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## Transportation Committee

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### HB 1958

**Brief Description:** Concerning the interstate bridge replacement toll bond authority.

**Sponsors:** Representatives Fey, Wylie and Zahn; by request of Department of Transportation.

**Brief Summary of Bill**

- Allows for the issuance of up to \$1.6 billion of bonds for the design, right-of-way, and construction of the Interstate 5 Bridge Replacement Project.
- Provides the process for the issuance and repayment of any bonds issued.

**Hearing Date:** 2/24/25

**Staff:** David Munnecke (786-7315).

**Background:**

Bonds.

Washington periodically issues general obligation (GO) bonds to fund transportation capital projects with a long-term expected life span. General obligation bonds pledge the full faith and credit of the state towards payment of debt service. Historically, the legislation authorizing the issuance of transportation GO bonds has also pledged repayment first from motor fuel tax proceeds and has, on occasion, also pledged toll revenue as the first repayment before the motor fuel tax proceeds. The proceeds of the bonds must then be appropriated for transportation projects.

Legislation authorizing the issuance of GO bonds requires a 60 percent majority vote in both the House of Representatives and the Senate. Legislation authorizing the issuance of revenue bonds,

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such as bonds backed solely by toll revenues, requires a constitutional majority vote in both the House of Representatives and the Senate.

The State Finance Committee (Committee) was created in 1921 and is composed of the Governor, the Lieutenant Governor, and the State Treasurer. The Committee authorizes the issuance and establishes the terms, conditions, and manner of the sale of all bonds, notes, and other debt for the state to finance capital projects in the state's capital and transportation budgets. Article VIII, section 1(a) of the Washington Constitution and existing statutes limit the term of state GO bonds to 30 years.

#### Interstate 5 Bridge Replacement Project.

The Interstate 5 (I-5) Bridge crosses the Columbia River and connects Vancouver, Washington and Portland, Oregon with two parallel bridge structures. One bridge structure carries traffic northbound to Vancouver, and the other bridge structure carries traffic southbound to Portland. The northbound bridge was built in 1917, and the southbound bridge was built in 1958.

The I-5 Bridge Replacement (IBR) Project is defined as a bistate, multimodal corridor improvement program between the State Route 500 interchange in Vancouver, Washington and the Victory Boulevard interchange in Portland, Oregon. The IBR Project is designated as an eligible toll facility, and tolls may be imposed on the IBR Project. Tolls may be charged for travel only on the existing and replacement I-5 Columbia River bridges. Tolls may not be charged for travel on any portion of Interstate 205 within Washington.

The Washington State Transportation Commission (WSTC), as the tolling authority, may enter into a bistate agreement with the Oregon State Transportation Commission (OSTC) regarding the mutual or joint setting, adjustment, and review of toll rates and exemptions. Toll rates established pursuant to the bistate agreement may not:

- exceed the highest toll rate on any of the other tolled facilities in Washington, unless the Legislature provides direction otherwise in enacted legislation;
- pay for all of the operational and administrative costs of Oregon's tolling system; or
- subsidize other Oregon toll facilities.

Tolls may not be collected on the IBR Project until: (1) certification of the Secretary of Transportation to the Governor that the Washington State Department of Transportation (WSDOT) has received satisfactory evidence that a sufficient federal funding plan is in place and that sufficient state and local funds are available to complete the IBR Project; and (2) and the bistate agreement between the WSTC and the OSTC has taken effect.

#### **Summary of Bill:**

Bonding of up to \$1.6 billion is authorized for the design, right-of-way, and construction of the IBR Project, with all proceeds from the sale of any such bonds to be deposited in the IBR Account. The bonds are GO bonds of the state, and are first payable from toll revenue and then excise taxes on fuel and vehicle-related fees. If the Committee determines, in consultation with

the WSDOT and the tolling authority, it to be beneficial, the bonds may be issued as revenue bonds.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.