



CITY OF KIRKLAND

Department of Public Works

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www.ci.kirkland.wa.us

To: City Council

From: Daryl Grigsby, Public Works Director
David Godfrey, P.E., Transportation Engineering Manager

Date: March 11, 2007

Subject: Tolling

This memo describes past City and Eastside Transportation Partnership positions on tolling, recent state legislation and information about tolling under construction on SR 167 and potential tolling on I-405.

Past Positions

ETP has supported highway tolling/pricing in general and the SR 167 project in particular. Letters of support are attached as Attachment 1 and 2. City of Kirkland representatives to ETP have supported these positions. In 2002 the City of Kirkland helped to sponsor a tolling/pricing conference held at Carillon point. More information about that conference is available on line at <http://www.psrc.org/projects/pricing/agenda.htm>

Recent legislation

House Bill 3096 pertaining to the funding of SR 520 has passed both the State House and State Senate and has the support of the Governor. A summary of the tolling provisions of the bill is as follows:

- 1) Funding of the SR 520 bridge includes \$2 billion in tolling revenue, including pre-construction tolling.
- 2) Creates a 520 tolling committee consisting of the Secretary of Transportation, the Executive Director of the PSRC and a member of the Transportation Commission from King County. Among other things, the Committee is to:
 - a) Examine diversion to other routes from tolling SR 520 alone or in connection with I-90.
 - b) Confer with City Councils and Mayors of cities adjacent to the SR 520 and I-90 corridors about tolling impacts to those cities.
 - c) Listen to public opinions on various aspects of tolling through open houses and other methods.
 - d) Report to the governor and legislature by January 1, 2009.

Attachment 3 contains the full text of the final bill.

House Bill 1773 has also passed both the House and Senate and it sets forth principles for tolling and describes details about how tolling can be implemented such as:

- 1) The State Transportation Commission sets and monitors toll rates, but the state legislature authorizes tolling on state facilities. The Commission can establish a tolling advisory committee to assist it in setting toll rates.
- 2) Tolls should be instituted where revenue is necessary for completion of projects or to optimize performance of the transportation system.
- 3) Toll rates should be set to optimize transportation system performance in consideration of the trade offs necessary to meet revenue requirements.
- 4) Local governments, Regional Transportation Improvement Districts and Transportation Benefit Districts can also impose tolls on local roads, but they are subject to approval by the state if such tolls would effect the operation of state routes.
- 5) Toll revenue can be used for a variety of purposes such as construction, improvement, management, maintenance, operation, preservation and conveyance of people, but it must be used on the facility where it was collected.
- 6) Tolls may remain in place after initial construction expenses are paid.
- 7) Variable tolls are allowed. Tolling technology must be coordinated and integrated throughout all state systems. Use of toll booths shall be minimized.

Attachment 4 contains the full text of the final bill.

Urban Partnership Grant

The Puget Sound Regional Council, Washington State Department of Transportation and King County were awarded an Federal Urban Partnership Grant to help fund, among other things, implementation of tolls on the SR 520 corridor.

SR 167

The project is scheduled to launch in spring 2008. A single HOT lane in each direction will run along nine miles of State Route 167 between Renton and Auburn in King County. Carpools of two people or more, transit, vanpools and motorcycles will use the HOT lanes toll free and do not need a transponder to use HOT lanes. Solo vehicles that wish to use the HOV lane will pay a toll that can vary between 50¢ and \$9.00 depending on congestion levels. Tolling will be done completely electronically. The HOT lane will be separated from the general purpose lane by a double white solid lines with designated entry points. Much more information on this project is available at <http://www.wsdot.wa.gov/Projects/SR167/HOTLanes/Default.htm>

SR 405

The following information is from the WSDOT website (<http://www.wsdot.wa.gov/Operations/Tolling/default.htm>) and describes potential projects on I-405. Note that the new lanes referred to below have already been built in Kirkland, but are yet to be completed north of Kirkland. The lanes north of Kirkland will be completed when stage two of the Kirkland nickel project is completed, resulting in a new lane between NE 70th Street and I-5. As described below, two express lanes could operate in each direction from SR 520 in Bellevue to SR 522 in Bothell, and one express lane in each direction from SR 522 to I-5 in Lynnwood.

Moving more people; delivering more options

Our goal at WSDOT is to move more people in the safest, most efficient way possible. We also want to give commuters more options to get where they need to go.

To move more people and increase transit reliability on I-405 north of SR 520, WSDOT traffic engineers are investigating two options to improve traffic flow and give commuters more choices. One option engineers are looking at is to maintain the current high-occupancy vehicle (HOV) lanes and build new general purpose lanes. A second option would be to build two new lanes and make them express toll lanes. Express toll lanes have been used in other states and are a safe and proven method to move more people in a very efficient manner. WSDOT is completing an environmental assessment to analyze these improvement options between SR 520 in Bellevue and I-5 in Lynnwood.

