
HOUSE BILL 2741

State of Washington

65th Legislature

2018 Regular Session

By Representatives Clibborn, Fey, and Tarleton; by request of Department of Transportation

Read first time 01/15/18. Referred to Committee on Transportation.

1 AN ACT Relating to reimbursement of the financing of the Alaskan
2 Way viaduct replacement project; amending RCW 47.56.862 and
3 47.56.864; adding a new section to chapter 47.10 RCW; and adding a
4 new section to chapter 47.56 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.10
7 RCW to read as follows:

8 Toll charges must be used to repay the transportation partnership
9 account consistent with RCW 46.68.290 for any amounts transferred
10 from the transportation partnership account to the highway bond
11 retirement fund under RCW 47.10.877 to provide for bond retirement
12 and interest for up to two hundred million dollars in bonds that are
13 issued for the Alaskan Way viaduct replacement project and designated
14 by the department in consultation with the office of the state
15 treasurer as reimbursable bonds as described in section 2(2) of this
16 act. Toll charges must remain on the facility financed by
17 reimbursable bonds issued by the state for a length of time necessary
18 to repay the transportation partnership account for amounts
19 transferred from the transportation partnership account to the
20 highway bond retirement fund under RCW 47.10.877 to provide for bond

1 retirement and interest on such reimbursable bonds issued for the
2 Alaskan Way viaduct replacement project.

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

5 (1) The tolling authority must establish and the department must
6 charge and collect tolls and fees on the portion of state route
7 number 99 that is a deep bore tunnel for the following costs and
8 other financial requirements of the tolled portion of the Alaskan Way
9 viaduct replacement project at rates sufficient to meet the payment
10 of the following expenses, to the extent the legislature has not
11 appropriated or otherwise committed funds other than toll revenue for
12 the payment of such expenses:

13 (a) Reasonable and necessary operating and maintenance expenses
14 of the toll collection system including, but not limited to, expenses
15 of toll collection and enforcement and administrative and technical
16 functions for processing toll transactions;

17 (b) Reasonable and necessary operating and maintenance expenses
18 of the tolled portion of the Alaskan Way viaduct replacement project;

19 (c) Provide for the funding of, over a period of twelve months, a
20 repair and replacement reserve in the Alaskan Way viaduct replacement
21 project account in an amount determined by the department based on
22 its projected needs to meet the reasonable and necessary repair and
23 replacement expenses of the toll collection system in the current and
24 future fiscal years, of which a schedule must be provided to the
25 tolling authority; and

26 (d) Produce in each fiscal year in which any reimbursable bonds
27 issued for the Alaskan Way viaduct replacement project are
28 outstanding toll revenue net of the expenses described in (a) through
29 (c) of this subsection in an amount determined by the office of the
30 state treasurer to be repaid to the transportation partnership
31 account pursuant to section 1 of this act and RCW 47.56.864(3) plus
32 the additional percentage of the amounts shown on the debt service
33 schedule for reimbursable bonds described in subsection (2)(b) of
34 this section.

35 (2) For the purpose of determining the amount of bonds to be
36 designated as reimbursable bonds pursuant to section 1 of this act
37 and enabling the tolling authority to establish the initial toll
38 rates on the portion of state route number 99 that is a deep bore
39 tunnel, the department, in consultation with the office of the state

1 treasurer, must prepare and submit to the tolling authority an
2 Alaskan Way viaduct replacement project toll reimbursement plan that
3 includes:

4 (a) An initial projected toll rate schedule prepared by the
5 department in accordance with the requirements of subsection (5) of
6 this section that (i) takes into account the policies of optimizing
7 system performance and minimizing diversion of traffic to other
8 routes, and (ii) is projected to produce at least the toll revenue
9 required in subsection (1) of this section; and

10 (b) A debt service schedule prepared by the office of the state
11 treasurer that shows the aggregate total and annual principal and
12 interest requirements and payment dates extending over a period of
13 not more than twenty-five years for the bonds designated as
14 reimbursable bonds pursuant to section 1 of this act, including an
15 additional percentage of the amounts shown on the debt service
16 schedule as determined by the office of the state treasurer and the
17 department and provided to the tolling authority to provide prudent
18 coverage for the required reimbursement amounts.

