identified under subsections (3) through (5) of
21 this section or any other lawful source, either integrated as part of
22 a project proposal or as a separate, stand-alone proposal to finance a
23 project. Financing may be considered for all or part of a proposed
24 project. A project may be financed in whole or in part with:

25 (a) The proceeds of grant anticipation revenue bonds authorized by
26 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization
27 and appropriation is required in order to use this source of financing;

28 (b) Grants, loans, loan guarantees, lines of credit, revolving
29 lines of credit, or other financing arrangements available under the
30 Transportation Infrastructure Finance and Innovation Act under 23
31 U.S.C. Sec. 181 et seq., or any other applicable federal law;

32 (c) Infrastructure loans or assistance from the state
33 infrastructure bank established by RCW 82.44.195;

34 (d) Federal, state, or local revenues, subject to appropriation by
35 the applicable legislative authority;

36 (e) User fees, tolls, fares, lease proceeds, rents, gross or net
37 receipts from sales, proceeds from the sale of development rights,

1 franchise fees, or any other lawful form of consideration. However,
2 projects financed by tolls or equivalent funding sources must first be
3 authorized by the legislature under section 4 of this act.

4 (2) As security for the payment of financing described in this
5 section, the revenues from the project may be pledged, but no such
6 pledge of revenues constitutes in any manner or to any extent a general
7 obligation of the state. Any financing described in this section may
8 be structured on a senior, parity, or subordinate basis to any other
9 financing.

10 (3) For any transportation project developed under this chapter
11 that is owned, leased, used, or operated by the state, as a public
12 facility, if indebtedness is issued, it must be issued by the state
13 treasurer for the transportation project.

14 (4) For other public projects defined in RCW 47.29.050(2) that are
15 developed in conjunction with a transportation project, financing
16 necessary to develop, construct, or operate the public project must be
17 approved by the state finance committee or by the governing board of a
18 public benefit corporation as provided in the federal Internal Revenue
19 Code section 63-20;

20 (5) For projects that are developed in conjunction with a
21 transportation project but are not themselves a public facility or
22 public project, any lawful means of financing may be used.

23 **Sec. 19.** RCW 47.58.030 and 1984 c 7 s 290 are each amended to read
24 as follows:

25 Except as otherwise provided in section 7 of this act, the
26 secretary shall have full charge of the construction of all such
27 improvements and reconstruction work and the construction of any
28 additional bridge, including approaches and connecting highways, that
29 may be authorized under this chapter and the operation of such bridge
30 or bridges, as well as the collection of tolls and other charges for
31 services and facilities thereby afforded. The schedule of charges for
32 the services and facilities shall be fixed and revised from time to
33 time by the commission so that the tolls and revenues collected will
34 yield annual revenue and income sufficient, after payment or allowance
35 for all operating, maintenance, and repair expenses, to pay the
36 interest on all revenue bonds outstanding under the provisions of this
37 chapter for account of the project and to create a sinking fund for the

1 retirement of the revenue bonds at or prior to maturity. The charges
2 shall be continued until all such bonds and interest thereon and unpaid
3 advancements, if any, have been paid.

4 **Sec. 20.** RCW 47.60.010 and 1984 c 18 s 1 are each amended to read
5 as follows:

6 The department is authorized to acquire by lease, charter,
7 contract, purchase, condemnation, or construction, and partly by any or
8 all of such means, and to thereafter operate, improve, and extend, a
9 system of ferries on and crossing Puget Sound and any of its tributary
10 waters and connections thereof, and connecting with the public streets
11 and highways in the state. The system of ferries shall include such
12 boats, vessels, wharves, docks, approaches, landings, franchises,
13 licenses, and appurtenances as shall be determined by the department to
14 be necessary or desirable for efficient operation of the ferry system
15 and best serve the public. Subject to section 4 of this act, the
16 department may in like manner acquire by purchase, condemnation, or
17 construction and include in the ferry system such toll bridges,
18 approaches, and connecting roadways as may be deemed by the department
19 advantageous in channeling traffic to points served by the ferry
20 system. In addition to the powers of acquisition granted by this
21 section, the department is empowered to enter into any contracts,
22 agreements, or leases with any person, firm, or corporation and to
23 thereby provide, on such terms and conditions as it shall determine,
24 for the operation of any ferry or ferries or system thereof, whether
25 acquired by the department or not.

