
SENATE BILL 5702

State of Washington

69th Legislature

2025 Regular Session

By Senators Ramos, Goehner, and Nobles

Read first time 02/07/25. Referred to Committee on Transportation.

1 AN ACT Relating to streamlining the toll rate setting process at
2 the transportation commission; amending RCW 34.05.030, 47.56.850,
3 47.56.165, 47.56.795, 47.46.100, and 47.46.105; adding a new section
4 to chapter 47.56 RCW; creating a new section; and providing an
5 effective date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that most tolling
8 facilities in Washington state are subject to strict bond covenants
9 and financial requirements, requiring swift action in response to
10 changing circumstances. However, the current process for setting or
11 adjusting toll rates or toll rate policies takes an average of 160
12 days to complete due to requirements in the administrative procedure
13 act, chapter 34.05 RCW. The legislature further finds that this
14 process lacks the flexibility that is necessary to quickly adjust
15 tolls to meet legally mandated revenue and performance requirements
16 in response to unforeseen circumstances. Therefore, in order to
17 address the challenges with the current toll rate setting process, it
18 is the intent of the legislature to exempt toll setting from the
19 administrative procedure act and to instead establish a toll setting
20 process that can be carried out efficiently and expeditiously while
21 maintaining public transparency.

1 **Sec. 2.** RCW 34.05.030 and 2021 c 314 s 24 are each amended to
2 read as follows:

3 (1) This chapter shall not apply to:

4 (a) The state militia(~~(τ)~~); or

5 (b) The (~~(board of)~~) clemency and pardons (~~([clemency and pardons~~
6 ~~board]~~); board; or

7 (c) The department of corrections or the indeterminate sentencing
8 review board with respect to persons who are in their custody or are
9 subject to the jurisdiction of those agencies; or

10 (d) The transportation commission when exercising its powers as
11 the state tolling authority under RCW 47.56.850 and section 4 of this
12 act.

13 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not
14 apply:

15 (a) To adjudicative proceedings of the board of industrial
16 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

17 (b) Except for actions pursuant to chapter 46.29 RCW, to the
18 denial, suspension, or revocation of a driver's license by the
19 department of licensing;

20 (c) To the department of labor and industries where another
21 statute expressly provides for review of adjudicative proceedings of
22 a department action, order, decision, or award before the board of
23 industrial insurance appeals;

24 (d) To actions of the Washington personnel resources board, the
25 director of financial management, and the department of enterprise
26 services when carrying out their duties under chapter 41.06 RCW;

27 (e) To adjustments by the department of revenue of the amount of
28 the surcharge imposed under RCW 82.04.261;

29 (f) To actions to implement the provisions of chapter 70A.02 RCW,
30 except as specified in RCW 70A.02.130; or

31 (g) To the extent they are inconsistent with any provisions of
32 chapter 43.43 RCW.

33 (3) Unless a party makes an election for a formal hearing
34 pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through
35 34.05.598 do not apply to a review hearing conducted by the board of
36 tax appeals.

37 (4) The rule-making provisions of this chapter do not apply to:

38 (a) Reimbursement unit values, fee schedules, arithmetic
39 conversion factors, and similar arithmetic factors used to determine

1 payment rates that apply to goods and services purchased under
2 contract for clients eligible under chapter 74.09 RCW; and

3 (b) Adjustments by the department of revenue of the amount of the
4 surcharge imposed under RCW 82.04.261.

5 (5) All other agencies, whether or not formerly specifically
6 excluded from the provisions of all or any part of the administrative
7 procedure act, shall be subject to the entire act.

8 **Sec. 3.** RCW 47.56.850 and 2009 c 498 s 15 are each amended to
9 read as follows:

10 (1) Unless these powers are otherwise delegated by the
11 legislature, the transportation commission is the tolling authority
12 for the state. The tolling authority shall:

13 (a) (~~Set~~) Consistent with the process described in section 4 of
14 this act, set toll rates, establish appropriate exemptions, including
15 discounts, if any, and make adjustments as conditions warrant on
16 eligible toll facilities;

17 (b) Review toll collection policies, toll operations policies,
18 and toll revenue expenditures on the eligible toll facilities and
19 report annually on this review to the legislature.

20 (2) The tolling authority, in determining toll rates, shall
21 consider the policy guidelines established in RCW 47.56.830.

