CERTIFICATION OF ENROLLMENT

**ENGROSSED SUBSTITUTE SENATE BILL 5825**

Chapter 421, Laws of 2019

66th Legislature

2019 Regular Session

HIGHWAY TOLLING--I-405, SR 167, AND SR 509

EFFECTIVE DATE: June 30, 2019

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| Passed by the Senate April 28, 2019Yeas 32 Nays 14CYRUS HABIB**President of the Senate**Passed by the House April 27, 2019Yeas 60 Nays 38FRANK CHOPP**Speaker of the House of Representatives** | CERTIFICATEI, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5825** as passed by the Senate and the House of Representatives on the dates hereon set forth.BRAD HENDRICKSONSecretary |
| Approved May 21, 2019 10:45 AM | May 21, 2019 |
| JAY INSLEE**Governor of the State of Washington** | **Secretary of State** **State of Washington** |

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**ENGROSSED SUBSTITUTE SENATE BILL 5825**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2019 Regular Session

**State of Washington 66th Legislature 2019 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Hobbs and King; by request of Department of Transportation)

AN ACT Relating to tolling the Interstate 405, state route number 167, and state route number 509; amending RCW 47.10.882, 47.10.887, 47.10.888, 47.56.880, and 47.56.884; reenacting and amending RCW 43.84.092; adding new sections to chapter 47.10 RCW; adding new sections to chapter 47.56 RCW; creating new sections; repealing RCW 47.56.403 and 47.66.090; prescribing penalties; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature recognizes that the Puget Sound region is faced with growing traffic congestion and must improve mobility for people and goods by maximizing the effectiveness of the freeway system. Investments in the Interstate 405, state route number 167, and state route number 509 corridors are essential for providing benefits for the movement of vehicles and people. Further, the legislature recognizes that in 2015, the passage of the connecting Washington transportation revenue proposal assumed that tolling would be a component of projects on these corridors.

(2) The legislature recognizes that completion of state route number 167 in Pierce county and completion of state route number 509 in King county provide essential connections to the Port of Tacoma and the Port of Seattle and will help ensure people and goods move more reliably through the Puget Sound region. The completion of these corridors, known as the Gateway project, will play an essential role in enhancing the state's economic competitiveness, both nationally and globally.

(3) The legislature acknowledges that as one of the most congested freeway sections in the state, the combined Interstate 405 and state route number 167 corridor in King county serves as an ideal candidate for an express toll lanes network. The express toll lanes network provides a tool for managing the use of high occupancy vehicle lanes while generating funds to improve projects in the corridor.

(4) Therefore, it is the intent of this act to expedite the delivery of the Puget Sound Gateway facility, designate the Puget Sound Gateway project as an eligible toll facility, and authorize the imposition of tolls on the Puget Sound Gateway facility. It is further the intent of this act to direct the department of transportation to develop and operate an express toll lanes network on Interstate 405 from the city of Lynnwood on the north end to the intersection of state route number 167 and state route number 512 on the south end.

NEW SECTION. **Sec.**  (1) In order to provide funds necessary for the design, right-of-way, and construction of projects as allowed in sections 11 through 14 of this act, there shall be issued and sold upon the request of the department of transportation up to the following amounts of general obligation bonds of the state of Washington first payable from toll revenue and excise taxes on fuel and vehicle-related fees in accordance with section 5 of this act:

(a) One billion one hundred sixty million dollars for the Interstate 405 and state route number 167 express toll lanes; and

(b) Three hundred forty million dollars for the Puget Sound Gateway facility.

(2) For purposes of chapter . . ., Laws of 2019 (this act), "vehicle-related fees" means vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles to be used for highway purposes.

