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**SENATE BILL 5104**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators Sheldon, Rolfes, Fortunato, Schoesler, and O'Ban

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1 AN ACT Relating to prohibiting local governments from imposing  
2 vehicle tolls; amending RCW 35.23.452, 35.74.010, 36.73.015,  
3 36.73.040, 36.73.065, 36.73.067, 36.73.170, 36.120.050, 36.120.130,  
4 47.56.820, 53.34.010, 53.34.050, 53.34.070, 53.34.120, and 53.34.190;  
5 reenacting and amending RCW 36.120.020; adding a new section to  
6 chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding  
7 a new section to chapter 36.01 RCW; adding a new section to chapter  
8 53.34 RCW; and repealing RCW 35.74.050, 35.74.060, and 35.74.070.

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

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 35.21  
11 RCW to read as follows:

12 No city or town may impose vehicle tolls.

13 **Sec. 2.** RCW 35.23.452 and 1965 c 7 s 35.24.300 are each amended  
14 to read as follows:

15 The city council of such city shall have power to purchase,  
16 lease, or otherwise acquire real estate and personal property  
17 necessary or proper for municipal purposes and to control, lease,  
18 sublease, convey or otherwise dispose of the same; to acquire and  
19 plat land for cemeteries and parks and provide for the regulation  
20 thereof, including but not limited to the right to lease any

1 waterfront and other lands adjacent thereto owned by it for  
2 manufacturing, commercial or other business purposes; including but  
3 not limited to the right to lease for wharf, dock and other purposes  
4 of navigation and commerce such portions of its streets which bound  
5 upon or terminate in its waterfront or the navigable waters of such  
6 city, subject, however, to the written consent of the lessees of a  
7 majority of the square feet frontage of the harbor area abutting on  
8 any street proposed to be so leased. No lease of streets or  
9 waterfront shall be for longer than ten years and the rental therefor  
10 shall be fixed by the city council. Every such lease shall contain a  
11 clause that at intervals of every five years during the term thereof  
12 the rental to be paid by the lessee shall be readjusted between the  
13 lessee and the city by mutual agreement, or in default of such mutual  
14 agreement that the rental shall be fixed by arbitrators to be  
15 appointed one by the city council, one by the lessee and the third by  
16 the two thus appointed. No such lease shall be made until the city  
17 council has first caused notice thereof to be published in the  
18 official newspaper of such city at least fifteen days and in one  
19 issue thereof each week prior to the making of such lease, which  
20 notice shall describe the portion of the street proposed to be  
21 leased, to whom, for what purpose, and the rental to be charged  
22 therefor. The city may improve part of such waterfront or street  
23 extensions by building inclines, wharves, gridirons and other  
24 accommodations for shipping, commerce and navigation and may charge  
25 and collect for service and use thereof reasonable rates ((and  
26 tolls)).

27 **Sec. 3.** RCW 35.74.010 and 1965 c 7 s 35.74.010 are each amended  
28 to read as follows:

29 Every city and town may erect and maintain drawbridges across  
30 navigable streams that flow through or penetrate the boundaries  
31 thereof, when the public necessity requires it(~~(, or it may grant~~  
32 ~~franchises to persons or corporations to erect them and charge toll~~  
33 ~~thereon)~~).

34 NEW SECTION. **Sec. 4.** A new section is added to chapter 35A.21  
35 RCW to read as follows:

36 No code city may impose vehicle tolls.

1        NEW SECTION.    **Sec. 5.**    A new section is added to chapter 36.01  
2    RCW to read as follows:  
3        No county may impose vehicle tolls.

4        **Sec. 6.**    RCW 36.73.015 and 2015 3rd sp.s. c 44 s 311 are each  
5    amended to read as follows:

6        The definitions in this section apply throughout this chapter  
7    unless the context clearly requires otherwise.

8        (1) "City" means a city or town.

9        (2) "District" means a transportation benefit district created  
10    under this chapter.

11        (3) "Low-income" means household income set by the district  
12    creating the rebate program that is at or below seventy-five percent  
13    of the median household income, adjusted for household size, for the  
14    district in which the fees(~~(τ)~~) or taxes(~~(τ, or tolls)~~) were imposed.

