

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5488

Chapter 223, Laws of 2022

67th Legislature
2022 Regular Session

TACOMA NARROWS BRIDGE—FINANCIAL OBLIGATIONS—TOLL REDUCTION

EFFECTIVE DATE: June 9, 2022

Passed by the Senate March 10, 2022
Yeas 28 Nays 21

DENNY HECK

President of the Senate

Passed by the House March 8, 2022
Yeas 58 Nays 39

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 30, 2022 2:41 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5488** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 31, 2022

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5488

AS AMENDED BY THE HOUSE

Passed Legislature - 2022 Regular Session

State of Washington 67th Legislature 2022 Regular Session

By Senate Transportation (originally sponsored by Senators Randall, Rolfes, Billig, Dhingra, Nobles, Van De Wege, and C. Wilson)

READ FIRST TIME 02/15/22.

1 AN ACT Relating to state contributions in support of the Tacoma
2 Narrows toll bridge; and amending RCW 47.56.165, 47.46.190, and
3 47.46.200.

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

5 **Sec. 1.** RCW 47.56.165 and 2009 c 567 s 1 are each amended to
6 read as follows:

7 A special account to be known as the Tacoma Narrows toll bridge
8 account is created in the motor vehicle fund in the state treasury.

9 (1) Deposits to the account must include:

10 (a) All proceeds of bonds issued for construction of the Tacoma
11 Narrows public-private initiative project, including any capitalized
12 interest;

13 (b) All of the toll charges and other revenues received from the
14 operation of the Tacoma Narrows bridge as a toll facility, to be
15 deposited at least monthly;

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

18 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any
19 surplus real property acquired for the purpose of building the second
20 Tacoma Narrows bridge; (~~and~~)

1 (e) All liquidated damages collected under any contract involving
2 the construction of the second Tacoma Narrows bridge; and

3 (f) Beginning with September 2022 and ending July 1, 2032, by the
4 last day of September, December, March, and June of each year, the
5 state treasurer shall transfer from the general fund to the account
6 the sum of \$3,250,000. The total amount that may be transferred
7 pursuant to this subsection is \$130,000,000.

8 (2) Proceeds of bonds shall be used consistent with RCW
9 47.46.130, including the reimbursement of expenses and fees incurred
10 under agreements entered into under RCW 47.46.040 as required by
11 those agreements.

12 (3) Toll charges, other revenues, and interest may only be used
13 to:

14 (a) Pay required costs that contribute directly to the financing,
15 operation, maintenance, management, and necessary repairs of the
16 tolled facility, as determined by rule by the transportation
17 commission; and

18 (b) Repay amounts to the motor vehicle fund as required under RCW
19 47.46.140.

20 (4) Toll charges, other revenues, and interest may not be used to
21 pay for costs that do not contribute directly to the financing,
22 operation, maintenance, management, and necessary repairs of the
23 tolled facility, as determined by rule by the transportation
24 commission.

25 (5) The department shall make detailed quarterly expenditure
26 reports available to the transportation commission and to the public
27 on the department's website using current department resources.

28 (6) When repaying the motor vehicle fund under RCW 47.46.140, the
29 state treasurer shall transfer funds from the Tacoma Narrows toll
30 bridge account to the motor vehicle fund on or before each debt
31 service date for bonds issued for the Tacoma Narrows public-private
32 initiative project in an amount sufficient to repay the motor vehicle
33 fund for amounts transferred from that fund to the highway bond
34 retirement fund to provide for any bond principal and interest due on
35 that date. The state treasurer may establish subaccounts for the
36 purpose of segregating toll charges, bond sale proceeds, and other
37 revenues.

38 **Sec. 2.** RCW 47.46.190 and 2018 c 195 s 1 are each amended to
39 read as follows:

1 (1) The legislature finds funding of the Tacoma Narrows bridge
2 facility to be distinct from other Washington state tolling
3 facilities due to its increasing debt service costs, which is the
4 primary driver of the facility's escalating costs. Washington state
5 has since recommended and established financing structures with
6 steadier levels of debt service payments for subsequent tolled
7 transportation facilities, supporting better management of the
8 state's debt burden and a lower financial burden for toll ratepayers.

