

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5825

66th Legislature
2019 Regular Session

Passed by the Senate April 28, 2019
Yeas 32 Nays 14

President of the Senate

Passed by the House April 27, 2019
Yeas 60 Nays 38

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, 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.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5825

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)

READ FIRST TIME 04/09/19.

1 AN ACT Relating to tolling the Interstate 405, state route number
2 167, and state route number 509; amending RCW 47.10.882, 47.10.887,
3 47.10.888, 47.56.880, and 47.56.884; reenacting and amending RCW
4 43.84.092; adding new sections to chapter 47.10 RCW; adding new
5 sections to chapter 47.56 RCW; creating new sections; repealing RCW
6 47.56.403 and 47.66.090; prescribing penalties; providing an
7 effective date; and declaring an emergency.

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

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

18 (2) The legislature recognizes that completion of state route
19 number 167 in Pierce county and completion of state route number 509
20 in King county provide essential connections to the Port of Tacoma
21 and the Port of Seattle and will help ensure people and goods move

1 more reliably through the Puget Sound region. The completion of these
2 corridors, known as the Gateway project, will play an essential role
3 in enhancing the state's economic competitiveness, both nationally
4 and globally.

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

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

21 NEW SECTION. **Sec. 2.** (1) In order to provide funds necessary
22 for the design, right-of-way, and construction of projects as allowed
23 in sections 11 through 14 of this act, there shall be issued and sold
24 upon the request of the department of transportation up to the
25 following amounts of general obligation bonds of the state of
26 Washington first payable from toll revenue and excise taxes on fuel
27 and vehicle-related fees in accordance with section 5 of this act:

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

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

32 (2) For purposes of chapter . . ., Laws of 2019 (this act),
33 "vehicle-related fees" means vehicle-related fees imposed under Title
34 46 RCW that constitute license fees for motor vehicles to be used for
35 highway purposes.

36 NEW SECTION. **Sec. 3.** Upon the request of the department, the
37 state finance committee shall supervise and provide for the issuance,
38 sale, and retirement of bonds authorized by this act in accordance

1 with chapter 39.42 RCW. Bonds authorized by this act shall be sold in
2 the manner, at time or times, in amounts, and at the price as the
3 state finance committee shall determine. No bonds may be offered for
4 sale without prior legislative appropriation of the net proceeds of
5 the sale of the bonds.

6 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of bonds
7 authorized by:

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

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

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

19 NEW SECTION. **Sec. 5.** Bonds issued under the authority of this
20 section and sections 2, 6, and 7 of this act shall distinctly state
21 that they are a general obligation of the state of Washington, shall
22 pledge the full faith and credit of the state to the payment of the
23 principal thereof and the interest thereon, and shall contain an
24 unconditional promise to pay such principal and interest as the same
25 shall become due. The principal of and interest on the bonds shall be
26 first payable in the manner provided in this section and sections 2,
27 6, and 7 of this act from toll revenue and then from proceeds of
28 excise taxes on fuel and vehicle-related fees to the extent toll
29 revenue is not available for that purpose. Toll revenue and the state
30 excise taxes on fuel imposed by chapter 82.38 RCW and vehicle-related
31 fees are hereby pledged to the payment of any bonds and the interest
32 thereon issued under the authority of this section and sections 2, 6,
33 and 7 of this act, and the legislature agrees to continue to impose
34 these toll charges on the Interstate 405 and state route number 167
35 express toll lanes, and on the Puget Sound Gateway facility, and on
36 any other eligible toll facility designated by the legislature and on
37 which the imposition of tolls is authorized by the legislature in
38 respect of the bonds, and excise taxes on fuel and vehicle-related

1 fees in amounts sufficient to pay, when due, the principal and
2 interest on all bonds issued under the authority of this section and
3 sections 2, 6, and 7 of this act.

4 NEW SECTION. **Sec. 6.** For bonds issued under the authority of
5 this section and sections 2, 5, and 7 of this act, the state
6 treasurer shall first withdraw toll revenue from the appropriate toll
7 account for the facility for which the bonds are issued and sold,
8 and, to the extent toll revenue is not available, excise taxes on
9 fuel and vehicle-related fees and deposit in the toll facility bond
10 retirement account, or a special subaccount in the account, such
11 amounts, and at such times, as are required by the bond proceedings.