26 The authority of the department to sell and lease back any state
27 ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec.
28 168(f)(8) is confirmed. Legal title and all incidents of legal title
29 to any ferry sold and leased back (except for the federal tax benefits
30 attributable to the ownership thereof) shall remain in the state of
31 Washington.

32 **Sec. 21.** RCW 53.34.010 and 1984 c 7 s 365 are each amended to read
33 as follows:

34 In addition to all other powers granted to port districts, any such
35 district may, with the consent of the department of transportation,
36 acquire by condemnation, purchase, lease, or gift, and may construct,

1 reconstruct, maintain, operate, furnish, equip, improve, better, add
2 to, extend, and lease to others in whole or in part and sell in whole
3 or in part any one or more of the following port projects, within or
4 without or partially within and partially without the corporate limits
5 of the district whenever the commission of the district determines that
6 any one or more of such projects are necessary for or convenient to the
7 movement of commercial freight and passenger traffic a part of which
8 traffic moves to, from, or through the territory of the district:

9 (1) Toll bridges;

10 (2) Tunnels under or upon the beds of any river, stream, or other
11 body of water, or through mountain ranges.

12 In connection with the acquisition or construction of any one or
13 more of such projects the port districts may, with the consent of the
14 state department of transportation, further acquire or construct,
15 maintain, operate, or improve limited or unlimited access highway
16 approaches of such length as the commission of such district deems
17 advisable to provide means of interconnection of the facilities with
18 public highways and of ingress and egress to any such project,
19 including plazas and toll booths, and to construct and maintain under,
20 along, over, or across any such project telephone, telegraph, or
21 electric transmission wires and cables, fuel lines, gas transmission
22 lines or mains, water transmission lines or mains, and other mechanical
23 equipment not inconsistent with the appropriate use of the project, all
24 for the purpose of obtaining revenues for the payment of the cost of
25 the project.

26 Consistent with section 7 of this act, any toll, including any
27 change in an existing toll rate, proposed under this section must first
28 be reviewed and approved by the tolling authority designated in section
29 7 of this act if the toll, or change in toll rate, would have a
30 significant impact, as determined by the tolling authority, on the
31 operation of any state facility.

32 NEW SECTION. **Sec. 22.** The following acts or parts of acts are
33 each repealed:

34 (1) RCW 47.56.0761 (Regional transportation investment district--
35 Tolls on Lake Washington bridges) and 2006 c 311 s 20; and

36 (2) RCW 47.56.080 (Construction of toll bridges and issuance of
37 bonds authorized) and 1977 ex.s. c 151 s 68 & 1961 c 13 s 47.56.080.

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 47.56 RCW
2 to read as follows:

3 The toll collection account is created in the custody of the state
4 treasurer. All receipts from prepaid customer tolls must be deposited
5 into the account. Distributions from the account may be used only to
6 refund customers' prepaid tolls or for distributions into the
7 appropriate toll facility account. Distributions into the appropriate
8 toll facility account shall be based on charges incurred at each toll
9 facility and shall include a proportionate share of interest earned
10 from amounts deposited into the account. For purposes of accounting,
11 distributions from the account constitute earned toll revenues in the
12 receiving toll facility account at the time of distribution. Only the
13 secretary of transportation or the secretary's designee may authorize
14 distributions from the account. Distributions of revenue and refunds
15 from this account are not subject to the allotment procedures under
16 chapter 43.88 RCW and an appropriation is not required.

17 **Sec. 24.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and
18 2007 c 214 s 14 are each reenacted and amended to read as follows:

19 (1) Money in the treasurer's trust fund may be deposited, invested,
20 and reinvested by the state treasurer in accordance with RCW 43.84.080
21 in the same manner and to the same extent as if the money were in the
22 state treasury.

23 (2) All income received from investment of the treasurer's trust
24 fund shall be set aside in an account in the treasury trust fund to be
25 known as the investment income account.