NEW SECTION. **Sec.**  Upon the request of the department, the state finance committee shall supervise and provide for the issuance, sale, and retirement of bonds authorized by this act in accordance with chapter 39.42 RCW. Bonds authorized by this act shall be sold in the manner, at time or times, in amounts, and at the price as the state finance committee shall determine. No bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. **Sec.**  (1) The proceeds from the sale of bonds authorized by:

(a) Section 2(1)(a) of this act shall be deposited in the Interstate 405 and state route number 167 express toll lanes account created in section 12 of this act; and

(b) Section 2(1)(b) of this act shall be deposited in the Puget Sound Gateway facility account created in section 14 of this act.

(2) The bond proceeds shall be available only for the purposes enumerated in section 2, chapter . . ., Laws of 2019 (section 2 of this act), for the payment of bond anticipation notes or other interim financing, if any, capitalizing interest on the bonds, funding a debt service reserve fund, if any, and for the payment of bond issuance costs, including the costs of underwriting.

NEW SECTION. **Sec.**  Bonds issued under the authority of this section and sections 2, 6, and 7 of this act shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal of and interest on the bonds shall be first payable in the manner provided in this section and sections 2, 6, and 7 of this act from toll revenue and then from proceeds of excise taxes on fuel and vehicle-related fees to the extent toll revenue is not available for that purpose. Toll revenue and the state excise taxes on fuel imposed by chapter 82.38 RCW and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and sections 2, 6, and 7 of this act, and the legislature agrees to continue to impose these toll charges on the Interstate 405 and state route number 167 express toll lanes, and on the Puget Sound Gateway facility, and on any other eligible toll facility designated by the legislature and on which the imposition of tolls is authorized by the legislature in respect of the bonds, and excise taxes on fuel and vehicle-related fees in amounts sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and sections 2, 6, and 7 of this act.

NEW SECTION. **Sec.**  For bonds issued under the authority of this section and sections 2, 5, and 7 of this act, the state treasurer shall first withdraw toll revenue from the appropriate toll account for the facility for which the bonds are issued and sold, and, to the extent toll revenue is not available, excise taxes on fuel and vehicle-related fees and deposit in the toll facility bond retirement account, or a special subaccount in the account, such amounts, and at such times, as are required by the bond proceedings.

Any excise taxes on fuel and vehicle-related fees required for bond retirement or interest on the bonds authorized by this section and sections 2, 5, and 7 of this act shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on fuel and vehicle-related fees and which is, or may be, appropriated to the department for state highway purposes. Funds required shall never constitute a charge against any other allocations of fuel tax and vehicle-related fee revenues to the state, counties, cities, and towns unless the amount arising from excise taxes on fuel and vehicle-related fees distributed to the state in the motor vehicle fund proves insufficient to meet the requirements for bond retirement or interest on any such bonds.

Any payments for bond retirement or interest on the bonds taken from other revenues from the fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from available toll revenue in the manner provided in the bond proceedings or, if toll revenue is not available for that purpose, from the first revenues from the excise taxes on fuel and vehicle-related fees distributed to the motor vehicle fund not required for bond retirement or interest on the bonds. Any excise taxes on fuel and vehicle-related fees required for bond retirement or interest on the bonds authorized by this section and sections 2, 5, and 7 of this act shall be reimbursed to the motor vehicle fund from toll revenue in the manner and with the priority specified in the bond proceedings.

NEW SECTION. **Sec.**  Bonds issued under the authority of sections 2, 5, and 6 of this act and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge excise taxes on fuel and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such excise taxes on fuel and vehicle-related fees.

**Sec.**  RCW 47.10.882 and 2011 c 377 s 3 are each amended to read as follows:

The toll facility bond retirement account is created in the state treasury for the purpose of payment of the principal of and interest and premium on bonds. Both principal of and interest on the bonds issued for the purposes of chapter 498, Laws of 2009 ((~~and~~)), chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act) shall be payable from the toll facility bond retirement account. The state finance committee may provide that special subaccounts be created in the account to facilitate payment of the principal of and interest on the bonds. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings.