15        (4) "Rebate program" means an optional program established by a  
16    transportation benefit district that includes a city with a  
17    population of five hundred thousand persons or more for the purpose  
18    of providing rebates to low-income individuals for fees(~~(τ)~~) or  
19    taxes(~~(τ, and/or tolls)~~) imposed by such transportation benefit  
20    district for: (a) Vehicle fees imposed under RCW 36.73.040(3)(b); and  
21    (b) sales and use taxes imposed under RCW 36.73.040(3)(a) (~~(τ, and/or~~  
22    ~~(c) tolls imposed under RCW 36.73.040(3)(d))~~).

23        (5) "Supplemental transportation improvement" or "supplemental  
24    improvement" means any project, work, or undertaking to provide  
25    public transportation service, in addition to a district's existing  
26    or planned voter-approved transportation improvements, proposed by a  
27    participating city member of the district under RCW 36.73.180.

28        (6) "Transportation improvement" means a project contained in the  
29    transportation plan of the state, a regional transportation planning  
30    organization, city, county, or eligible jurisdiction as identified in  
31    RCW 36.73.020(2). A project may include investment in new or existing  
32    highways of statewide significance, principal arterials of regional  
33    significance, high capacity transportation, public transportation,  
34    and other transportation projects and programs of regional or  
35    statewide significance including transportation demand management.  
36    Projects may also include the operation, preservation, and  
37    maintenance of these facilities or programs.

1       **Sec. 7.** RCW 36.73.040 and 2008 c 122 s 17 are each amended to  
2 read as follows:

3       (1) A transportation benefit district is a quasi-municipal  
4 corporation, an independent taxing "authority" within the meaning of  
5 Article VII, section 1 of the state Constitution, and a "taxing  
6 district" within the meaning of Article VII, section 2 of the state  
7 Constitution.

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

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

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

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

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

28       ~~(d) Vehicle tolls on state routes, city streets, or county roads,~~  
29 ~~within the boundaries of the district, unless otherwise prohibited by~~  
30 ~~law. However, consistent with RCW 47.56.820, the vehicle toll must~~  
31 ~~first be authorized by the legislature if the toll is imposed on a~~  
32 ~~state route. The department of transportation shall administer the~~  
33 ~~collection of vehicle tolls authorized on state routes, unless~~  
34 ~~otherwise specified in law or by contract, and the state~~  
35 ~~transportation commission, or its successor, may approve, set, and~~  
36 ~~impose the tolls in amounts sufficient to implement the district's~~  
37 ~~transportation improvement finance plan. The district shall~~  
38 ~~administer the collection of vehicle tolls authorized on city streets~~  
39 ~~or county roads, and shall set and impose the tolls in amounts~~  
40 ~~sufficient to implement the district's transportation improvement~~

1 plan. However, ~~consistent with RCW 47.56.850, the vehicle toll,~~  
2 ~~including any change in an existing toll rate, must first be reviewed~~  
3 ~~and approved by the tolling authority designated in RCW 47.56.850 if~~  
4 ~~the toll, or change in toll rate, would have a significant impact, as~~  
5 ~~determined by the tolling authority, on the operation of any state~~  
6 ~~facility)).~~

7 **Sec. 8.** RCW 36.73.065 and 2015 3rd sp.s. c 44 s 309 are each  
8 amended to read as follows:

9 (1) Except as provided in subsection (4) of this section, taxes,  
10 fees, and charges(~~(, and tolls)~~) may not be imposed by a district  
11 without approval of a majority of the voters in the district voting  
12 on a proposition at a general or special election. The proposition  
13 must include a specific description of: (a) The transportation  
14 improvement or improvements proposed by the district; (b) any rebate  
15 program proposed to be established under RCW 36.73.067; and (c) the  
16 proposed taxes, fees, and charges(~~(, and the range of tolls)~~) imposed  
17 by the district to raise revenue to fund the improvement or  
18 improvements or rebate program, as applicable.

19 (2) Voter approval under this section must be accorded  
20 substantial weight regarding the validity of a transportation  
21 improvement as defined in RCW 36.73.015.

22 (3) A district may not increase any taxes, fees, or charges(~~(, or~~  
23 ~~range of tolls)~~) imposed or change a rebate program under this  
24 chapter once the taxes, fees, charges, (~~(tolls,)~~) or rebate program  
25 takes effect, except:

26 (a) If authorized by the district voters pursuant to RCW  
27 36.73.160;

28 (b) With respect to a change in a rebate program, a material  
29 change policy adopted pursuant to RCW 36.73.160 is followed and the  
30 change does not reduce the percentage level or rebate amount;

31 (c) For up to forty dollars of the vehicle fee authorized in RCW  
32 82.80.140 by the governing board of the district if a vehicle fee of  
33 twenty dollars has been imposed for at least twenty-four months; or

34 (d) For up to fifty dollars of the vehicle fee authorized in RCW  
35 82.80.140 by the governing board of the district if a vehicle fee of  
36 forty dollars has been imposed for at least twenty-four months and a  
37 district has met the requirements of subsection (6) of this section.