19 (3) Prior to adopting any revision in the toll rate schedule for
20 the portion of state route number 99 that is a deep bore tunnel, the
21 tolling authority must obtain:

22 (a) From the department:

23 (i) A certificate from a traffic and revenue consultant stating,
24 based upon reasonable assumptions and applying the revised toll rate
25 schedule, the projected toll revenue for the current fiscal year and
26 each subsequent fiscal year through the last scheduled maturity of
27 all outstanding reimbursable bonds issued for the Alaskan Way viaduct
28 replacement project; and

29 (ii) A certificate from an independent consulting engineering
30 firm stating, based upon reasonable assumptions, the projected
31 operating and maintenance expenses and repair and replacement
32 requirements described in subsection (1)(a), (b), and (c) of this
33 section for the current fiscal year and each subsequent fiscal year
34 through the last scheduled maturity of all outstanding reimbursable
35 bonds issued for the Alaskan Way viaduct replacement project; and

36 (b) From the office of the state treasurer, a certificate stating
37 that, based upon the information contained in the certificates
38 described in (a) of this subsection, the adoption of the revised toll
39 rate schedule will not cause toll revenue collected on the portion of

1 state route number 99 that is a deep bore tunnel to be less than the
2 amount required under subsection (1) of this section.

3 (4) If for any fiscal year the toll revenue collected on the
4 portion of state route number 99 that is a deep bore tunnel is less
5 than the amount required under subsection (1) of this section, the
6 department, within ninety days after the end of that fiscal year's
7 closing activities, must obtain and provide to the tolling authority
8 the written recommendations of a traffic and revenue consultant as to
9 the adjustments, if any, that should be made in the existing toll
10 rate schedule for the portion of state route number 99 that is a deep
11 bore tunnel to increase toll revenue in the following fiscal year to
12 the level required under subsection (1) of this section, and the
13 tolling authority must take steps to address the revenue shortfall
14 within sixty days after receipt of the recommendations. If the
15 traffic and revenue consultant advises the department that toll
16 revenue cannot be increased to the level currently required under
17 subsection (1) of this section, the department, in consultation with
18 the office of the state treasurer, must prepare a revised toll
19 reimbursement plan that takes into account: Additional funds other
20 than toll revenue that are appropriated or otherwise committed by the
21 legislature for the expenses in subsection (1) of this section,
22 revisions in the amount of bonds designated as reimbursable bonds,
23 and revisions in the additional percentage of the amounts shown on
24 the debt service schedule for reimbursable bonds described in
25 subsection (2)(b) of this section.

26 (5) In conjunction with the preparation of its biennial and any
27 supplemental transportation budget, the department, in consultation
28 with a traffic and revenue consultant, must prepare and submit a
29 projected toll rate schedule to the tolling authority for its review
30 and consideration in setting and adjusting tolls on the portion of
31 state route number 99 that is a deep bore tunnel. The projected toll
32 rate schedule must include, but not be limited to, an estimate of the
33 toll revenue that will be required to meet the costs and other
34 financial requirements described in subsection (1) of this section.

35 **Sec. 3.** RCW 47.56.862 and 2012 c 83 s 2 are each amended to read
36 as follows:

37 (1) The initial imposition of tolls on the portion of state route
38 number 99 that is the deep bore tunnel (~~((under First Avenue))~~) from
39 the vicinity of the sports stadiums in Seattle to Aurora Avenue north

1 of the Battery Street tunnel is authorized, this portion of state
2 route number 99 is designated an eligible toll facility, and toll
3 revenue generated from this facility must only be expended as allowed
4 under RCW 47.56.820.

5 (2) The toll imposed under this section must be charged only for
6 travel on the portion of state route number 99 that is a deep bore
7 tunnel.