What are express toll lanes?

Express toll lanes preserve trip reliability for transit users, while providing a new option to other motorists who choose to pay a toll when lane capacity is available. We are exploring building and operating two I-405 express toll lanes in each direction between SR 520 in Bellevue and SR 522 in Bothell, and one express toll lane in each direction between SR 522 and I-5 in Lynnwood. Express toll lanes on I-405 would be similar to the high-occupancy toll lanes or HOT lanes on SR 167 as part of the [SR 167 HOT lanes pilot project](#).

Why are we looking at express toll lanes on I-405?

HOV lanes lose their efficiency if they are too congested. Likewise, HOV lanes with low volumes are not being used as efficiently as possible. To make sure we can move more people as efficiently as possible, WSDOT is considering express toll lanes on I-405.

Traffic data shows the I-405 HOV lanes between SR 520 and I-5 are under utilized mid-day, but congested during peak periods. One option to improve HOV traffic flow is to increase the HOV requirement from 2+ occupants to 3+; this would reduce the number of vehicles entering the system. This is one of the options environmental staff and traffic engineers are evaluating in the environmental assessment.

Another option is to convert HOV lanes to express toll lanes. Express toll lanes would be toll-free to transit. Other toll-free HOV passenger requirements are currently under evaluation. On the [SR 167 HOT lanes pilot project](#), for example, two-person carpools will be toll-free when the project opens.

Managing traffic flow with express toll lanes would improve the overall efficiency across all lanes, and increase the number of vehicles and people moving through the system at all times. Adding the second express lane from SR 520 to SR 522 would add additional capacity, increasing the overall system wide benefit - smoothing out the flow for all drivers.

Converting HOV lanes to express toll lanes has been [successful in other U.S. cities](#).

What are the key features of express toll lanes?

- *Tolls would rise and fall to manage the number of vehicles entering the express lanes, ensuring transit receives a reliable trip.*
- *Tolls charged would be deducted electronically from drivers' accounts at normal highway speeds; there will be no toll booths.*
- *Access to express lanes would be limited to specific entry and exit points.*
- *Toll-paying drivers would only have access to express lanes when there is available capacity.*
- *General-purpose lanes would remain toll-free to all drivers.*

What are the benefits of express toll lanes?

- *Improved trip reliability for transit;*
- *Options to drivers who are willing to pay for a faster trip;*
- *Managed traffic by moving vehicles and people out of general-purpose lanes to increase the overall flow of traffic;*
- *Easy access to drivers;*
- *Fairness; research shows that express toll lanes are used by drivers at all income levels who are looking for a more reliable trip.*



MS: KSC-TR-0814
201 South Jackson Street
Seattle, WA 98104-3856
Phone (206) 263-4710 Fax (206) 684-2111

February 13, 2004

The Honorable Jim Horn
Chair, Highways and Transportation Committee
The Honorable Bill Finkbeiner
Senate Majority Leader
Washington State Senate
P.O. Box 40482
Olympia, WA 98504-0482

Dear Senators Horn and Finkbeiner:

The Eastside Transportation Partnership (ETP) has recently received a briefing on the SR 167 HOT lane pilot project. Our members were extremely interested in this project, and expressed strong support for HB 2808 and SB 6672. We wanted to be sure to let you know of ETP's support and ask that you move this legislation forward.

The region's adopted plan includes policy language to advance transportation pricing strategies, and Destination 2030 includes specific policy language supporting demonstration projects. We believe that it is time to undertake a practical application of these policies.

ETP has previously expressed support for the use of tolling, both as a revenue source and as a means of managing existing facilities and traffic flow. Recent polling results indicate that the public also supports the use of tolls, and is interested in relying more on user fees for transportation related investments. We believe that this pilot project offers an excellent opportunity to test the concept of HOT lanes in this region. The outcome of the pilot project will provide useful information for additional steps this region may want to take for a broader application of this method and/or other tolling options.

We hope that you will support this legislation and this pilot project.

Thank you for your consideration.

Sincerely,

[signatures on original]

Fred Butler

Chair

Eastside Transportation Partnership

Phil Noble

Vice Chair

cc: ETP members

Beaux Arts ♦ Bellevue ♦ Bothell ♦ Clyde Hill ♦ Hunts Point ♦ Issaquah ♦ King County ♦ Kenmore ♦ Kirkland
Medina ♦ Mercer Island ♦ Newcastle ♦ Redmond ♦ Renton ♦ Sammamish ♦ Snohomish County Woodinville
Yarrow Point ♦ Eastside Transportation Committee ♦ Puget Sound Regional Council ♦ Sound Transit
Transportation Improvement Board Washington State Department of Transportation
Washington State Transportation Commission



MS: KSC-TR-0814
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October 4, 2006

Commission Richard Ford
Chair, Washington State Transportation Commission
P.O. Box 47308
Olympia, WA 98504-7308

Dear Commissioner Ford:

On behalf of the Eastside Transportation Partnership (ETP), we are providing you with our comments on the Proposed Tolling Policies for Washington State (as of June 2006). We recognize that the Commission already has taken action to adopt these policies, but ETP wanted to be on record with our comments.