38 (4)(a) A district that includes all the territory within the  
39 boundaries of the jurisdiction, or jurisdictions, establishing the

1 district may impose by a majority vote of the governing board of the  
2 district the following fees and charges:

3 (i) Up to twenty dollars of the vehicle fee authorized in RCW  
4 82.80.140;

5 (ii) Up to forty dollars of the vehicle fee authorized in RCW  
6 82.80.140 if a vehicle fee of twenty dollars has been imposed for at  
7 least twenty-four months;

8 (iii) Up to fifty dollars of the vehicle fee authorized in RCW  
9 82.80.140 if a vehicle fee of forty dollars has been imposed for at  
10 least twenty-four months and a district has met the requirements of  
11 subsection (6) of this section; or

12 (iv) A fee or charge in accordance with RCW 36.73.120.

13 (b) The vehicle fee authorized in (a) of this subsection may only  
14 be imposed for a passenger-only ferry transportation improvement if  
15 the vehicle fee is first approved by a majority of the voters within  
16 the jurisdiction of the district.

17 (c) (i) A district solely comprised of a city or cities may not  
18 impose the fees or charges identified in (a) of this subsection  
19 within one hundred eighty days after July 22, 2007, unless the county  
20 in which the city or cities reside, by resolution, declares that it  
21 will not impose the fees or charges identified in (a) of this  
22 subsection within the one hundred eighty-day period; or

23 (ii) A district solely comprised of a city or cities identified  
24 in RCW 36.73.020(6)(b) may not impose the fees or charges until after  
25 May 22, 2008, unless the county in which the city or cities reside,  
26 by resolution, declares that it will not impose the fees or charges  
27 identified in (a) of this subsection through May 22, 2008.

28 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be  
29 reached, a district that includes only the unincorporated territory  
30 of a county may impose by a majority vote of the governing body of  
31 the district up to: (a) Twenty dollars of the vehicle fee authorized  
32 in RCW 82.80.140, (b) forty dollars of the vehicle fee authorized in  
33 RCW 82.80.140 if a fee of twenty dollars has been imposed for at  
34 least twenty-four months, or (c) fifty dollars of the vehicle fee  
35 authorized in RCW 82.80.140 if a vehicle fee of forty dollars has  
36 been imposed for at least twenty-four months and a district has met  
37 the requirements of subsection (6) of this section.

38 (6) If a district intends to impose a vehicle fee of more than  
39 forty dollars by a majority vote of the governing body of the  
40 district, the governing body must publish notice of this intention,

1 in one or more newspapers of general circulation within the district,  
2 by April 1st of the year in which the vehicle fee is to be imposed.  
3 If within ninety days of the date of publication a petition is filed  
4 with the county auditor containing the signatures of eight percent of  
5 the number of voters registered and voting in the district for the  
6 office of the governor at the last preceding gubernatorial election,  
7 the county auditor must canvass the signatures in the same manner as  
8 prescribed in RCW 29A.72.230 and certify their sufficiency to the  
9 governing body within two weeks. The proposition to impose the  
10 vehicle fee must then be submitted to the voters of the district at a  
11 special election, called for this purpose, no later than the date on  
12 which a primary election would be held under RCW 29A.04.311. The  
13 vehicle fee may then be imposed only if approved by a majority of the  
14 voters of the district voting on the proposition.

15 **Sec. 9.** RCW 36.73.067 and 2012 c 152 s 2 are each amended to  
16 read as follows:

17 (1) A district that: (a) Includes a city with a population of  
18 five hundred thousand persons or more; and (b) imposes a vehicle fee  
19 under RCW 36.73.040(3)(b)(~~(r)~~) or sales and use taxes under RCW  
20 36.73.040(3)(a)(~~(r or tolls under RCW 36.73.040(3)(d), r)~~) may  
21 establish a rebate program for the purposes of providing rebates of  
22 up to forty percent of the actual fee(~~(r)~~) or tax(~~(r or toll)~~) paid  
23 by a low-income individual.