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

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

37 NEW SECTION. **Sec. 7.** Bonds issued under the authority of
38 sections 2, 5, and 6 of this act and this section and any other

1 general obligation bonds of the state of Washington that have been or
2 that may be authorized and that pledge excise taxes on fuel and
3 vehicle-related fees for the payment of principal and interest
4 thereon shall be an equal charge against the revenues from such
5 excise taxes on fuel and vehicle-related fees.

6 **Sec. 8.** RCW 47.10.882 and 2011 c 377 s 3 are each amended to
7 read as follows:

8 The toll facility bond retirement account is created in the state
9 treasury for the purpose of payment of the principal of and interest
10 and premium on bonds. Both principal of and interest on the bonds
11 issued for the purposes of chapter 498, Laws of 2009 (~~and~~), chapter
12 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act) shall
13 be payable from the toll facility bond retirement account. The state
14 finance committee may provide that special subaccounts be created in
15 the account to facilitate payment of the principal of and interest on
16 the bonds. The state finance committee shall, on or before June 30th
17 of each year, certify to the state treasurer the amount required for
18 principal and interest on the bonds in accordance with the bond
19 proceedings.

20 **Sec. 9.** RCW 47.10.887 and 2011 c 377 s 5 are each amended to
21 read as follows:

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

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

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

34 (3) Provisions that bonds shall be payable from and secured
35 solely by toll revenue as provided by RCW 47.10.886, or shall be
36 payable from and secured by both toll revenue and by a pledge of
37 excise taxes on motor vehicle and special fuels and the full faith

1 and credit of the state as provided in RCW 47.10.879 and 47.10.883
2 through 47.10.885;

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

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

11 (~~(5)~~) (6) The purposes and conditions that must be satisfied
12 prior to the issuance of any additional bonds that are to be payable
13 from and secured by any toll revenue on an equal basis with
14 previously issued and outstanding bonds payable from and secured by
15 toll revenue;

16 (~~(6)~~) (7) Provisions that bonds for which any toll revenue are
17 pledged, or for which a pledge of any toll revenue may be reserved,
18 may be structured on a senior, parity, subordinate, or special lien
19 basis in relation to any other bonds for which toll revenue is
20 pledged, with respect to toll revenue only; and

21 (~~(7)~~) (8) Provisions regarding reserves, credit enhancement,
22 liquidity facilities, and payment agreements with respect to bonds.

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

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

38 **Sec. 10.** RCW 47.10.888 and 2011 c 377 s 6 are each amended to
39 read as follows:

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

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

19 **Sec. 11.** RCW 47.56.880 and 2011 c 369 s 3 are each amended to
20 read as follows:

21 (1) The imposition of tolls for express toll lanes on Interstate
22 405 between (~~the junctions with~~) Interstate 5 on the north end
23 (~~and NE 6th Street~~) in the city of (~~Bellevue~~) Lynnwood and
24 Interstate 5 on the south end in the city of Tukwila, and for state
25 route number 167 between Interstate 405 on the north end and state
26 route number 512 on the south end is authorized(~~(7)~~). Interstate 405
27 (~~is~~) and state route number 167 are designated an eligible toll
28 facility, and toll revenue generated in the corridor must only be
29 expended on the Interstate 405 and state route number 167 projects as
30 identified in each corridor's master plan and as allowed under RCW
31 47.56.820.

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

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

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

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

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

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

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

20 (ii) The department must analyze the effect of (f)(i) of this
21 subsection utilizing forecasting and modeling data and present the
22 results of the analysis to the tolling authority. If the analysis
23 indicates that the express toll lanes on the portion of Interstate
24 405 between Bellevue and state route number 167 will not cover the
25 financial obligations outlined in section 12(4) of this act, then the
26 restriction on toll charges in (f)(i) of this subsection will not be
27 implemented and the department must provide the transportation
28 committees of the legislature with a report, within thirty days, that
29 provides options for not assessing toll charges on carpools with two
30 or more people in the vehicle, which also meet the financial
31 obligations outlined in section 12(4) of this act.