9 (2) The Tacoma Narrows bridge facility debt service structure
10 resulted, in part, from a decision by the legislature to fund
11 construction of the bridge without drawing from state tax dollars. As
12 a result, toll revenue was committed to fund (~~((ninety-nine))~~) 99
13 percent of bridge construction costs, as well as the associated
14 interest payments and other associated debt service costs. This is
15 not the standard more recently utilized by the legislature, as is the
16 case of the state route 520 bridge's construction, (~~((seventy-two))~~) 72
17 percent of which is to be paid for with toll revenues. In light of
18 the maximum burden for bridge construction that was placed on Tacoma
19 Narrows bridge toll ratepayers, there is no equitable reason that the
20 burden of future debt service payment increases should be borne by
21 these same toll ratepayers.

22 (3) The legislature established the Tacoma Narrows bridge work
23 group in 2017 and tasked it with identifying opportunities for long-
24 term toll payer relief from increasing toll rates on the Tacoma
25 Narrows bridge. The work group recommended a request of up to (~~((one~~
26 ~~hundred twenty-five million dollars))~~) \$125,000,000 in state funding
27 from the legislature to offset future debt service payment increases,
28 allocated across the remaining years of tolling at levels that result
29 in maintaining toll rates at fiscal year 2018 levels.

30 (4) Due to the findings aforementioned, an alternative is put
31 forward by the legislature. State contribution loans for each fiscal
32 biennium are to be made through the life of the debt service plan of
33 up to a total of (~~((eighty-five million dollars))~~) \$85,000,000, and
34 will be repaid in annual amounts beginning after the debt service and
35 deferred sales tax are fully repaid. It is the intent of the
36 legislature that the commission will(~~((+~~

37 ~~-(a) Maintain tolls at no more than toll rates effective at the~~
38 ~~fiscal year 2018 level until fiscal year 2022; and~~

39 ~~-(b) Maintain tolls at no more than twenty-five cents higher than~~
40 ~~the toll rates effective at the fiscal year 2018 level beginning in~~

1 ~~fiscal year 2022))~~ adjust tolls accordingly, in consideration of
2 annual contributions from nontoll sources and the costs required to
3 be covered under RCW 47.46.100, until such time as the debt service
4 and deferred sales tax obligation is fully met according to the
5 repayment schedule in place as of June 7, 2018, and until any state
6 contribution loans are fully repaid.

7 (5) To offset part of the toll rate increases that would
8 otherwise be necessary to meet increases in future debt service
9 payments, it is the intent of the legislature that the state
10 treasurer make state contribution loan transfers to the Tacoma
11 Narrows toll bridge account created in RCW 47.56.165 on the first day
12 of each fiscal biennium, beginning in the 2019-2021 fiscal biennium,
13 through the life of the debt service plan. It is the intent of the
14 legislature that the state treasurer make state contribution loan
15 transfers in amounts necessary to ensure debt service payments are
16 made in full after toll revenue from the Tacoma Narrows bridge toll
17 facility is applied to the debt payment amounts and other required
18 costs.

19 (6) This section does not create a private right of action.

20 **Sec. 3.** RCW 47.46.200 and 2018 c 195 s 2 are each amended to
21 read as follows:

22 (1) Through 2031, the commission shall submit to the
23 transportation committees of the legislature on an annual basis a
24 report that includes sufficient information to enable the legislature
25 to determine an adequate amount of contribution from nontoll sources
26 required for each fiscal biennium to maintain (~~tolls at no more than~~
27 ~~twenty-five cents higher than the toll rates effective at the fiscal~~
28 ~~year 2018 level, while also maintaining)) the debt service plan
29 repayment schedule in place as of June 7, 2018. The report must be
30 submitted by January 5th of each year.~~

31 (2) Beginning in 2031, and until such time as the state
32 contribution loans described in RCW 47.46.190(4) are repaid, the
33 commission shall submit to the transportation committees of the
34 legislature on an annual basis a report that includes information
35 detailing the annual expected toll revenue to be used for repayment
36 of the state contribution loans (~~while maintaining tolls at no more~~
37 ~~than twenty-five cents higher than the toll rates effective at the~~
38 ~~fiscal year 2018 level)). The report must be submitted by January 5th~~
39 of each year.

1 (3) This section does not create a private right of action.

Passed by the Senate March 10, 2022.

Passed by the House March 8, 2022.

Approved by the Governor March 30, 2022.

Filed in Office of Secretary of State March 31, 2022.

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