24 (2) Funds collected from a vehicle fee under RCW 36.73.040(3)(b)  
25 (~~(r)~~) or sales and use tax under RCW 36.73.040(3)(a) (~~(or tolls under~~  
26 ~~RCW 36.73.040(3)(d))~~) may be used for a rebate program established  
27 under this section.

28 (3) A district that establishes a rebate program is responsible  
29 for the development and administration of the program and all  
30 functions and costs associated with the rebate program.

31 (4) A district that establishes a rebate program under this  
32 section must report back to the legislature two years after the  
33 program takes effect. The report must include, but is not limited to,  
34 a detailed description of the structure of the program, the average  
35 rebate, the total amount of rebates issued, and the number of people  
36 that received rebates.

37 **Sec. 10.** RCW 36.73.170 and 2005 c 336 s 19 are each amended to  
38 read as follows:

1           Within thirty days of the completion of the construction of the  
2 transportation improvement or series of improvements authorized by a  
3 district, the district shall terminate day-to-day operations and  
4 exist solely as a limited entity that oversees the collection of  
5 revenue and the payment of debt service or financing still in effect,  
6 if any and to carry out the requirements of RCW 36.73.160. The  
7 district shall accordingly adjust downward its employees,  
8 administration, and overhead expenses. Any taxes, fees, or charges(~~(  
9 or tolls~~)) imposed by the district terminate when the financing or  
10 debt service on the transportation improvement or series of  
11 improvements constructed is completed and paid and notice is provided  
12 to the departments administering the taxes. Any excess revenues  
13 collected must be disbursed to the participating jurisdictions of the  
14 district in proportion to their population, using population  
15 estimates prepared by the office of financial management. The  
16 district shall dissolve itself and cease to exist thirty days after  
17 the financing or debt service on the transportation improvement, or  
18 series of improvements, constructed is completed and paid. If there  
19 is no debt outstanding, then the district shall dissolve within  
20 thirty days from completion of construction of the transportation  
21 improvement or series of improvements authorized by the district.  
22 Notice of dissolution must be published in newspapers of general  
23 circulation within the district at least three times in a period of  
24 thirty days. Creditors must file claims for payment of claims due  
25 within thirty days of the last published notice or the claim is  
26 extinguished.

27           **Sec. 11.** RCW 36.120.020 and 2006 c 334 s 13 and 2006 c 311 s 4  
28 are each reenacted and amended to read as follows:

29           The definitions in this section apply throughout this chapter  
30 unless the context clearly requires otherwise.

31           (1) "Board" means the governing body of a regional transportation  
32 investment district.

33           (2) "Department" means the Washington state department of  
34 transportation.

35           (3) "Highway of statewide significance" means an existing or  
36 proposed state route or federal interstate designated as a highway of  
37 statewide significance by the transportation commission, the  
38 department, or the legislature.

1 (4) "Lead agency" means a public agency that by law can plan,  
2 design, and build a transportation project and has been so designated  
3 by the district.

4 (5) "Regional transportation investment district" or "district"  
5 means a municipal corporation that has been created by county  
6 legislative authorities and a vote of the people under this chapter  
7 to implement a regional transportation investment plan.

8 (6) "Regional transportation investment district planning  
9 committee" or "planning committee" means the advisory committee  
10 created under RCW 36.120.030 to create and propose to county  
11 legislative authorities a regional transportation investment plan to  
12 develop, finance, and construct transportation projects.

13 (7) "Regional transportation investment plan" or "plan" means a  
14 plan to develop, construct, and finance a transportation project or  
15 projects.

16 (8) "Transportation project" means:

17 (a) A capital improvement or improvements to a highway that has  
18 been designated, in whole or in part, as a highway of statewide  
19 significance, including an extension, that:

20 (i) Adds a lane or new lanes to an existing state or federal  
21 highway; or

22 (ii) Repairs or replaces a lane or lanes damaged by an event  
23 declared an emergency by the governor before January 1, 2002.

24 (b) A capital improvement or improvements to all or a portion of  
25 a highway of statewide significance, including an extension, and may  
26 include the following associated multimodal capital improvements:

27 (i) Approaches to highways of statewide significance;

28 (ii) High occupancy vehicle lanes;

29 (iii) Flyover ramps;

30 (iv) Park and ride lots;

31 (v) Bus pullouts;

32 (vi) Vans for vanpools;

33 (vii) Buses; and

34 (viii) Signalization, ramp metering, and other transportation  
35 system management improvements.