**Sec.**  RCW 47.10.887 and 2011 c 377 s 5 are each amended to read as follows:

The state finance committee may determine and include in any resolution authorizing the issuance of any bonds under chapter 498, Laws of 2009 ((~~and~~)), chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act), such terms, provisions, covenants, and conditions as it may deem appropriate in order to assist with the marketing and sale of the bonds, confer rights upon the owners of bonds, and safeguard rights of the owners of bonds including, among other things:

(1) Provisions regarding the maintenance and operation of eligible toll facilities;

(2) The pledges, uses, and priorities of application of toll revenue;

(3) Provisions that bonds shall be payable from and secured solely by toll revenue as provided by RCW 47.10.886, or shall be payable from and secured by both toll revenue and by a pledge of excise taxes on motor vehicle and special fuels and the full faith and credit of the state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

(4) Provisions that bonds shall be payable from and secured by both toll revenue and by a pledge of excise taxes on fuel and vehicle-related fees and the full faith and credit of the state as provided in sections 2 and 5 through 7 of this act;

(5) In consultation with the department of transportation and the tolling authority, financial covenants requiring that the eligible toll facilities must produce specified coverage ratios of toll revenue to debt service on bonds;

((~~(5)~~)) (6) The purposes and conditions that must be satisfied prior to the issuance of any additional bonds that are to be payable from and secured by any toll revenue on an equal basis with previously issued and outstanding bonds payable from and secured by toll revenue;

((~~(6)~~)) (7) Provisions that bonds for which any toll revenue are pledged, or for which a pledge of any toll revenue may be reserved, may be structured on a senior, parity, subordinate, or special lien basis in relation to any other bonds for which toll revenue is pledged, with respect to toll revenue only; and

((~~(7)~~)) (8) Provisions regarding reserves, credit enhancement, liquidity facilities, and payment agreements with respect to bonds.

Notwithstanding the foregoing, covenants and conditions detailing the character of management, maintenance, and operation of eligible toll facilities, insurance for eligible toll facilities, financial management of toll revenue, and disposition of eligible toll facilities must first be approved by the department of transportation.

The owner of any bond may by mandamus or other appropriate proceeding require and compel performance of any duties imposed upon the tolling authority and the department of transportation and their respective officials, including any duties imposed upon or undertaken by them or by their respective officers, agents, and employees, in connection with the construction, maintenance, and operation of eligible toll facilities and in connection with the collection, deposit, investment, application, and disbursement of the proceeds of the bonds and toll revenue.

**Sec.**  RCW 47.10.888 and 2011 c 377 s 6 are each amended to read as follows:

(1) For the purposes of chapter 498, Laws of 2009 ((~~and~~)), chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act), "toll revenue" means all toll receipts, all interest income derived from the investment of toll receipts, and any gifts, grants, or other funds received for the benefit of transportation facilities in the state, including eligible toll facilities. However, for the purpose of any pledge of toll revenue to the payment of particular bonds issued under chapter 498, Laws of 2009 ((~~and~~)), chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act), "toll revenue" means and includes only such toll revenue or portion thereof that is pledged to the payment of those bonds in the resolution authorizing the issuance of such bonds. Toll revenue constitutes "fees and revenues derived from the ownership or operation of any undertaking, facility, or project" as that phrase is used in Article VIII, section 1(c)(1) of the state Constitution.

(2) For the purposes of chapter 498, Laws of 2009 ((~~and~~)), chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this act), "tolling authority" has the same meaning as in RCW 47.56.810.

**Sec.**  RCW 47.56.880 and 2011 c 369 s 3 are each amended to read as follows:

(1) The imposition of tolls for express toll lanes on Interstate 405 between ((~~the junctions with~~)) Interstate 5 on the north end ((~~and NE 6th Street~~)) in the city of ((~~Bellevue~~)) Lynnwood and Interstate 5 on the south end in the city of Tukwila, and for state route number 167 between Interstate 405 on the north end and state route number 512 on the south end is authorized((~~,~~)). Interstate 405 ((~~is~~)) and state route number 167 are designated an eligible toll facility, and toll revenue generated in the corridor must only be expended on the Interstate 405 and state route number 167 projects as identified in each corridor's master plan and as allowed under RCW 47.56.820.