22 (3) Unless otherwise directed by the legislature, in setting and
23 periodically adjusting toll rates, the tolling authority must ensure
24 that toll rates will generate revenue sufficient to:

25 (a) Meet the operating costs of the eligible toll facilities,
26 including necessary maintenance, preservation, renewal, replacement,
27 administration, and toll enforcement by public law enforcement;

28 (b) Meet obligations for the timely payment of debt service on
29 bonds issued for eligible toll facilities, and any other associated
30 financing costs including, but not limited to, required reserves,
31 minimum debt coverage or other appropriate contingency funding,
32 insurance, and compliance with all other financial and other
33 covenants made by the state in the bond proceedings;

34 (c) Meet obligations to reimburse the motor vehicle fund for
35 excise taxes on motor vehicle and special fuels applied to the
36 payment of bonds issued for eligible toll facilities; and

37 (d) Meet any other obligations of the tolling authority to
38 provide its proportionate share of funding contributions for any
39 projects or operations of the eligible toll facilities.

1 (4) The established toll rates may include variable pricing, and
2 should be set to optimize system performance, recognizing necessary
3 trade-offs to generate revenue for the purposes specified in
4 subsection (3) of this section. Tolls may vary for type of vehicle,
5 time of day, traffic conditions, or other factors designed to improve
6 performance of the system.

7 (5) In fixing and adjusting toll rates under this section, the
8 only toll revenue to be taken into account must be toll revenue
9 pledged to bonds that includes toll receipts, and the only debt
10 service requirements to be taken into account must be debt service on
11 bonds payable from and secured by toll revenue that includes toll
12 receipts.

13 (6) The legislature pledges to appropriate toll revenue as
14 necessary to carry out the purposes of this section. When the
15 legislature has specifically identified and designated an eligible
16 toll facility and authorized the issuance of bonds for the financing
17 of the eligible toll facility that are payable from and secured by a
18 pledge of toll revenue, the legislature further agrees for the
19 benefit of the owners of outstanding bonds issued by the state for
20 eligible toll facilities to continue in effect and not to impair or
21 withdraw the authorization of the tolling authority to fix and adjust
22 tolls as provided in this section. The state finance committee shall
23 pledge the state's obligation to impose and maintain tolls, together
24 with the application of toll revenue as described in this section, to
25 the owners of any bonds.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56
27 RCW under the subchapter heading "TOLL FACILITIES CREATED AFTER July
28 1, 2008" to read as follows:

29 (1) When setting or adjusting toll rates on eligible toll
30 facilities, or establishing or adjusting appropriate exemptions,
31 including discounts, the transportation commission shall:

32 (a) Issue written notice to the public that the commission
33 intends to set or adjust toll rates on a given facility. At a
34 minimum, the notice must be published on the commission's website at
35 least 30 days before any proposed rates would take effect;

36 (b) Carry out a public outreach process on a possible toll rate
37 option or options under consideration by the commission;

38 (c) After review of options and public input, if any, the
39 commission shall select the applicable toll rates and may adopt the

1 rates as soon as needed; however, adopting toll rates is deemed to be
2 an action as defined in RCW 42.30.020 and must occur at an open
3 public meeting of the commission; and

4 (d) Within one week of adopting toll rates, the commission shall
5 notify the public and stakeholder agencies, including the department
6 of transportation, of the toll rates, and provide the updated
7 information on its website.

8 (2) If the commission determines that immediate adoption of a
9 toll change is necessary in order to comply with the legal or
10 financial obligations of the state including, but not limited to,
11 state or federal law, federal rule, federal grant conditions, or the
12 bond covenants of the state, then the commission may adopt a toll
13 change on an emergency basis, without observing the notice and public
14 outreach and input requirements of subsection (1) of this section.
15 However, notice and public outreach and input requirements must be
16 observed to the greatest extent practicable as the emergency
17 circumstances allow.

18 (3) The commission shall establish administrative fees as
19 appropriate for toll collection processes using the same process
20 described in subsection (1) of this section.

21 (4) The commission shall post all current toll rates and toll
22 policies on its website.

23 (5) All open public meetings conducted under this section must
24 include an option for the public to participate remotely through
25 electronic means.

26 (6) The commission shall adopt rules that establish further
27 detail around the toll rate setting process and where relevant
28 information will be provided.