36 (c) A capital improvement or improvements to all or a portion of  
37 a city street, county road, or existing highway or the creation of a  
38 new highway that intersects with a highway of statewide significance,  
39 if all of the following conditions are met:

1 (i) The project is included in a plan that makes highway  
2 improvement projects that add capacity to a highway or highways of  
3 statewide significance;

4 (ii) The secretary of transportation determines that the project  
5 would better relieve traffic congestion than investing that same  
6 money in adding capacity to a highway of statewide significance;

7 (iii) Matching money equal to fifteen percent of the total cost  
8 of the project is provided by local entities, including but not  
9 limited to a metropolitan planning organization, county, city, port,  
10 or private entity in which a county participating in a plan is  
11 located. Local entities may use federal grants to meet this matching  
12 requirement;

13 (iv) In no case may the cumulative regional transportation  
14 investment district contribution to all projects constructed under  
15 this subsection (8)(c) exceed ten percent of the revenues generated  
16 by the district;

17 (v) In no case may the cumulative regional transportation  
18 investment district contribution to all projects constructed under  
19 this subsection (8)(c) exceed one billion dollars; and

20 (vi) The specific projects are included within the plan and  
21 submitted as part of the plan to a vote of the people.

22 (d) (~~Except as otherwise provided in this subsection,~~)  
23 Operations, preservation, and maintenance are excluded from this  
24 definition and may not be included in a regional transportation  
25 investment plan. (However, operations, preservation, and maintenance  
26 of tolled facilities where toll revenues have been pledged for the  
27 payment of contracts is expressly authorized and may be included in a  
28 regional transportation investment plan. The authority under this  
29 subsection includes operational expenses for toll enforcement.))

30 (e) Operational expenses for traffic mitigation provided solely  
31 for transportation project construction mitigation directly related  
32 to specific projects as outlined in the plan shall be included in a  
33 regional transportation investment plan. Construction mitigation  
34 strategies may include, but are not limited to, funding for increased  
35 transit service hours, trip reduction incentives, nonmotorized mode  
36 support, and ridematching services. Prior to construction of any  
37 project, corridor mitigation plans must be developed in conjunction  
38 with the department and partner transit agencies, including local  
39 transit agencies and the regional transit authority serving the  
40 counties, with the following goals: (i) Reducing drive alone trips in

1 affected corridors; (ii) reducing delay per person and delay per unit  
2 of goods in affected corridors; and (iii) improving levels of service  
3 that improve system performance for all transportation users in  
4 affected corridors. The regional transportation commission  
5 established under section 2, chapter 311, Laws of 2006, or a  
6 successor regional governing entity, shall review transit investments  
7 according to these performance measures to determine whether to  
8 continue funding for successful and effective operations after the  
9 construction period is completed.

10 (9) "Weighted vote" means a vote that reflects the population  
11 each board or planning committee member represents relative to the  
12 population represented by the total membership of the board or  
13 planning committee. Population will be determined using the federal  
14 2000 census or subsequent federal census data.

15 **Sec. 12.** RCW 36.120.050 and 2008 c 122 s 16 are each amended to  
16 read as follows:

17 (1) A regional transportation investment district planning  
18 committee may, as part of a regional transportation investment plan,  
19 recommend the imposition or authorization of some or all of the  
20 following revenue sources, which a regional transportation investment  
21 district may impose or authorize upon approval of the voters as  
22 provided in this chapter:

23 (a) A regional sales and use tax, as specified in RCW 82.14.430,  
24 of up to 0.1 percent of the selling price, in the case of a sales  
25 tax, or value of the article used, in the case of a use tax, upon the  
26 occurrence of any taxable event in the regional transportation  
27 investment district;

28 (b) A local option vehicle license fee, as specified under RCW  
29 82.80.100, of up to one hundred dollars per vehicle registered in the  
30 district. As used in this subsection, "vehicle" means motor vehicle  
31 as defined in RCW 46.04.320. Certain classes of vehicles, as defined  
32 under chapter 46.04 RCW, may be exempted from this fee;

33 (c) A parking tax under RCW 82.80.030;

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

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

36 (f) An employer excise tax under RCW 81.100.030 (~~and~~

37 ~~(g) Vehicle tolls on new or reconstructed local or regional~~  
38 ~~arterials or state routes within the boundaries of the district, if~~  
39 ~~the following conditions are met:~~