(2) Tolls for the express toll lanes must be set as follows:

(a) The schedule of toll rates must be set by the tolling authority pursuant to RCW 47.56.850. Toll rates may vary in amount by time of day, level of traffic congestion within the highway facility, or other criteria, as the tolling authority deems appropriate.

(b) In those locations with two express toll lanes in each direction, the toll rate must be the same in both lanes.

(c) Toll charges may not be assessed on transit buses and vanpools.

(d) The department shall establish performance standards for travel time, speed, and reliability for the express toll lanes project. The department must automatically adjust the toll rate within the schedule established by the tolling authority, using dynamic tolling, to ((~~ensure~~)) maintain the goal that average vehicle speeds in the lanes remain above forty-five miles per hour at least ninety percent of the time during peak hours.

(e) The tolling authority shall periodically review the toll rates against traffic performance of all lanes to determine if the toll rates are effectively maintaining travel time, speed, and reliability on the highway facilities.

(f)(i) Toll charges may not be assessed on carpools with two or more people in the vehicle on the portion of Interstate 405 between Bellevue and state route number 167 for at least the first year following the initial imposition of tolls on that portion of the express toll lanes, contingent upon the analysis described in (f)(ii) of this subsection.

(ii) The department must analyze the effect of (f)(i) of this subsection utilizing forecasting and modeling data and present the results of the analysis to the tolling authority. If the analysis indicates that the express toll lanes on the portion of Interstate 405 between Bellevue and state route number 167 will not cover the financial obligations outlined in section 12(4) of this act, then the restriction on toll charges in (f)(i) of this subsection will not be implemented and the department must provide the transportation committees of the legislature with a report, within thirty days, that provides options for not assessing toll charges on carpools with two or more people in the vehicle, which also meet the financial obligations outlined in section 12(4) of this act.

(g) After the bonds issued pursuant to section 2(1)(a) of this act are retired, the tolling authority must reduce the toll rates commensurate with this reduction in the amount of toll revenues required from the express toll lanes.

(3) ((~~The department may construct and operate express toll lanes on Interstate 405 between the city of Bellevue on the south end and Interstate 5 on the north end. Operation of the express toll lanes may not commence until the department has completed capacity improvements necessary to provide a two-lane system from NE 6th Street in the city of Bellevue to state route number 522 and the conversion of the existing high occupancy vehicle lane to an express toll lane between state route number 522 and the city of Lynnwood. Construction of the capacity improvements described in this subsection, including items that enable implementation of express toll lanes such as conduit and other underground features, must begin as soon as practicable. However, any contract term regarding tolling equipment, such as gantries, barriers, or cameras, for Interstate 405 may not take effect unless specific appropriation authority is provided in 2012 stating that funding is provided solely for tolling equipment on Interstate 405.~~)) The department shall work with local jurisdictions to minimize and monitor impacts to local streets and, after consultation with local jurisdictions, recommend mitigation measures to the legislature in those locations where it is appropriate.

(4) The department shall monitor the express toll lanes ((~~project~~)) and shall annually report to the transportation commission and the legislature on the impacts from the project on the following performance measures:

(a) Whether the express toll lanes maintain speeds of forty-five miles per hour at least ninety percent of the time during peak periods, and any alternate metric determined by the department in conjunction with the federal highway administration;

(b) Whether the average traffic speed changed in the general purpose lanes;

(c) Whether transit ridership changed;

(d) Whether the actual use of the express toll lanes is consistent with the projected use;

(e) Whether the express toll lanes generated sufficient revenue to pay for all ((~~Interstate 405~~)) express toll lane-related operating costs; and

(f) Whether travel times and volumes have increased or decreased on adjacent local streets and state highways((~~; and~~

~~(g) Whether the actual gross revenues are consistent with projected gross revenues as identified in the fiscal note for Engrossed House Bill No. 1382 distributed by the office of financial management on March 15, 2011.~~

~~(5) If after two years of operation of the express toll lanes on Interstate 405 performance measures listed in subsection (4)(a) and (e) of this section are not being met, the express toll lanes project must be terminated as soon as practicable~~)).