ETP recognizes that the limited funding available for transportation will not be sufficient to keep up with increased travel demand, so mobility will increasingly depend on our willingness and ability to manage the transportation system to maximize its efficiency and effective capacity. We have previously supported the SR 167 HOT lane pilot project to gain more information about the broader application of tolls and tolling. And we believe that it is time to position the State to move in the direction of transportation pricing. By that, we mean the broad definition of pricing, including tolling, that reflects state-of-the-art strategies and technologies. ETP supports the Commission's effort to advance this approach, and offers the following comments:

- We support the Commission's proposal to use pricing to fund and manage the transportation system.
- We recommend that dynamic pricing initially be introduced on limited access facilities as new capacity is provided.
- While we support tolling, we are concerned about the possible impacts of diverted traffic on other facilities and communities. We recommend actions to minimize these impacts, including directing additional funding for improvements that would address adverse impacts on the parallel facilities and affected communities.
- We agree that further consideration should be given to leaving pricing in place following completion of projects to provide additional resources for new capacity, capital rehabilitation, maintenance, and operations throughout the system, and to optimize performance of the system.

Commissioner Richard Ford

October 4, 2006

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- We agree that toll revenue should be used only to improve, maintain or operate the transportation system.

We look forward to working with you, the legislature and the Governor to ensure a constructive dialog on these proposed tolling policies and implementation of this necessary measure. Please feel free to contact either of us if you have any questions.

Sincerely,



Phil Noble
Councilmember, City of Bellevue
Chair



Mary-Alyce Burleigh
Councilmember, City of Kirkland
Vice Chair

Eastside Transportation Partnership

ENGROSSED SUBSTITUTE HOUSE BILL 3096

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives
Clibborn and McIntire; by request of Governor Gregoire)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to financing the state route number 520 bridge
2 replacement project; adding new sections to chapter 47.01 RCW; adding
3 new sections to chapter 47.56 RCW; creating new sections; and providing
4 an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that the replacement
7 of the vulnerable state route number 520 bridge is a matter of urgency
8 for the safety of Washington's traveling public and the needs of the
9 transportation system in central Puget Sound. The state route number
10 520 bridge is forty-four years old and has a useful remaining life of
11 between thirteen and eighteen years. While one hundred fifteen
12 thousand vehicles travel on the bridge each day, there is an ever
13 present likelihood that wind or an earthquake could suddenly destroy
14 the bridge or render it unusable. Therefore, the state must develop a
15 comprehensive approach to fund a state route number 520 bridge
16 replacement to be constructed by 2018.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW
18 to read as follows:

1 (1) The state route number 520 bridge replacement and HOV project
2 shall be designed to provide six total lanes, with two lanes that are
3 for transit and high-occupancy vehicle travel, and four general purpose
4 lanes.

5 (2) The state route number 520 bridge replacement and HOV project
6 shall be designed to accommodate effective connections for transit,
7 including high capacity transit, to the light rail station at the
8 University of Washington.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.56 RCW
10 to read as follows:

11 The state route number 520 bridge replacement and HOV project
12 finance plan must include:

13 (1) Recognition of revenue sources that include: One billion seven
14 hundred million dollars in state and federal funds allocated to the
15 project; one billion five hundred million dollars to two billion
16 dollars in tolling revenue, including early tolls that could begin in
17 late 2009; eighty-five million dollars in federal urban partnership
18 grant funds; and other contributions from private and other government
19 sources; and

20 (2) Recognition of savings to be realized from:

21 (a) Potential early construction of traffic improvements from the
22 eastern Lake Washington shoreline to 108th Avenue Northeast in
23 Bellevue;

24 (b) Early construction of a single string of pontoons to support
25 two lanes that are for transit and high-occupancy vehicle travel and
26 four general purpose lanes;

27 (c) Preconstruction tolling to reduce total financing costs; and

28 (d) A deferral of the sales taxes paid on construction costs.

29 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.56 RCW
30 to read as follows:

31 (1) Following the submission of the report required in section 6 of
32 this act, the department may seek authorization from the legislature to
33 collect tolls on the existing state route number 520 bridge or on a
34 replacement state route number 520 bridge.

35 (2) The schedule of toll charges must be established by the

1 transportation commission and collected in a manner determined by the
2 department.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.56 RCW
4 to read as follows:

5 The department shall work with the federal highways administration
6 to determine the necessary actions for receiving federal authorization
7 to toll the Interstate 90 floating bridge. The department must
8 periodically report the status of those discussions to the governor and
9 the joint transportation committee.