1 ~~(i) Consistent with RCW 47.56.820, the vehicle toll must first be~~  
2 ~~authorized by the legislature if the toll is imposed on a state~~  
3 ~~route;~~

4 ~~(ii) Consistent with RCW 47.56.850, the vehicle toll, including~~  
5 ~~any change in an existing toll rate, must first be reviewed and~~  
6 ~~approved by the tolling authority designated in RCW 47.56.850 if the~~  
7 ~~toll, or change in toll rate, would have a significant impact, as~~  
8 ~~determined by the tolling authority, on the operation of any state~~  
9 ~~facility;~~

10 ~~(iii) The regional transportation investment plan must identify~~  
11 ~~the facilities that may be tolled; and~~

12 ~~(iv) Unless otherwise specified by law, the department shall~~  
13 ~~administer the collection of vehicle tolls on designated facilities,~~  
14 ~~and the state transportation commission, or its successor, shall be~~  
15 ~~the tolling authority, and shall act in accordance with RCW~~  
16 ~~47.56.850).~~

17 (2) Taxes(~~(,)~~) and fees(~~(, and tolls)~~) may not be imposed or  
18 authorized without an affirmative vote of the majority of the voters  
19 within the boundaries of the district voting on a ballot proposition  
20 as set forth in RCW 36.120.070. Revenues from these taxes and fees  
21 may be used only to implement the plan as set forth in this chapter.  
22 A district may contract with the state department of revenue or other  
23 appropriate entities for administration and collection of any of the  
24 taxes or fees authorized in this section.

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

28 **Sec. 13.** RCW 36.120.130 and 2003 c 372 s 1 are each amended to  
29 read as follows:

30 (1)(a) Notwithstanding RCW 39.36.020(1), the district may at any  
31 time contract indebtedness or borrow money for district purposes and  
32 may issue general obligation bonds or other evidences of  
33 indebtedness, secured by the pledge of one or more of the taxes,  
34 (~~tolls,~~) charges, or fees authorized to be imposed by the district,  
35 in an amount not exceeding, together with any existing indebtedness  
36 of the district not authorized by the voters, one and one-half  
37 percent of the value of the taxable property within the boundaries of  
38 the district.

1 (b) With the assent of three-fifths of the voters voting at an  
2 election, a district may contract indebtedness or borrow money for  
3 district purposes and may issue general obligation bonds or other  
4 evidences of indebtedness as long as the total indebtedness of the  
5 district does not exceed five percent of the value of the taxable  
6 property within the district, including indebtedness authorized under  
7 (a) of this subsection. The bonds shall be issued and sold in  
8 accordance with chapter 39.46 RCW.

9 (2) The district may at any time issue revenue bonds or other  
10 evidences of indebtedness, secured by the pledge of one or more of  
11 the revenues authorized to be collected by the district, to provide  
12 funds to carry out its authorized functions without submitting the  
13 matter to the voters of the district. These obligations shall be  
14 issued and sold in accordance with chapter 39.46 RCW.

15 (3) The district may enter into agreements with the lead agencies  
16 or the state of Washington, when authorized by the plan, to pledge  
17 taxes or other revenues of the district for the purpose of paying in  
18 part or whole principal and interest on bonds issued by the lead  
19 agency or the state of Washington. The agreements pledging revenues  
20 and taxes shall be binding for their terms, but not to exceed thirty  
21 years, and no tax pledged by an agreement may be eliminated or  
22 modified if it would impair the pledge made in any agreement.

23 (4) Once construction of projects in the plan has been completed,  
24 revenues collected by the district may only be used for the following  
25 purposes: (a) Payment of principal and interest on outstanding  
26 indebtedness of the district; and (b) to make payments required under  
27 a pledging agreement (~~and (c) to make payments for maintenance and~~  
28 ~~operations of toll facilities as may be required by toll bond~~  
29 ~~covenants)).~~

30 **Sec. 14.** RCW 47.56.820 and 2008 c 122 s 4 are each amended to  
31 read as follows:

32 (1) (~~Unless otherwise delegated,~~) Only the legislature may  
33 authorize the imposition of tolls on eligible toll facilities.

