

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 3096

60th Legislature
2008 Regular Session

Passed by the House March 8, 2008
Yeas 62 Nays 31

Speaker of the House of Representatives

Passed by the Senate March 5, 2008
Yeas 29 Nays 19

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 3096** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 3096

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives
Clibborn and McIntire; by request of Governor Gregoire)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to financing the state route number 520 bridge
2 replacement project; adding new sections to chapter 47.01 RCW; adding
3 new sections to chapter 47.56 RCW; creating new sections; and providing
4 an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the replacement
7 of the vulnerable state route number 520 bridge is a matter of urgency
8 for the safety of Washington's traveling public and the needs of the
9 transportation system in central Puget Sound. The state route number
10 520 bridge is forty-four years old and has a useful remaining life of
11 between thirteen and eighteen years. While one hundred fifteen
12 thousand vehicles travel on the bridge each day, there is an ever
13 present likelihood that wind or an earthquake could suddenly destroy
14 the bridge or render it unusable. Therefore, the state must develop a
15 comprehensive approach to fund a state route number 520 bridge
16 replacement to be constructed by 2018.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW
18 to read as follows:

1 (1) The state route number 520 bridge replacement and HOV project
2 shall be designed to provide six total lanes, with two lanes that are
3 for transit and high-occupancy vehicle travel, and four general purpose
4 lanes.

5 (2) The state route number 520 bridge replacement and HOV project
6 shall be designed to accommodate effective connections for transit,
7 including high capacity transit, to the light rail station at the
8 University of Washington.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.56 RCW
10 to read as follows:

11 The state route number 520 bridge replacement and HOV project
12 finance plan must include:

13 (1) Recognition of revenue sources that include: One billion seven
14 hundred million dollars in state and federal funds allocated to the
15 project; one billion five hundred million dollars to two billion
16 dollars in tolling revenue, including early tolls that could begin in
17 late 2009; eighty-five million dollars in federal urban partnership
18 grant funds; and other contributions from private and other government
19 sources; and

20 (2) Recognition of savings to be realized from:

21 (a) Potential early construction of traffic improvements from the
22 eastern Lake Washington shoreline to 108th Avenue Northeast in
23 Bellevue;

24 (b) Early construction of a single string of pontoons to support
25 two lanes that are for transit and high-occupancy vehicle travel and
26 four general purpose lanes;

27 (c) Preconstruction tolling to reduce total financing costs; and

28 (d) A deferral of the sales taxes paid on construction costs.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56 RCW
30 to read as follows:

31 (1) Following the submission of the report required in section 6 of
32 this act, the department may seek authorization from the legislature to
33 collect tolls on the existing state route number 520 bridge or on a
34 replacement state route number 520 bridge.

35 (2) The schedule of toll charges must be established by the

1 transportation commission and collected in a manner determined by the
2 department.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.56 RCW
4 to read as follows:

5 The department shall work with the federal highways administration
6 to determine the necessary actions for receiving federal authorization
7 to toll the Interstate 90 floating bridge. The department must
8 periodically report the status of those discussions to the governor and
9 the joint transportation committee.

10 NEW SECTION. **Sec. 6.** (1) The executive director of the Puget
11 Sound regional council, the secretary of the department of
12 transportation or his or her designee, and a member of the state
13 transportation commission from King county shall form a state route
14 number 520 tolling implementation committee.

15 (2) The committee must:

16 (a) Evaluate the potential diversion of traffic from state route
17 number 520 to other parts of the transportation system, including state
18 route number 522 and local roadways, when tolls are implemented on
19 state route number 520 or other corridors, and recommend mitigation
20 measures to address the diversion;

21 (b) Evaluate the most advanced tolling technology to ensure an
22 efficient and timely trip for users of the state route number 520
23 bridge;

24 (c) Evaluate available active traffic management technology to
25 determine the most effective options for technology that could manage
26 congestion on the state route number 520 bridge and other impacted
27 facilities;

28 (d) Explore opportunities to partner with the business community to
29 reduce congestion and financially contribute to the state route number
30 520 bridge replacement project;

31 (e) Confer with the mayors and city councils of jurisdictions
32 adjacent to the state route number 520 corridor, the state route number
33 522 corridor, and the Interstate 90 corridor regarding the
34 implementation of tolls, the impacts that the implementation of tolls
35 might have on the operation of the corridors, the diversion of traffic
36 to local streets, and potential mitigation measures;

1 (f) Conduct public work sessions and open houses to provide
2 information to citizens, including users of the bridge and business and
3 freight interests, regarding implementation of tolls on the state route
4 number 520 bridge and solicit citizen views on the following items:

5 (i) Funding a portion of the state route number 520 bridge
6 replacement project with tolls on the existing bridge;

7 (ii) Funding the state route number 520 bridge replacement project
8 and improvements on the Interstate 90 bridge with a toll paid by
9 drivers on both bridges;

10 (iii) Providing incentives and choices for users of the state route
11 number 520 bridge replacement project to use transit and to carpool;
12 and

13 (iv) Implementing variable tolling as a way to reduce congestion on
14 the facility; and

15 (g) Provide a report to the governor and the legislature by January
16 2009.

17 (3) The department of transportation shall provide staff support to
18 the committee.

19 NEW SECTION. **Sec. 7.** A new section is added to chapter 47.01 RCW
20 to read as follows:

21 (1)(a) Any person involved in the construction of the state route
22 number 520 bridge replacement and HOV project may apply for deferral of
23 state and local sales and use taxes on the site preparation for, the
24 construction of, the acquisition of any related machinery and equipment
25 that will become a part of, and the rental of equipment for use in, the
26 project.

27 (b) Application shall be made to the department of revenue in a
28 form and manner prescribed by the department of revenue. The
29 application must contain information regarding estimated or actual
30 costs, time schedules for completion and operation, and other
31 information required by the department of revenue. The department of
32 revenue shall approve the application within sixty days if it meets the
33 requirements of this section.

34 (2) The department of revenue shall issue a sales and use tax
35 deferral certificate for state and local sales and use taxes imposed or
36 authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW
37 81.104.170 on the project.

1 (3) A person granted a tax deferral under this section shall begin
2 paying the deferred taxes in the fifth year after the date certified by
3 the department of revenue as the date on which the project is
4 operationally complete. The project is operationally complete under
5 this section when the replacement bridge is constructed and opened to
6 traffic. The first payment is due on December 31st of the fifth
7 calendar year after the certified date, with subsequent annual payments
8 due on December 31st of the following nine years. Each payment shall
9 equal ten percent of the deferred tax.

10 (4) The department of revenue may authorize an accelerated
11 repayment schedule upon request of a person granted a deferral under
12 this section.

13 (5) Interest shall not be charged on any taxes deferred under this
14 section for the period of deferral, although all other penalties and
15 interest applicable to delinquent excise taxes may be assessed and
16 imposed for delinquent payments under this section. The debt for
17 deferred taxes is not extinguished by insolvency or other failure of
18 any private entity granted a deferral under this section.

19 (6) Applications and any other information received by the
20 department of revenue under this section are not confidential and are
21 subject to disclosure. Chapter 82.32 RCW applies to the administration
22 of this section.

23 (7) For purposes of this section, "person" has the same meaning as
24 in RCW 82.04.030 and also includes the department of transportation.

25 NEW SECTION. **Sec. 8.** Section 6 of this act expires February 1,
26 2009.

--- END ---