10 NEW SECTION. **Sec. 6.** (1) The executive director of the Puget
11 Sound regional council, the secretary of the department of
12 transportation or his or her designee, and a member of the state
13 transportation commission from King county shall form a state route
14 number 520 tolling implementation committee.

15 (2) The committee must:

16 (a) Evaluate the potential diversion of traffic from state route
17 number 520 to other parts of the transportation system, including state
18 route number 522 and local roadways, when tolls are implemented on
19 state route number 520 or other corridors, and recommend mitigation
20 measures to address the diversion;

21 (b) Evaluate the most advanced tolling technology to ensure an
22 efficient and timely trip for users of the state route number 520
23 bridge;

24 (c) Evaluate available active traffic management technology to
25 determine the most effective options for technology that could manage
26 congestion on the state route number 520 bridge and other impacted
27 facilities;

28 (d) Explore opportunities to partner with the business community to
29 reduce congestion and financially contribute to the state route number
30 520 bridge replacement project;

31 (e) Confer with the mayors and city councils of jurisdictions
32 adjacent to the state route number 520 corridor, the state route number
33 522 corridor, and the Interstate 90 corridor regarding the
34 implementation of tolls, the impacts that the implementation of tolls
35 might have on the operation of the corridors, the diversion of traffic
36 to local streets, and potential mitigation measures;

1 (f) Conduct public work sessions and open houses to provide
2 information to citizens, including users of the bridge and business and
3 freight interests, regarding implementation of tolls on the state route
4 number 520 bridge and solicit citizen views on the following items:

5 (i) Funding a portion of the state route number 520 bridge
6 replacement project with tolls on the existing bridge;

7 (ii) Funding the state route number 520 bridge replacement project
8 and improvements on the Interstate 90 bridge with a toll paid by
9 drivers on both bridges;

10 (iii) Providing incentives and choices for users of the state route
11 number 520 bridge replacement project to use transit and to carpool;
12 and

13 (iv) Implementing variable tolling as a way to reduce congestion on
14 the facility; and

15 (g) Provide a report to the governor and the legislature by January
16 2009.

17 (3) The department of transportation shall provide staff support to
18 the committee.

19 NEW SECTION. **Sec. 7.** A new section is added to chapter 47.01 RCW
20 to read as follows:

21 (1)(a) Any person involved in the construction of the state route
22 number 520 bridge replacement and HOV project may apply for deferral of
23 state and local sales and use taxes on the site preparation for, the
24 construction of, the acquisition of any related machinery and equipment
25 that will become a part of, and the rental of equipment for use in, the
26 project.

27 (b) Application shall be made to the department of revenue in a
28 form and manner prescribed by the department of revenue. The
29 application must contain information regarding estimated or actual
30 costs, time schedules for completion and operation, and other
31 information required by the department of revenue. The department of
32 revenue shall approve the application within sixty days if it meets the
33 requirements of this section.

34 (2) The department of revenue shall issue a sales and use tax
35 deferral certificate for state and local sales and use taxes imposed or
36 authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW
37 81.104.170 on the project.

1 (3) A person granted a tax deferral under this section shall begin
2 paying the deferred taxes in the fifth year after the date certified by
3 the department of revenue as the date on which the project is
4 operationally complete. The project is operationally complete under
5 this section when the replacement bridge is constructed and opened to
6 traffic. The first payment is due on December 31st of the fifth
7 calendar year after the certified date, with subsequent annual payments
8 due on December 31st of the following nine years. Each payment shall
9 equal ten percent of the deferred tax.

10 (4) The department of revenue may authorize an accelerated
11 repayment schedule upon request of a person granted a deferral under
12 this section.

13 (5) Interest shall not be charged on any taxes deferred under this
14 section for the period of deferral, although all other penalties and
15 interest applicable to delinquent excise taxes may be assessed and
16 imposed for delinquent payments under this section. The debt for
17 deferred taxes is not extinguished by insolvency or other failure of
18 any private entity granted a deferral under this section.

19 (6) Applications and any other information received by the
20 department of revenue under this section are not confidential and are
21 subject to disclosure. Chapter 82.32 RCW applies to the administration
22 of this section.

23 (7) For purposes of this section, "person" has the same meaning as
24 in RCW 82.04.030 and also includes the department of transportation.

25 NEW SECTION. **Sec. 8.** Section 6 of this act expires February 1,
26 2009.

--- END ---

ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1773

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives
Clibborn and Jarrett)

READ FIRST TIME 02/04/08.