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

36 ~~(3) ((The department may construct and operate express toll lanes~~
37 ~~on Interstate 405 between the city of Bellevue on the south end and~~
38 ~~Interstate 5 on the north end. Operation of the express toll lanes~~
39 ~~may not commence until the department has completed capacity~~
40 ~~improvements necessary to provide a two-lane system from NE 6th~~

1 ~~Street in the city of Bellevue to state route number 522 and the~~
2 ~~conversion of the existing high occupancy vehicle lane to an express~~
3 ~~toll lane between state route number 522 and the city of Lynnwood.~~
4 ~~Construction of the capacity improvements described in this~~
5 ~~subsection, including items that enable implementation of express~~
6 ~~toll lanes such as conduit and other underground features, must begin~~
7 ~~as soon as practicable. However, any contract term regarding tolling~~
8 ~~equipment, such as gantries, barriers, or cameras, for Interstate 405~~
9 ~~may not take effect unless specific appropriation authority is~~
10 ~~provided in 2012 stating that funding is provided solely for tolling~~
11 ~~equipment on Interstate 405.)~~ The department shall work with local
12 jurisdictions to minimize and monitor impacts to local streets and,
13 after consultation with local jurisdictions, recommend mitigation
14 measures to the legislature in those locations where it is
15 appropriate.

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

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

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

26 (c) Whether transit ridership changed;

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

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

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

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

38 (5) ~~If after two years of operation of the express toll lanes on~~
39 ~~Interstate 405 performance measures listed in subsection (4) (a) and~~

1 ~~(e) of this section are not being met, the express toll lanes project~~
2 ~~must be terminated as soon as practicable)).~~

3 ~~((6))~~ (5) The department, in consultation with the
4 transportation commission, shall consider making operational changes
5 necessary to fix any unintended consequences of implementing the
6 express toll lanes ~~((project))~~.

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

10 **Sec. 12.** RCW 47.56.884 and 2011 c 369 s 5 are each amended to
11 read as follows:

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

17 (2) Deposits to the account must include:

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

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

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

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

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

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

37 (4) The proceeds of the general obligation bonds authorized in
38 section 2(1)(a) of this act shall be used to make progress toward
39 completion of the Interstate 405 and state route number 167 master

1 plans. It is the intent of the legislature to first use the bond
2 proceeds for the following projects:

3 (a) Up to six hundred million dollars to design and construct
4 capacity improvements on Interstate 405 between state route number
5 522 and state route number 527. This project would widen Interstate
6 405 through the state route number 522 interchange, build direct
7 access ramps to the express toll lanes at state route number 522,
8 build one new lane in each direction to be used as a second express
9 toll lane, and build a partial direct access ramp at state route
10 number 527 to the east, north, and south, to provide connections to
11 the Canyon Park park and ride;

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

15 (c) Up to three million dollars to update the state route number
16 167 master plan;

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

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

26 NEW SECTION. Sec. 13. (1) The Puget Sound Gateway facility is
27 designated an eligible toll facility, tolls are authorized to be
28 imposed on the Puget Sound Gateway facility, and toll revenue
29 generated must be expended only as allowed under RCW 47.56.820.

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

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

38 (c) After the bonds issued pursuant to section 2(1)(b) of this
39 act are retired, the tolling authority must reduce the toll rates

1 commensurate with this reduction in the amount of toll revenues
2 required from the express toll lanes.

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

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

20 NEW SECTION. **Sec. 14.** (1) A special account to be known as the
21 Puget Sound Gateway facility account is created in the motor vehicle
22 fund.

23 (2) Deposits to the account must include:

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

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

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

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

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

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

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

17 (5) It is also the intent of the legislature to use the bond
18 proceeds for up to five million dollars to provide noise mitigation
19 on state route number 509 between south 188th Street and Interstate
20 5.

21 (6) It is further the intent of the legislature to clarify how
22 the tolling of state route number 167 and state route number 509 will
23 be implemented by requiring the transportation commission and the
24 department of transportation to consider naming the sections of each
25 facility where all of the lanes are tolled as the state route number
26 167 express way and the state route number 509 express way
27 respectively.