26 (3) The investment income account may be utilized for the payment
27 of purchased banking services on behalf of treasurer's trust funds
28 including, but not limited to, depository, safekeeping, and
29 disbursement functions for the state treasurer or affected state
30 agencies. The investment income account is subject in all respects to
31 chapter 43.88 RCW, but no appropriation is required for payments to
32 financial institutions. Payments shall occur prior to distribution of
33 earnings set forth in subsection (4) of this section.

34 (4)(a) Monthly, the state treasurer shall distribute the earnings
35 credited to the investment income account to the state general fund
36 except under (b) and (c) of this subsection.

1 (b) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's or fund's
3 average daily balance for the period: The Washington promise
4 scholarship account, the college savings program account, the
5 Washington advanced college tuition payment program account, the
6 agricultural local fund, the American Indian scholarship endowment
7 fund, the foster care scholarship endowment fund, the foster care
8 endowed scholarship trust fund, the students with dependents grant
9 account, the basic health plan self-insurance reserve account, the
10 contract harvesting revolving account, the Washington state combined
11 fund drive account, the commemorative works account, the Washington
12 international exchange scholarship endowment fund, the toll collection
13 account, the developmental disabilities endowment trust fund, the
14 energy account, the fair fund, the family leave insurance account, the
15 fruit and vegetable inspection account, the future teachers conditional
16 scholarship account, the game farm alternative account, the GET ready
17 for math and science scholarship account, the grain inspection
18 revolving fund, the juvenile accountability incentive account, the law
19 enforcement officers' and firefighters' plan 2 expense fund, the local
20 tourism promotion account, the produce railcar pool account, the
21 regional transportation investment district account, the rural
22 rehabilitation account, the stadium and exhibition center account, the
23 youth athletic facility account, the self-insurance revolving fund, the
24 sulfur dioxide abatement account, the children's trust fund, the
25 Washington horse racing commission Washington bred owners' bonus fund
26 account, the Washington horse racing commission class C purse fund
27 account, the individual development account program account, the
28 Washington horse racing commission operating account (earnings from the
29 Washington horse racing commission operating account must be credited
30 to the Washington horse racing commission class C purse fund account),
31 the life sciences discovery fund, the Washington state heritage center
32 account, and the reading achievement account. However, the earnings to
33 be distributed shall first be reduced by the allocation to the state
34 treasurer's service fund pursuant to RCW 43.08.190.

35 (c) The following accounts and funds shall receive eighty percent
36 of their proportionate share of earnings based upon each account's or
37 fund's average daily balance for the period: The advanced right-of-way
38 revolving fund, the advanced environmental mitigation revolving

1 account, the city and county advance right-of-way revolving fund, the
2 federal narcotics asset forfeitures account, the high occupancy vehicle
3 account, the local rail service assistance account, and the
4 miscellaneous transportation programs account.

5 (5) In conformance with Article II, section 37 of the state
6 Constitution, no trust accounts or funds shall be allocated earnings
7 without the specific affirmative directive of this section.

8 NEW SECTION. **Sec. 25.** Sections 1 through 7 of this act are each
9 added to chapter 47.56 RCW under the subchapter heading "toll
10 facilities created after July 1, 2008."

11 NEW SECTION. **Sec. 26.** Sections 23 and 24 of this act are
12 necessary for the immediate preservation of the public peace, health,
13 or safety, or support of the state government and its existing public
14 institutions, and take effect immediately."

E2SHB 1773 - S COMM AMD
By Committee on Transportation

ADOPTED 03/05/2008

15 On page 1, line 1 of the title, after "tolls;" strike the remainder
16 of the title and insert "amending RCW 47.56.030, 47.56.040, 47.56.070,
17 47.56.076, 47.56.078, 47.56.120, 47.56.240, 35.74.050, 36.120.050,
18 36.73.040, 47.29.060, 47.58.030, 47.60.010, and 53.34.010; reenacting
19 and amending RCW 43.79A.040; adding new sections to chapter 47.56 RCW;
20 repealing RCW 47.56.0761 and 47.56.080; and declaring an emergency."

EFFECT: Redesignates the new Toll Collection Account as a
nonappropriated account.

--- END ---