((~~(6)~~)) (5) The department, in consultation with the transportation commission, shall consider making operational changes necessary to fix any unintended consequences of implementing the express toll lanes ((~~project~~)).

((~~(7)~~)) (6) A violation of the lane restrictions applicable to the express toll lanes established under this section is a traffic infraction.

**Sec.**  RCW 47.56.884 and 2011 c 369 s 5 are each amended to read as follows:

(1) The Interstate 405 and state route number 167 express toll lanes ((~~operations~~)) account is created in the motor vehicle fund. ((~~All revenues received by the department as toll charges collected from Interstate 405 express toll lane users must be deposited into the account~~))

(2) Deposits to the account must include:

(a) All proceeds of bonds authorized in section 2(1)(a) of this act and loans for the Interstate 405 and state route number 167 projects, including capitalized interest;

(b) All tolls and other revenues received from the operation of the Interstate 405 and state route number 167 express toll lanes facility, to be deposited at least monthly;

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

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for completing the Interstate 405 and state route number 167 express toll lanes facility; and

(e) All damages liquidated or otherwise, collected under any contract involving Interstate 405 or state route number 167 projects.

(3) Moneys in the account may be spent only after appropriation((~~.~~)), consistent with RCW 47.56.820((~~, expenditures from the account may be used for debt service, planning, administration, construction, maintenance, operation, repair, rebuilding, enforcement, and the expansion of express toll lanes on Interstate 405~~)).

(4) The proceeds of the general obligation bonds authorized in section 2(1)(a) of this act shall be used to make progress toward completion of the Interstate 405 and state route number 167 master plans. It is the intent of the legislature to first use the bond proceeds for the following projects:

(a) Up to six hundred million dollars to design and construct capacity improvements on Interstate 405 between state route number 522 and state route number 527. This project would widen Interstate 405 through the state route number 522 interchange, build direct access ramps to the express toll lanes at state route number 522, build one new lane in each direction to be used as a second express toll lane, and build a partial direct access ramp at state route number 527 to the east, north, and south, to provide connections to the Canyon Park park and ride;

(b) Up to two hundred fifteen million dollars toward completion of the I-405/Renton to Bellevue - Corridor Widening project (M00900R);

(c) Up to three million dollars to update the state route number 167 master plan;

(d) Up to one hundred million dollars to construct both the northbound and southbound state route number 167 stage 6 extension project. This project would extend the express toll lanes south to the state route number 410 and state route number 512 interchange to help mitigate traffic congestion; and

(e) Up to twenty million dollars to design the Interstate 405/North 8th Street Direct Access Ramp project in the city of Renton. It is the intent of the legislature to provide construction funding for this project at a later date.

NEW SECTION. **Sec.**  (1) The Puget Sound Gateway facility is designated an eligible toll facility, tolls are authorized to be imposed on the Puget Sound Gateway facility, and toll revenue generated must be expended only as allowed under RCW 47.56.820.

(2)(a) In setting toll rates for the Puget Sound Gateway facility, pursuant to RCW 47.56.850, the tolling authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the Puget Sound Gateway facility.

(b) The tolling authority may adjust toll rates to reflect inflation as measured by the consumer price index or as necessary for those costs that are eligible under RCW 47.56.820 and to meet the obligations of the tolling authority under RCW 47.56.850.

(c) After the bonds issued pursuant to section 2(1)(b) of this
act are retired, the tolling authority must reduce the toll rates
commensurate with this reduction in the amount of toll revenues
required from the express toll lanes.

(3) For the purposes of this section and section 14 of this act, "Puget Sound Gateway facility" means the state route number 167 roadway between north Meridian Avenue in Puyallup and Interstate 5 in Fife, the state route number 509 spur between Interstate 5 in Fife and state route number 509 in Tacoma, and the state route number 509 roadway between south 188th Street and Interstate 5 in SeaTac.