1 AN ACT Relating to the imposition of tolls; amending RCW 47.56.030,
2 47.56.040, 47.56.070, 47.56.076, 47.56.078, 47.56.120, 47.56.240,
3 35.74.050, 36.120.050, 36.73.040, 47.29.060, 47.58.030, 47.60.010, and
4 53.34.010; reenacting and amending RCW 43.79A.040; adding new sections
5 to chapter 47.56 RCW; repealing RCW 47.56.0761 and 47.56.080; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** The legislature finds and declares that it
9 is the policy of the state of Washington to use tolling to provide a
10 source of transportation funding and to encourage effective use of the
11 transportation system.

12 The legislature intends that the policy framework created by this
13 act will guide subsequent legislation and decisions regarding the
14 tolling of specific facilities and corridors. For each state-owned
15 facility or corridor, the legislature intends that it will authorize
16 the budget and finance plan. Specific issues that may be addressed in
17 the finance plan and budget authorization legislation include the
18 amount of financing required for a facility or corridor, the budget for

1 any construction and operations financed by tolling, whether and how
2 variable pricing will be applied, and the timing of tolling.

3 The legislature also intends that while the transportation
4 commission, as the toll-setting authority, may set toll rates for
5 facilities, corridors, or systems thereof, the legislature reserves the
6 authority to impose tolls on any state transportation route or
7 facility. Similarly, local or quasi-local entities that retain the
8 power to impose tolls may do so as long as the effect of those tolls on
9 the state highway system is consistent with the policy guidelines
10 detailed in this act. If the imposition of tolls could have an impact
11 on state facilities, the state tolling authority must review and
12 approve such tolls.

13 NEW SECTION. **Sec. 2.** This subchapter applies only to all state
14 toll bridges and other state toll facilities, excluding the Washington
15 state ferries, first authorized within this state after July 1, 2008.

16 NEW SECTION. **Sec. 3.** The definitions in this section apply
17 throughout this subchapter unless the context clearly requires
18 otherwise:

19 (1) "Tolling authority" means the governing body that is legally
20 empowered to review and adjust toll rates. Unless otherwise delegated,
21 the transportation commission is the tolling authority for all state
22 highways.

23 (2) "Eligible toll facility" or "eligible toll facilities" means
24 portions of the state highway system specifically identified by the
25 legislature including, but not limited to, transportation corridors,
26 bridges, crossings, interchanges, on-ramps, off-ramps, approaches,
27 bistate facilities, and interconnections between highways.

28 (3) "Toll revenue" or "revenue from an eligible toll facility"
29 means toll receipts, all interest income derived from the investment of
30 toll receipts, and any gifts, grants, or other funds received for the
31 benefit of the eligible toll facility.

32 NEW SECTION. **Sec. 4.** (1) Unless otherwise delegated, only the
33 legislature may authorize the imposition of tolls on eligible toll
34 facilities.

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

5 (a) To cover the operating costs of the eligible toll facility,
6 including necessary maintenance, preservation, administration, and toll
7 enforcement by public law enforcement within the boundaries of the
8 facility;

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

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

14 (d) To provide for the operations of conveyances of people or
15 goods; or

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

17 NEW SECTION. **Sec. 5.** Any proposal for the establishment of
18 eligible toll facilities shall consider the following policy
19 guidelines:

20 (1) Overall direction. Washington should use tolling to encourage
21 effective use of the transportation system and provide a source of
22 transportation funding.

23 (2) When to use tolling. Tolling should be used when it can be
24 demonstrated to contribute a significant portion of the cost of a
25 project that cannot be funded solely with existing sources or optimize
26 the performance of the transportation system. Such tolling should, in
27 all cases, be fairly and equitably applied in the context of the
28 statewide transportation system and not have significant adverse
29 impacts through the diversion of traffic to other routes that cannot
30 otherwise be reasonably mitigated. Such tolling should also consider
31 relevant social equity, environmental, and economic issues, and should
32 be directed at making progress toward the state's greenhouse gas
33 reduction goals.

34 (3) Use of toll revenue. All revenue from an eligible toll
35 facility must be used only to improve, preserve, manage, or operate the
36 eligible toll facility on or in which the revenue is collected.

1 Additionally, toll revenue should provide for and encourage the
2 inclusion of recycled and reclaimed construction materials.

3 (4) Setting toll rates. Toll rates, which may include variable
4 pricing, must be set to meet anticipated funding obligations. To the
5 extent possible, the toll rates should be set to optimize system
6 performance, recognizing necessary trade-offs to generate revenue.

7 (5) Duration of toll collection. Because transportation
8 infrastructure projects have costs and benefits that extend well beyond
9 those paid for by initial construction funding, tolls on future toll
10 facilities may remain in place to fund additional capacity, capital
11 rehabilitation, maintenance, management, and operations, and to
12 optimize performance of the system.