8 (3)(a) In setting toll rates for the deep bore tunnel portion of
9 state route number 99 pursuant to RCW 47.56.850, the tolling
10 authority shall set a variable schedule of toll rates to maintain
11 travel time, speed, and reliability on this facility and generate the
12 necessary revenue as required under (b) of this subsection.

13 (b) The tolling authority (~~((may adjust))~~) must set the initial
14 variable schedule of toll rates and review, thereafter, the existing
15 variable schedule of toll rates at least annually to determine if the
16 schedule should be adjusted to reflect ((inflation as measured by the
17 consumer price index)) changes in operating expenses, repair and
18 replacement expenses, or reimbursement bond requirements as necessary
19 to meet ((the redemption of bonds, to meet)) the obligations of the
20 tolling authority under ((RCW 47.56.850, and interest payments on
21 bonds and for those costs that are eligible under RCW 47.56.820))
22 section 2 of this act.

23 **Sec. 4.** RCW 47.56.864 and 2012 c 83 s 3 are each amended to read
24 as follows:

25 A special account to be known as the Alaskan Way viaduct
26 replacement project account is created in the state treasury.

27 (1) Deposits to the account must include:

28 (a) All proceeds of bonds issued for construction of the Alaskan
29 Way viaduct replacement project, including any capitalized interest;

30 (b) All of the tolls and other revenues received from the
31 operation of the Alaskan Way viaduct replacement project as ((a)) an
32 eligible toll facility, to be deposited at least monthly;

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

35 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any
36 surplus real property acquired for the purpose of building the
37 Alaskan Way viaduct replacement project; and

1 (e) All damages, liquidated or otherwise, collected under any
2 contract involving the construction of the Alaskan Way viaduct
3 replacement project.

4 (~~Subject to the covenants made by the state in the bond~~
5 ~~proceedings authorizing the issuance and sale of bonds for the~~
6 ~~construction of the Alaskan Way viaduct replacement project, toll~~
7 ~~charges)) Tolls, other revenues, and interest received from the
8 operation of the Alaskan Way viaduct replacement project as ((a)) an
9 eligible toll facility ((~~may~~)) must be used to((~~+~~~~

10 ~~(+))~~ pay any required costs allowed under RCW 47.56.820((~~+~~)) and
11 ((~~b~~)) repay amounts to the ((~~motor—vehicle—fund~~))
12 transportation partnership account as required in the following order
13 of priority, to the extent the legislature has not appropriated or
14 otherwise committed funds other than toll revenue for the payment of
15 such expenses:

16 (a) Operating and maintenance expenses of the toll collection
17 system;

18 (b) Operating and maintenance expenses of the tolled portion of
19 the Alaskan Way viaduct replacement project;

20 (c) Repair and replacement expenses of the toll collection
21 system; and

22 (d) Amounts required to be repaid to the transportation
23 partnership account pursuant to section 1 of this act and subsection
24 (3) of this section.

25 (3) When repaying the ((~~motor—vehicle—fund~~)) transportation
26 partnership account for amounts transferred to the highway bond
27 retirement fund under RCW 47.10.877 to provide for bond retirement
28 and interest on reimbursable bonds issued for the Alaskan Way viaduct
29 replacement project, the state treasurer shall transfer funds from
30 the Alaskan Way viaduct replacement project account to the ((~~motor~~
31 ~~vehiele—fund~~)) transportation partnership account on or before each
32 debt service date for reimbursable bonds issued for the construction
33 of the Alaskan Way viaduct replacement project in an amount
34 sufficient to repay the ((~~motor—vehiele—fund~~)) transportation
35 partnership account for amounts transferred from that ((~~fund~~))
36 account to the highway bond retirement fund to provide for any
37 reimbursable bond principal and interest due on that date. The state
38 treasurer may establish subaccounts for the purpose of segregating
39 ((~~toll—charges~~)) tolls and other revenues received from the operation

1 of the Alaskan Way viaduct replacement project as an eligible toll
2 facility, bond sale proceeds, and other revenues.

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