(4) Prior to setting the schedule of toll rates on the portion of state route number 509 between South 188th Street and Interstate 5 in SeaTac, the department, in collaboration with the transportation commission, must analyze and present to the transportation commission at least one schedule of toll rates that exempts, discounts, or provides other toll relief for low-income drivers during all hours of operation on state route number 509 between South 188th Street and Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the department shall consider implementing an exemption, discount, or other toll relief policy for drivers that reside in close proximity to the corridor.

NEW SECTION. **Sec.**  (1) A special account to be known as the Puget Sound Gateway facility account is created in the motor vehicle fund.

(2) Deposits to the account must include:

(a) All proceeds of bonds authorized in section 2(1)(b) of this act and loans for the Puget Sound Gateway project, including capitalized interest;

(b) All tolls and other revenues received from the operation of the Puget Sound Gateway facility, to be deposited at least monthly;

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

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for completing the Puget Sound Gateway project, including existing state route number 509 right-of-way in SeaTac and Des Moines; and

(e) All damages liquidated or otherwise, collected under any contract involving the Puget Sound Gateway project.

(3) Moneys in the account may be spent only after appropriation, consistent with RCW 47.56.820.

(4) The proceeds of the general obligation bonds authorized in section 2(1)(b) of this act shall be used to make progress toward completion of the Puget Sound Gateway facility. It is the intent of the legislature to use the bond proceeds to advance the Puget Sound Gateway facility in order to maximize net mobility benefits for both freight and the traveling public. It is the intent of the legislature for tolling to begin on stage one of the project as soon as practicable in order to leverage toll funds, use bond proceeds to advance one hundred twenty-nine million dollars of connecting Washington state appropriations by two biennia to the 2023-2025 biennium, and advance local and federal contributions. This will allow the department of transportation to deliver and open to the public stage two of the project in fiscal year 2028, three years earlier than originally planned, and to realize twenty million dollars in cost savings in connecting Washington state appropriations.

(5) It is also the intent of the legislature to use the bond proceeds for up to five million dollars to provide noise mitigation on state route number 509 between south 188th Street and Interstate 5.

(6) It is further the intent of the legislature to clarify how the tolling of state route number 167 and state route number 509 will be implemented by requiring the transportation commission and the department of transportation to consider naming the sections of each facility where all of the lanes are tolled as the state route number 167 express way and the state route number 509 express way respectively.

**Sec.**  RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and 2018 c 203 s 14 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of licensing tuition recovery trust fund, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, ((~~the Interstate 405 express toll lanes operations account,~~)) the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, ((~~the high occupancy toll lanes operations account,~~)) the hospital safety net assessment fund, the industrial insurance premium refund account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the statewide tourism marketing account, the student achievement council tuition recovery trust fund, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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

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

(1)RCW 47.56.403 (High occupancy toll lane pilot project) and 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013 c 306 s 709, 2011 c 367 s 709, & 2005 c 312 s 3; and

(2)RCW 47.66.090 (High occupancy toll lanes operations account) and 2005 c 312 s 4.

NEW SECTION. **Sec.**  Any residual balance of funds remaining in the high occupancy toll lanes operations account repealed by section 16 of this act on the effective date of this section, and any year-end accruals accounted for after the effective date of this section from the state route number 167 high occupancy toll lanes pilot project, shall be transferred to the Interstate 405 and state route number 167 express toll lanes account created in section 12 of this act.

NEW SECTION. **Sec.**  Sections 2 through 7 of this act are each added to chapter 47.10 RCW.

NEW SECTION. **Sec.**  Sections 13 and 14 of this act are each added to chapter 47.56 RCW and codified with the subchapter heading of "toll facilities created after July 1, 2008."

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2019.

**--- END ---**

Passed by the Senate April 28, 2019.

Passed by the House April 27, 2019.

Approved by the Governor May 21, 2019.

Filed in Office of Secretary of State May 21, 2019.