13 NEW SECTION. **Sec. 6.** (1) A tolling advisory committee may be
14 created at the direction of the tolling authority for any eligible toll
15 facilities. The tolling authority shall appoint nine members to the
16 committee, all of whom must be permanent residents of the affected
17 project area as defined for each project. Members of the committee
18 shall serve without receiving compensation.

19 (2) The tolling advisory committee shall serve in an advisory
20 capacity to the tolling authority on all matters related to the
21 imposition of tolls including, but not limited to: (a) The feasibility
22 of providing discounts; (b) the trade-off of lower tolls versus the
23 early retirement of debt; and (c) consideration of variable or time of
24 day pricing.

25 (3) In setting toll rates, the tolling authority shall consider
26 recommendations of the tolling advisory committee.

27 NEW SECTION. **Sec. 7.** (1) Unless these powers are otherwise
28 delegated by the legislature, the transportation commission is the
29 tolling authority for the state. The tolling authority shall:

30 (a) Set toll rates, establish appropriate exemptions, if any, and
31 make adjustments as conditions warrant on eligible toll facilities;

32 (b) Review toll collection policies, toll operations policies, and
33 toll revenue expenditures on the eligible toll facilities and report
34 annually on this review to the legislature.

35 (2) The tolling authority, in determining toll rates, shall
36 consider the policy guidelines established in section 5 of this act.

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

4 (a) Meet the operating costs of the eligible toll facilities,
5 including necessary maintenance, preservation, administration, and toll
6 enforcement by public law enforcement;

7 (b) Meet obligations for the repayment of debt and interest on the
8 eligible toll facilities, and any other associated financing costs
9 including, but not limited to, required reserves, minimum debt coverage
10 or other appropriate contingency funding, and insurance; and

11 (c) Meet any other obligations of the tolling authority to provide
12 its proportionate share of funding contributions for any projects or
13 operations of the eligible toll facilities.

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

20 **Sec. 8.** RCW 47.56.030 and 2002 c 114 s 19 are each amended to read
21 as follows:

22 (1) Except as permitted under chapter 47.29 or 47.46 RCW:

23 (a) Unless otherwise delegated, and subject to section 4 of this
24 act, the department of transportation shall have full charge of the
25 planning, analysis, and construction of all toll bridges and other toll
26 facilities including the Washington state ferries, and the operation
27 and maintenance thereof.

28 (b) The transportation commission shall determine and establish the
29 tolls and charges thereon(~~(, and shall perform all duties and exercise~~
30 ~~all powers relating to the financing, refinancing, and fiscal~~
31 ~~management of all toll bridges and other toll facilities including the~~
32 ~~Washington state ferries, and bonded indebtedness in the manner~~
33 ~~provided by law)).~~

34 (c) Unless otherwise delegated, and subject to section 4 of this
35 act, the department shall have full charge of planning, analysis, and
36 design of all toll facilities. The department may conduct the

1 planning, analysis, and design of toll facilities as necessary to
2 support the legislature's consideration of toll authorization.

3 (d) The department shall utilize and administer toll collection
4 systems that are simple, unified, and interoperable. To the extent
5 practicable, the department shall avoid the use of toll booths. The
6 department shall set the statewide standards and protocols for all toll
7 facilities within the state, including those authorized by local
8 authorities.

9 (e) Except as provided in this section, the department shall
10 proceed with the construction of such toll bridges and other facilities
11 and the approaches thereto by contract in the manner of state highway
12 construction immediately upon there being made available funds for such
13 work and shall prosecute such work to completion as rapidly as
14 practicable. The department is authorized to negotiate contracts for
15 any amount without bid under ~~((d)(i))~~ (e)(i) and (ii) of this
16 subsection:

17 (i) Emergency contracts, in order to make repairs to ferries or
18 ferry terminal facilities or removal of such facilities whenever
19 continued use of ferries or ferry terminal facilities constitutes a
20 real or immediate danger to the traveling public or precludes prudent
21 use of such ferries or facilities; and

22 (ii) Single source contracts for vessel dry dockings, when there is
23 clearly and legitimately only one available bidder to conduct dry dock-
24 related work for a specific class or classes of vessels. The contracts
25 may be entered into for a single vessel dry docking or for multiple
26 vessel dry dockings for a period not to exceed two years.

27 (2) The department shall proceed with the procurement of materials,
28 supplies, services, and equipment needed for the support, maintenance,
29 and use of a ferry, ferry terminal, or other facility operated by
30 Washington state ferries, in accordance with chapter 43.19 RCW except
31 as follows:

32 ~~((Except as provided in (d) of this subsection,))~~ When the
33 secretary of the department of transportation determines in writing
34 that the use of invitation for bid is either not practicable or not
35 advantageous to the state and it may be necessary to make competitive
36 evaluations, including technical or performance evaluations among
37 acceptable proposals to complete the contract award, a contract may be
38 entered into by use of a competitive sealed proposals method, and a

1 formal request for proposals solicitation. Such formal request for
2 proposals solicitation shall include a functional description of the
3 needs and requirements of the state and the significant factors.