29 (7) This section does not apply to any rule making regarding toll
30 rate setting in progress by the commission on the effective date of
31 this section, which shall be completed under chapter 34.05 RCW.

32 **Sec. 5.** RCW 47.56.165 and 2022 c 223 s 1 are each amended to
33 read as follows:

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

36 (1) Deposits to the account must include:

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

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

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

6 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any
7 surplus real property acquired for the purpose of building the second
8 Tacoma Narrows bridge;

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

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

16 (2) Proceeds of bonds shall be used consistent with RCW
17 47.46.130, including the reimbursement of expenses and fees incurred
18 under agreements entered into under RCW 47.46.040 as required by
19 those agreements.

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

22 (a) Pay required costs that contribute directly to the financing,
23 operation, maintenance, management, and necessary repairs of the
24 tolled facility(~~(, as determined by rule by the transportation~~
25 ~~commission)); and~~

26 (b) Repay amounts to the motor vehicle fund as required under RCW
27 47.46.140.

28 (4) Toll charges, other revenues, and interest may not be used to
29 pay for costs that do not contribute directly to the financing,
30 operation, maintenance, management, and necessary repairs of the
31 tolled facility(~~(, as determined by rule by the transportation~~
32 ~~commission)).~~

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

36 (6) When repaying the motor vehicle fund under RCW 47.46.140, the
37 state treasurer shall transfer funds from the Tacoma Narrows toll
38 bridge account to the motor vehicle fund on or before each debt
39 service date for bonds issued for the Tacoma Narrows public-private
40 initiative project in an amount sufficient to repay the motor vehicle

1 fund for amounts transferred from that fund to the highway bond
2 retirement fund to provide for any bond principal and interest due on
3 that date. The state treasurer may establish subaccounts for the
4 purpose of segregating toll charges, bond sale proceeds, and other
5 revenues.

6 **Sec. 6.** RCW 47.56.795 and 2015 c 292 s 2 are each amended to
7 read as follows:

8 (1) A toll collection system may include, but is not limited to,
9 electronic toll collection and photo tolling.

10 (2)(a) A photo toll system may take photographs, digital
11 photographs, microphotographs, videotapes, or other recorded images
12 of the vehicle and vehicle license plate only.

13 (b) Notwithstanding any other provision of law, all photographs,
14 digital photographs, microphotographs, videotape, other recorded
15 images, or other records identifying a specific instance of travel
16 prepared under this chapter are for the exclusive use of the tolling
17 agency for toll collection and enforcement purposes and are not open
18 to the public and may not be used in a court in a pending action or
19 proceeding unless the action or proceeding relates to a civil penalty
20 under RCW 46.63.160. No photograph, digital photograph,
21 microphotograph, videotape, other recorded image, or other record
22 identifying a specific instance of travel may be used for any purpose
23 other than toll collection or enforcement of civil penalties under
24 RCW 46.63.160. Records identifying a specific instance of travel by a
25 specific person or vehicle must be retained only as required to
26 ensure payment and enforcement of tolls and to comply with state
27 records retention policies. Aggregate records that do not identify an
28 individual, vehicle, or account may be maintained.

29 (3) The department and its agents shall only use electronic toll
30 collection system technology for toll collection purposes.

31 (4) Tolls may be collected and paid by the following methods:

32 (a) A customer may pay an electronic toll through an electronic
33 toll collection account;

34 (b) A customer may pay a photo toll either through a customer-
35 initiated payment or in response to a toll bill; or

36 (c) A customer may pay with cash on toll facilities that have a
37 manual cash collection system.

38 (5) To the extent practicable, the department shall adopt
39 electronic toll collection options, which allow for anonymous

1 customer accounts and anonymous accounts that are not linked to a
2 specific vehicle.

3 (6) The transportation commission shall ~~((adopt rules, in~~
4 ~~accordance with chapter 34.05 RCW, to))~~, consistent with the process
5 described in section 4 of this act, assess administrative fees as
6 appropriate for toll collection processes. Administrative fees must
7 not exceed toll collection costs. All administrative fees collected
8 under this section must be deposited into the toll facility account
9 of the facility on which the toll was assessed.

10 (7) Failure to pay a photo toll by the toll payment due date is a
11 violation for which a notice of civil penalty may be issued under RCW
12 46.63.160.