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

1 (a) To cover the operating costs of the eligible toll facility,  
2 including necessary maintenance, preservation, administration, and  
3 toll enforcement by public law enforcement within the boundaries of  
4 the facility;

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

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

11 (d) To provide for the operations of conveyances of people or  
12 goods; or

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

14 **Sec. 15.** RCW 53.34.010 and 2008 c 122 s 21 are each amended to  
15 read as follows:

16 In addition to all other powers granted to port districts, any  
17 such district may, with the consent of the department of  
18 transportation, acquire by condemnation, purchase, lease, or gift,  
19 and may construct, reconstruct, maintain, operate, furnish, equip,  
20 improve, better, add to, extend, and lease to others in whole or in  
21 part and sell in whole or in part any one or more of the following  
22 port projects, within or without or partially within and partially  
23 without the corporate limits of the district whenever the commission  
24 of the district determines that any one or more of such projects are  
25 necessary for or convenient to the movement of commercial freight and  
26 passenger traffic a part of which traffic moves to, from, or through  
27 the territory of the district:

28 ~~((1) Toll bridges;~~

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

31 In connection with the acquisition or construction of any one or  
32 more of such projects the port districts may, with the consent of the  
33 state department of transportation, further acquire or construct,  
34 maintain, operate, or improve limited or unlimited access highway  
35 approaches of such length as the commission of such district deems  
36 advisable to provide means of interconnection of the facilities with  
37 public highways and of ingress and egress to any such project,  
38 including plazas ~~((and toll booths))~~, and to construct and maintain  
39 under, along, over, or across any such project telephone, telegraph,

1 or electric transmission wires and cables, fuel lines, gas  
2 transmission lines or mains, water transmission lines or mains, and  
3 other mechanical equipment not inconsistent with the appropriate use  
4 of the project, all for the purpose of obtaining revenues for the  
5 payment of the cost of the project.

6 ~~((Consistent with RCW 47.56.850, any toll, including any change  
7 in an existing toll rate, proposed under this section must first be  
8 reviewed and approved by the tolling authority designated in RCW  
9 47.56.850 if the toll, or change in toll rate, would have a  
10 significant impact, as determined by the tolling authority, on the  
11 operation of any state facility.))~~

12 **Sec. 16.** RCW 53.34.050 and 1983 c 167 s 135 are each amended to  
13 read as follows:

14 Any resolution, resolutions, or trust agreements authorizing the  
15 issuance of any bonds or notes of a port district may contain  
16 covenants and agreements on the part of the district to protect and  
17 safeguard the security and payment of such bonds or notes, which  
18 shall be a part of the contract with the owners of such obligations  
19 thereby authorized as to:

20 (1) Pledging all or any part of the revenues, income, receipts,  
21 profits and other moneys derived by the district issuing such  
22 obligations from the ownership, operation, management, lease, or sale  
23 of any one or more of the projects constructed from the proceeds  
24 thereof to secure the payment of bonds or notes;

25 (2) The establishment and collection of rates, rentals,  
26 ~~((tolls,))~~ charges, license, and other fees to be charged by the  
27 district and the amounts to be raised in each year for the services  
28 and commodities sold, leased, furnished, or supplied by any one or  
29 more of the projects established from the proceeds of such  
30 obligations, and the deposit, use, and disposition of the revenues of  
31 the district received therefrom;

32 (3) The setting aside of reserves or sinking funds for such  
33 obligations, and the deposit, investment, and disposition thereof;

34 (4) Limitations on the purpose or purposes to which the proceeds  
35 of sale of any issue of bonds or notes then or thereafter issued  
36 payable from the revenues of any such project or projects may be  
37 applied, and pledging such proceeds to secure the payment of such  
38 bonds or notes;

1 (5) Limitations on the issuance of additional revenue bonds or  
2 notes of the district, the terms and conditions upon which such  
3 additional revenue bonds or notes may be issued and secured, and the  
4 refunding of outstanding or other bonds or notes;

5 (6) The procedure, if any, by which the terms of any contract  
6 with bond owners may be amended or abrogated, the amount of bonds or  
7 notes the owners of which must consent thereto, and the manner in  
8 which such consent may be given;

9 (7) Limitations on the amount of moneys derived from any project  
10 or projects to be expended for operating, administrative or other  
11 expenses of the district in connection with any such project or  
12 projects;

13 (8) The employment of independent auditors and engineers or other  
14 technical consultants to advise and assist the district in the  
15 operation, management, and improvement of any project or projects;

16 (9) Limitations or prohibitions on rendering free service in  
17 connection with any project or projects;

18 (10) Specifying conditions constituting events of default and  
19 vesting in one or more trustees including trustees which may be  
20 appointed by the bond owners and note owners, such special rights,  
21 property rights, powers, and duties with respect to the property and  
22 revenues of any project or projects as the commission of the district  
23 may deem advisable the better to secure the payment of such bonds and  
24 notes;

25 (11) Prescribing conditions controlling the acquisition, sale,  
26 lease, or other disposition of real and personal property used or  
27 useful in connection with any project or projects, the amount and  
28 kinds of policies of insurance to be carried by the district in  
29 connection therewith, and the use and disposition of the proceeds of  
30 policies of insurance; and

31 (12) Any other matters of like or different character which in  
32 any way affect the security or protection of bonds or notes of the  
33 district.