28 **Sec. 15.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and
29 2018 c 203 s 14 are each reenacted and amended to read as follows:

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

33 (2) The treasury income account shall be utilized to pay or
34 receive funds associated with federal programs as required by the
35 federal cash management improvement act of 1990. The treasury income
36 account is subject in all respects to chapter 43.88 RCW, but no
37 appropriation is required for refunds or allocations of interest
38 earnings required by the cash management improvement act. Refunds of
39 interest to the federal treasury required under the cash management

1 improvement act fall under RCW 43.88.180 and shall not require
2 appropriation. The office of financial management shall determine the
3 amounts due to or from the federal government pursuant to the cash
4 management improvement act. The office of financial management may
5 direct transfers of funds between accounts as deemed necessary to
6 implement the provisions of the cash management improvement act, and
7 this subsection. Refunds or allocations shall occur prior to the
8 distributions of earnings set forth in subsection (4) of this
9 section.

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

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

23 (a) The following accounts and funds shall receive their
24 proportionate share of earnings based upon each account's and fund's
25 average daily balance for the period: The abandoned recreational
26 vehicle disposal account, the aeronautics account, the aircraft
27 search and rescue account, the Alaskan Way viaduct replacement
28 project account, the brownfield redevelopment trust fund account, the
29 budget stabilization account, the capital vessel replacement account,
30 the capitol building construction account, the Cedar River channel
31 construction and operation account, the Central Washington University
32 capital projects account, the charitable, educational, penal and
33 reformatory institutions account, the Chehalis basin account, the
34 cleanup settlement account, the Columbia river basin water supply
35 development account, the Columbia river basin taxable bond water
36 supply development account, the Columbia river basin water supply
37 revenue recovery account, the common school construction fund, the
38 community forest trust account, the connecting Washington account,
39 the county arterial preservation account, the county criminal justice
40 assistance account, the deferred compensation administrative account,

1 the deferred compensation principal account, the department of
2 licensing services account, the department of licensing tuition
3 recovery trust fund, the department of retirement systems expense
4 account, the developmental disabilities community trust account, the
5 diesel idle reduction account, the drinking water assistance account,
6 the drinking water assistance administrative account, the early
7 learning facilities development account, the early learning
8 facilities revolving account, the Eastern Washington University
9 capital projects account, (~~the Interstate 405 express toll lanes
10 operations account,~~) the education construction fund, the education
11 legacy trust account, the election account, the electric vehicle
12 charging infrastructure account, the energy freedom account, the
13 energy recovery act account, the essential rail assistance account,
14 The Evergreen State College capital projects account, the federal
15 forest revolving account, the ferry bond retirement fund, the freight
16 mobility investment account, the freight mobility multimodal account,
17 the grade crossing protective fund, the public health services
18 account, the high capacity transportation account, the state higher
19 education construction account, the higher education construction
20 account, the highway bond retirement fund, the highway infrastructure
21 account, the highway safety fund, (~~the high occupancy toll lanes
22 operations account,~~) the hospital safety net assessment fund, the
23 industrial insurance premium refund account, the Interstate 405 and
24 state route number 167 express toll lanes account, the judges'
25 retirement account, the judicial retirement administrative account,
26 the judicial retirement principal account, the local leasehold excise
27 tax account, the local real estate excise tax account, the local
28 sales and use tax account, the marine resources stewardship trust
29 account, the medical aid account, the mobile home park relocation
30 fund, the money-purchase retirement savings administrative account,
31 the money-purchase retirement savings principal account, the motor
32 vehicle fund, the motorcycle safety education account, the multimodal
33 transportation account, the multiuse roadway safety account, the
34 municipal criminal justice assistance account, the natural resources
35 deposit account, the oyster reserve land account, the pension funding
36 stabilization account, the perpetual surveillance and maintenance
37 account, the pollution liability insurance agency underground storage
38 tank revolving account, the public employees' retirement system plan
39 1 account, the public employees' retirement system combined plan 2
40 and plan 3 account, the public facilities construction loan revolving