4 (b) When purchases are made through a formal request for proposals
5 solicitation the contract shall be awarded to the responsible proposer
6 whose competitive sealed proposal is determined in writing to be the
7 most advantageous to the state taking into consideration price and
8 other evaluation factors set forth in the request for proposals. No
9 significant factors may be used in evaluating a proposal that are not
10 specified in the request for proposals. Factors that may be considered
11 in evaluating proposals include but are not limited to: Price;
12 maintainability; reliability; commonality; performance levels; life
13 cycle cost if applicable under this section; cost of transportation or
14 delivery; delivery schedule offered; installation cost; cost of spare
15 parts; availability of parts and service offered; and the following:

16 (i) The ability, capacity, and skill of the proposer to perform the
17 contract or provide the service required;

18 (ii) The character, integrity, reputation, judgment, experience,
19 and efficiency of the proposer;

20 (iii) Whether the proposer can perform the contract within the time
21 specified;

22 (iv) The quality of performance of previous contracts or services;

23 (v) The previous and existing compliance by the proposer with laws
24 relating to the contract or services;

25 (vi) Objective, measurable criteria defined in the request for
26 proposal. These criteria may include but are not limited to items such
27 as discounts, delivery costs, maintenance services costs, installation
28 costs, and transportation costs; and

29 (vii) Such other information as may be secured having a bearing on
30 the decision to award the contract.

31 (c) When purchases are made through a request for proposal process,
32 proposals received shall be evaluated based on the evaluation factors
33 set forth in the request for proposal. When issuing a request for
34 proposal for the procurement of propulsion equipment or systems that
35 include an engine, the request for proposal must specify the use of a
36 life cycle cost analysis that includes an evaluation of fuel
37 efficiency. When a life cycle cost analysis is used, the life cycle
38 cost of a proposal shall be given at least the same relative importance

1 as the initial price element specified in the request of proposal
2 documents. The department may reject any and all proposals received.
3 If the proposals are not rejected, the award shall be made to the
4 proposer whose proposal is most advantageous to the department,
5 considering price and the other evaluation factors set forth in the
6 request for proposal.

7 ~~((d) If the department is procuring large equipment or systems
8 (e.g., electrical, propulsion) needed for the support, maintenance, and
9 use of a ferry operated by Washington state ferries, the department
10 shall proceed with a formal request for proposal solicitation under
11 this subsection (2) without a determination of necessity by the
12 secretary.))~~

13 **Sec. 9.** RCW 47.56.040 and 1984 c 7 s 248 are each amended to read
14 as follows:

15 The department is empowered, in accordance with the provisions of
16 this chapter, to provide for the establishment and construction of toll
17 bridges upon any public highways of this state together with approaches
18 thereto wherever it is considered necessary or advantageous and
19 practicable for crossing any stream, body of water, gulch, navigable
20 water, swamp, or other topographical formation whether that formation
21 is within this state or constitutes a boundary between this state and
22 an adjoining state or country. ~~((The necessity or advantage and
23 practicability of any such toll bridge shall be determined by the
24 department, and the feasibility of financing any toll bridge in the
25 manner provided by this chapter shall be a primary consideration and
26 determined according to the best judgment of the department.))~~ For the
27 purpose of obtaining information for the consideration of the
28 department upon the construction of any toll bridge or any other
29 matters pertaining thereto, any cognizant officer or employee of the
30 state shall, upon the request of the department, make reasonable
31 examination, investigation, survey, or reconnaissance for the
32 determination of material facts pertaining thereto and report this to
33 the department. The cost of any such examination, investigation,
34 survey, or reconnaissance shall be borne by the department or office
35 conducting these activities from the funds provided for that department
36 or office for its usual functions.

1 **Sec. 10.** RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended
2 to read as follows:

3 The department of transportation may, (~~with the approval of the~~
4 ~~transportation commission~~) in accordance with this chapter, provide
5 for the (~~establishment,~~) construction(~~(,)~~) and operation of toll
6 tunnels, toll roads, and other facilities necessary for their
7 construction and connection with public highways of the state. It may
8 cause surveys to be made to determine the propriety of their
9 (~~establishment,~~) construction(~~(,)~~) and operation, and may acquire
10 rights-of-way and other facilities necessary to carry out the
11 provisions hereof; and may issue, sell, and redeem bonds, and deposit
12 and expend them; secure and remit financial and other assistance in the
13 construction thereof; carry insurance thereon; and handle any other
14 matters pertaining thereto, all of which shall be conducted in the same
15 manner and under the same procedure as provided for the
16 (~~establishing,~~) constructing, operating, and maintaining of toll
17 bridges by the department, insofar as reasonably consistent and
18 applicable. (~~No toll facility, toll bridge, toll road, or toll~~
19 ~~tunnel, shall be combined with any other toll facility for the purpose~~
20 ~~of financing unless such facilities form a continuous project, to the~~
21 ~~end that each such facility or project be self liquidating and self-~~
22 ~~sustaining.~~)