34 **Sec. 17.** RCW 53.34.070 and 1959 c 236 s 7 are each amended to  
35 read as follows:

36 Revenue bonds and notes issued under the provisions of this  
37 chapter shall be payable solely from the revenues, income, receipts,  
38 profits, charges, fees, rentals, and moneys received or derived by or  
39 through the ownership, operation, sale, lease, or other disposition

1 in whole or in part of any project or projects authorized under the  
2 provisions of this chapter, or through the issuance of refunding  
3 bonds or notes, and the commission of any district issuing revenue  
4 bonds or notes under the authority of this chapter shall establish,  
5 maintain, and collect rates, (~~tolls,~~) rents, and charges from time  
6 to time so long as any of such revenue bonds are outstanding and  
7 unpaid for all services sold, furnished, or supplied by or through  
8 any such project or projects sufficient to produce an amount,  
9 together with any other moneys of the district available and  
10 dedicated to such purpose, to pay the principal of and interest and  
11 premium, if any, on all revenue bonds and notes payable from the  
12 revenues of any project or projects as the same may respectively fall  
13 due in accordance with the terms of the resolution or resolutions or  
14 trust agreement authorizing the issuance and securing the payment of  
15 such obligations.

16 **Sec. 18.** RCW 53.34.120 and 1959 c 236 s 12 are each amended to  
17 read as follows:

18 The state of Washington does hereby covenant and agree with the  
19 holders of revenue bonds or notes issued by a district under the  
20 authority of this chapter that the state will not limit or alter the  
21 rights hereby vested in a district to acquire, maintain, construct,  
22 reconstruct, improve, extend, add to, better and operate the projects  
23 authorized to be constructed or acquired under the provisions hereof  
24 and to establish, collect, and pledge such rates, rentals, (~~tolls,~~)  
25 charges, license, and other fees as may be convenient or necessary to  
26 produce sufficient revenue to meet the expense of maintenance and  
27 operation of such projects and to fulfill the terms of any agreements  
28 made with holders of such revenue bonds and notes or in any way  
29 impair the rights and remedies of bondholders and noteholders until  
30 the bonds or notes together with interest thereon, with interest on  
31 any unpaid installments of interest, and all costs and expenses in  
32 connection with any action or proceedings by or on behalf of the  
33 bondholders or noteholders, are fully met and discharged. The  
34 provisions of this chapter and of the resolutions, trust agreements  
35 and proceedings authorizing revenue bonds and notes hereunder shall  
36 constitute a contract with the holders of said bonds and notes.

37 **Sec. 19.** RCW 53.34.190 and 2003 c 53 s 287 are each amended to  
38 read as follows:

1 (1) Any port district establishing a project under the authority  
2 of this chapter may make such bylaws, rules, and regulations for the  
3 management and use of such project and for the collection of rentals,  
4 (~~tolls,~~) fees, and other charges for services or commodities sold,  
5 furnished or supplied through such project.

6 (2) The violation of any bylaw, rule, or regulation described in  
7 subsection (1) of this section is a misdemeanor punishable by fine  
8 not to exceed one hundred dollars or by imprisonment for not longer  
9 than thirty days, or both.

10 NEW SECTION. **Sec. 20.** A new section is added to chapter 53.34  
11 RCW to read as follows:

12 No port district may impose vehicle tolls.

13 NEW SECTION. **Sec. 21.** The following acts or parts of acts are  
14 each repealed:

15 (1) RCW 35.74.050 (Authority to operate toll bridges—Toll rate  
16 review and approval by tolling authority) and 2008 c 122 s 15 & 1965  
17 c 7 s 35.74.050;

18 (2) RCW 35.74.060 (Prerequisites of grant of franchise—Approval  
19 of bridge—Tolls) and 1965 c 7 s 35.74.060; and

20 (3) RCW 35.74.070 (License fees—Renewal of license) and 1965 c 7  
21 s 35.74.070.

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