1 account beginning July 1, 2004, the public health supplemental
2 account, the public works assistance account, the Puget Sound capital
3 construction account, the Puget Sound ferry operations account, the
4 Puget Sound Gateway facility account, the Puget Sound taxpayer
5 accountability account, the real estate appraiser commission account,
6 the recreational vehicle account, the regional mobility grant program
7 account, the resource management cost account, the rural arterial
8 trust account, the rural mobility grant program account, the rural
9 Washington loan fund, the sexual assault prevention and response
10 account, the site closure account, the skilled nursing facility
11 safety net trust fund, the small city pavement and sidewalk account,
12 the special category C account, the special wildlife account, the
13 state employees' insurance account, the state employees' insurance
14 reserve account, the state investment board expense account, the
15 state investment board commingled trust fund accounts, the state
16 patrol highway account, the state route number 520 civil penalties
17 account, the state route number 520 corridor account, the state
18 wildlife account, the statewide tourism marketing account, the
19 student achievement council tuition recovery trust fund, the
20 supplemental pension account, the Tacoma Narrows toll bridge account,
21 the teachers' retirement system plan 1 account, the teachers'
22 retirement system combined plan 2 and plan 3 account, the tobacco
23 prevention and control account, the tobacco settlement account, the
24 toll facility bond retirement account, the transportation 2003
25 account (nickel account), the transportation equipment fund, the
26 transportation future funding program account, the transportation
27 improvement account, the transportation improvement board bond
28 retirement account, the transportation infrastructure account, the
29 transportation partnership account, the traumatic brain injury
30 account, the tuition recovery trust fund, the University of
31 Washington bond retirement fund, the University of Washington
32 building account, the volunteer firefighters' and reserve officers'
33 relief and pension principal fund, the volunteer firefighters' and
34 reserve officers' administrative fund, the Washington judicial
35 retirement system account, the Washington law enforcement officers'
36 and firefighters' system plan 1 retirement account, the Washington
37 law enforcement officers' and firefighters' system plan 2 retirement
38 account, the Washington public safety employees' plan 2 retirement
39 account, the Washington school employees' retirement system combined
40 plan 2 and 3 account, the Washington state health insurance pool

1 account, the Washington state patrol retirement account, the
2 Washington State University building account, the Washington State
3 University bond retirement fund, the water pollution control
4 revolving administration account, the water pollution control
5 revolving fund, the Western Washington University capital projects
6 account, the Yakima integrated plan implementation account, the
7 Yakima integrated plan implementation revenue recovery account, and
8 the Yakima integrated plan implementation taxable bond account.
9 Earnings derived from investing balances of the agricultural
10 permanent fund, the normal school permanent fund, the permanent
11 common school fund, the scientific permanent fund, the state
12 university permanent fund, and the state reclamation revolving
13 account shall be allocated to their respective beneficiary accounts.

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

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

23 NEW SECTION. **Sec. 16.** The following acts or parts of acts are
24 each repealed:

25 (1) RCW 47.56.403 (High occupancy toll lane pilot project) and
26 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013 c 306 s 709, 2011 c
27 367 s 709, & 2005 c 312 s 3; and

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

30 NEW SECTION. **Sec. 17.** Any residual balance of funds remaining
31 in the high occupancy toll lanes operations account repealed by
32 section 16 of this act on the effective date of this section, and any
33 year-end accruals accounted for after the effective date of this
34 section from the state route number 167 high occupancy toll lanes
35 pilot project, shall be transferred to the Interstate 405 and state
36 route number 167 express toll lanes account created in section 12 of
37 this act.

1 NEW SECTION. **Sec. 18.** Sections 2 through 7 of this act are each
2 added to chapter 47.10 RCW.

3 NEW SECTION. **Sec. 19.** Sections 13 and 14 of this act are each
4 added to chapter 47.56 RCW and codified with the subchapter heading
5 of "toll facilities created after July 1, 2008."

6 NEW SECTION. **Sec. 20.** This act is necessary for the immediate
7 preservation of the public peace, health, or safety, or support of
8 the state government and its existing public institutions, and takes
9 effect June 30, 2019.

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