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SENATE BILL 6355

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State of Washington

60th Legislature

2008 Regular Session

By Senator Haugen

Read first time 01/15/08. Referred to Committee on Transportation.

1 AN ACT Relating to the imposition of tolls; amending RCW 47.56.030,  
2 47.56.040, 47.56.070, 47.56.076, 47.56.078, 47.56.120, 47.56.240,  
3 35.74.050, 36.120.050, 36.73.040, 47.29.060, 47.58.030, 47.60.010, and  
4 53.34.010 adding new sections to chapter 47.56 RCW; and repealing RCW  
5 47.56.0761 and 47.56.080.

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

7 NEW SECTION. **Sec. 1.** The legislature finds and declares that it  
8 is the policy of the state of Washington to use tolling to provide a  
9 source of transportation funding and to encourage effective use of the  
10 transportation system.

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

1       The legislature also intends that while the transportation  
2 commission, as the toll-setting authority, may set toll rates for  
3 facilities, corridors, or systems thereof, the legislature reserves the  
4 authority to impose tolls on any state transportation route or  
5 facility. Similarly, local or quasi-local entities that retain the  
6 power to impose tolls may do so as long as the effect of those tolls on  
7 the state highway system is consistent with the policy guidelines  
8 detailed in this act. If the imposition of tolls could have an impact  
9 on state facilities, the state tolling authority must review and  
10 approve such tolls.

11       NEW SECTION.   **Sec. 2.** This subchapter applies to all state toll  
12 bridges and other state toll facilities, excluding the Washington state  
13 ferries, authorized within this state after July 1, 2008.

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

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

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

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

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

33       (a) To cover the operating costs of the eligible toll facility,  
34 including necessary maintenance, preservation, administration, and toll  
35 enforcement by public law enforcement;

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

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

6 (d) To provide for the operations of vessels, buses, vehicles, or  
7 other conveyances of people or goods, which is limited to no more than  
8 ten percent of the toll revenue collected on the eligible toll facility  
9 in the case of public mass transit operations; or

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

11 NEW SECTION. **Sec. 5.** Any proposal for the establishment of  
12 eligible toll facilities shall consider the following policy  
13 guidelines:

14 (1) Overall direction. Washington should use tolling to encourage  
15 effective use of the transportation system and provide a source of  
16 transportation funding.

17 (2) When to use tolling. Tolling should be used when it can be  
18 demonstrated to contribute a significant portion of the cost of a  
19 project that cannot be funded solely with existing sources or optimize  
20 the performance of the transportation system. Such tolling should, in  
21 all cases, be fairly and equitably applied in the context of the  
22 statewide transportation system and not have significant adverse  
23 impacts through the diversion of traffic to other routes that cannot  
24 otherwise be reasonably mitigated. Such tolling should also consider  
25 relevant social equity, environmental, and economic issues.

26 (3) Use of toll revenue. All revenue from an eligible toll  
27 facility must be used only to improve, preserve, or operate the  
28 eligible toll facility on or in which the revenue is collected.

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

33 (5) Duration of toll collection. Because transportation  
34 infrastructure projects have costs and benefits that extend well beyond  
35 those paid for by initial construction funding, tolls should remain in  
36 place to fund additional capacity, capital rehabilitation, maintenance,  
37 and operations, and to optimize performance of the system.

1        NEW SECTION.    **Sec. 6.** (1) A tolling advisory committee may be  
2 created at the direction of the tolling authority for any eligible toll  
3 facilities. The tolling authority shall appoint nine members to the  
4 committee, all of whom must be permanent residents of the affected  
5 project area as defined for each project. Members of the committee  
6 shall serve without receiving compensation.

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

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

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

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

20        (b) Review toll collection policies, toll operations policies, and  
21 toll revenue expenditures on the eligible toll facilities and report  
22 annually on this review to the legislature.

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

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

28        (a) Meet the operating costs of the eligible toll facilities,  
29 including necessary maintenance, preservation, administration, and toll  
30 enforcement by public law enforcement;

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

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

1 (4) The established toll rates may include variable pricing, and  
2 should be set to optimize system performance, recognizing necessary  
3 trade-offs to generate revenue for the purposes specified in subsection  
4 (3) of this section. Tolls may vary for type of vehicle, time of day,  
5 traffic conditions, or other factors designed to improve performance of  
6 the system.