13 (8) For an electronic toll collection system that uses an in-
14 vehicle device, such as a transponder, to identify a particular
15 customer for the purposes of paying an electronic toll from that
16 customer's toll collection account, the department must allow such
17 in-vehicle devices to be offered for sale at vehicle dealers.

18 **Sec. 7.** RCW 47.46.100 and 2002 c 114 s 7 are each amended to
19 read as follows:

20 (1) ~~((The))~~ Consistent with the process described in section 4 of
21 this act, the commission shall fix the rates of toll and other
22 charges for all toll bridges built under this chapter that are
23 financed primarily by bonds issued by the state. Subject to RCW
24 47.46.090, the commission may impose and modify toll charges from
25 time to time as conditions warrant.

26 (2) In establishing toll charges, the commission shall give due
27 consideration to any required costs for operating and maintaining the
28 toll bridge or toll bridges, including the cost of insurance, and to
29 any amount required by law to meet the redemption of bonds and
30 interest payments on them.

31 (3) The toll charges must be imposed in amounts sufficient to:

32 (a) Provide annual revenue sufficient to provide for annual
33 operating and maintenance expenses, except as provided in RCW
34 47.56.245;

35 (b) Make payments required under RCW 47.56.165 and 47.46.140,
36 including insurance costs and the payment of principal and interest
37 on bonds issued for any particular toll bridge or toll bridges; and

38 (c) Repay the motor vehicle fund under RCW 47.46.110, 47.56.165,
39 and 47.46.140.

1 (4) The bond principal and interest payments, including repayment
2 of the motor vehicle fund for amounts transferred from that fund to
3 provide for such principal and interest payments, constitute a first
4 direct and exclusive charge and lien on all tolls and other revenues
5 from the toll bridge concerned, subject to operating and maintenance
6 expenses.

7 **Sec. 8.** RCW 47.46.105 and 2010 c 249 s 4 are each amended to
8 read as follows:

9 (1) A toll collection system may include, but is not limited to,
10 electronic toll collection and photo tolling.

11 (2)(a) A photo toll system may take photographs, digital
12 photographs, microphotographs, videotapes, or other recorded images
13 of the vehicle and vehicle license plate only.

14 (b) Notwithstanding any other provision of law, all photographs,
15 digital photographs, microphotographs, videotape, other recorded
16 images, or other records identifying a specific instance of travel
17 prepared under this chapter are for the exclusive use of the tolling
18 agency for toll collection and enforcement purposes and are not open
19 to the public and may not be used in a court in a pending action or
20 proceeding unless the action or proceeding relates to a civil penalty
21 under RCW 46.63.160. No photograph, digital photograph,
22 microphotograph, videotape, other recorded image, or other record
23 identifying a specific instance of travel may be used for any purpose
24 other than toll collection or enforcement of civil penalties under
25 RCW 46.63.160. Records identifying a specific instance of travel by a
26 specific person or vehicle must be retained only as required to
27 ensure payment and enforcement of tolls and to comply with state
28 records retention policies.

29 (3) The department and its agents shall only use electronic toll
30 collection system technology for toll collection purposes.

31 (4) Tolls may be collected and paid by the following methods:

32 (a) A customer may pay an electronic toll through an electronic
33 toll collection account;

34 (b) A customer who does not have an electronic toll collection
35 account may pay a photo toll either through a customer-initiated
36 payment or in response to a toll bill; or

37 (c) A customer who does not have an electronic toll collection
38 account may pay with cash on toll facilities that have a manual cash
39 collection system.

1 (5) To the extent practicable, the department shall adopt
2 electronic toll collection options, which allow for anonymous
3 customer accounts and anonymous accounts that are not linked to a
4 specific vehicle.

5 (6) The transportation commission shall ~~((adopt rules, in~~
6 ~~accordance with chapter 34.05 RCW, to))~~, consistent with the process
7 described in section 4 of this act, assess administrative fees as
8 appropriate for toll collection processes. Administrative fees must
9 not exceed toll collection costs. All administrative fees collected
10 under this section must be deposited into the toll facility account
11 of the facility on which the toll was assessed.

12 (7) Failure to pay a photo toll by the toll payment due date is a
13 violation for which a notice of civil penalty may be issued under RCW
14 46.63.160.

15 NEW SECTION. **Sec. 9.** This act takes effect January 1, 2026.

--- END ---