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

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

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

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

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

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

32 (e) Except as provided in this section, the department shall  
33 proceed with the construction of such toll bridges and other facilities  
34 and the approaches thereto by contract in the manner of state highway  
35 construction immediately upon there being made available funds for such  
36 work and shall prosecute such work to completion as rapidly as

1 practicable. The department is authorized to negotiate contracts for  
2 any amount without bid under ~~((d)(i))~~ (e)(i) and (ii) of this  
3 subsection:

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

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

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

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

29 (b) When purchases are made through a formal request for proposals  
30 solicitation the contract shall be awarded to the responsible proposer  
31 whose competitive sealed proposal is determined in writing to be the  
32 most advantageous to the state taking into consideration price and  
33 other evaluation factors set forth in the request for proposals. No  
34 significant factors may be used in evaluating a proposal that are not  
35 specified in the request for proposals. Factors that may be considered  
36 in evaluating proposals include but are not limited to: Price;  
37 maintainability; reliability; commonality; performance levels; life

1 cycle cost if applicable under this section; cost of transportation or  
2 delivery; delivery schedule offered; installation cost; cost of spare  
3 parts; availability of parts and service offered; and the following:

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

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

8 (iii) Whether the proposer can perform the contract within the time  
9 specified;

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

34 (1) Subject to the provisions under chapter 36.73 RCW, a  
35 transportation benefit district may authorize vehicle tolls on state  
36 routes or federal highways, city streets, or county roads, within the

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
2 up to 0.1 percent of the selling price, in the case of a sales tax, or  
3 value of the article used, in the case of a use tax, upon the  
4 occurrence of any taxable event in the regional transportation  
5 investment district;

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

11 (c) A parking tax under RCW 82.80.030;

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

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

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

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

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

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

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

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

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

36 (2) Taxes, fees, and tolls may not be imposed or authorized without  
37 an affirmative vote of the majority of the voters within the boundaries  
38 of the district voting on a ballot proposition as set forth in RCW

1 36.120.070. Revenues from these taxes and fees may be used only to  
2 implement the plan as set forth in this chapter. A district may  
3 contract with the state department of revenue or other appropriate  
4 entities for administration and collection of any of the taxes or fees  
5 authorized in this section.

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

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

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

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

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

- 27 (a) A sales and use tax in accordance with RCW 82.14.0455;
- 28 (b) A vehicle fee in accordance with RCW 82.80.140;
- 29 (c) A fee or charge in accordance with RCW 36.73.120. However, if  
30 a county or city within the district area is levying a fee or charge  
31 for a transportation improvement, the fee or charge shall be credited  
32 against the amount of the fee or charge imposed by the district.  
33 Developments consisting of less than twenty residences are exempt from  
34 the fee or charge under RCW 36.73.120; and
- 35 (d) Vehicle tolls on state routes (~~(or federal highways)~~), city  
36 streets, or county roads, within the boundaries of the district, unless  
37 otherwise prohibited by law. However, consistent with section 4 of

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

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

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

27 (a) The proceeds of grant anticipation revenue bonds authorized by  
28 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization  
29 and appropriation is required in order to use this source of financing;

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

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

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

1 (e) User fees, tolls, fares, lease proceeds, rents, gross or net  
2 receipts from sales, proceeds from the sale of development rights,  
3 franchise fees, or any other lawful form of consideration. However,  
4 projects financed by tolls or equivalent funding sources must first be  
5 authorized by the legislature under section 4 of this act.

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

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

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

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

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

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

1 interest on all revenue bonds outstanding under the provisions of this  
2 chapter for account of the project and to create a sinking fund for the  
3 retirement of the revenue bonds at or prior to maturity. The charges  
4 shall be continued until all such bonds and interest thereon and unpaid  
5 advancements, if any, have been paid.

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

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

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

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

36 In addition to all other powers granted to port districts, any such



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

11 (1) Toll bridges;

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

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

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

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

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

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

3 NEW SECTION. **Sec. 23.** Sections 1 through 7 of this act are each  
4 added to chapter 47.56 RCW under the subchapter heading "toll  
5 facilities created after July 1, 2008."

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