23 **Sec. 11.** RCW 47.56.076 and 2006 c 311 s 19 are each amended to
24 read as follows:

25 (1) Upon approval of a majority of the voters within its boundaries
26 voting on the ballot proposition, (~~and with the approval of the state~~
27 ~~transportation commission or its successor statewide tolling~~
28 ~~authority,~~) a regional transportation investment district may
29 authorize vehicle tolls on a local or regional arterial or a state or
30 federal highway within the boundaries of the district. The department
31 shall administer the collection of vehicle tolls authorized on
32 designated facilities unless otherwise specified in law or by contract,
33 and the commission or its successor statewide tolling authority shall
34 set and impose the tolls in amounts sufficient to implement the
35 regional transportation investment plan under RCW 36.120.020.

36 (2) Consistent with section 4 of this act, vehicle tolls must first

1 be authorized by the legislature if the tolls are imposed on a state
2 route.

3 (3) Consistent with section 7 of this act, vehicle tolls, including
4 any change in an existing toll rate, must first be reviewed and
5 approved by the tolling authority designated in section 7 of this act
6 if the tolls, or change in toll rate, would have a significant impact,
7 as determined by the tolling authority, on the operation of any state
8 facility.

9 **Sec. 12.** RCW 47.56.078 and 2005 c 336 s 25 are each amended to
10 read as follows:

11 (1) Subject to the provisions under chapter 36.73 RCW, a
12 transportation benefit district may authorize vehicle tolls on state
13 routes or federal highways, city streets, or county roads, within the
14 boundaries of the district, unless otherwise prohibited by law. The
15 department of transportation shall administer the collection of vehicle
16 tolls authorized on state routes or federal highways, unless otherwise
17 specified in law or by contract, and the state transportation
18 commission, or its successor, may approve, set, and impose the tolls in
19 amounts sufficient to implement the district's transportation
20 improvement finance plan. The district shall administer the collection
21 of vehicle tolls authorized on city streets or county roads, and shall
22 set and impose the tolls, only with approval of the transportation
23 commission, in amounts sufficient to implement the district's
24 transportation improvement plan. Tolls may vary for type of vehicle,
25 for time of day, for traffic conditions, and/or other factors designed
26 to improve performance of the facility or the transportation network.

27 (2) Consistent with section 4 of this act, vehicle tolls must first
28 be authorized by the legislature if the tolls are imposed on a state
29 route.

30 (3) Consistent with section 7 of this act, vehicle tolls, including
31 any change in an existing toll rate, must first be reviewed and
32 approved by the tolling authority designated in section 7 of this act
33 if the tolls, or change in toll rate, would have a significant impact,
34 as determined by the tolling authority, on the operation of any state
35 facility.

1 **Sec. 13.** RCW 47.56.120 and 1977 ex.s. c 151 s 70 are each amended
2 to read as follows:

3 In the event that (~~the transportation commission should determine~~
4 ~~that~~) any toll bridge should be constructed, all cost thereof
5 including right-of-way, survey, and engineering shall be paid out of
6 any funds available for payment of the cost of such toll bridge under
7 this chapter.

8 **Sec. 14.** RCW 47.56.240 and 1984 c 7 s 265 are each amended to read
9 as follows:

10 Except as otherwise provided in section 7 of this act, the
11 commission is hereby empowered to fix the rates of toll and other
12 charges for all toll bridges built under the terms of this chapter.
13 Toll charges so fixed may be changed from time to time as conditions
14 warrant. The commission, in establishing toll charges, shall give due
15 consideration to the cost of operating and maintaining such toll bridge
16 or toll bridges including the cost of insurance, and to the amount
17 required annually to meet the redemption of bonds and interest payments
18 on them. The tolls and charges shall be at all times fixed at rates to
19 yield annual revenue equal to annual operating and maintenance expenses
20 including insurance costs and all redemption payments and interest
21 charges of the bonds issued for any particular toll bridge or toll
22 bridges as the bonds become due. The bond redemption and interest
23 payments constitute a first direct (~~and exclusive~~) charge and lien on
24 all such tolls and other revenues and interest thereon. Sinking funds
25 created therefrom received from the use and operation of the toll
26 bridge or toll bridges, and such tolls and revenues together with the
27 interest earned thereon shall constitute a trust fund for the security
28 and payment of such bonds and shall not be used or pledged for any
29 other purpose as long as any of these bonds are outstanding and unpaid.

30 **Sec. 15.** RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended
31 to read as follows:

32 A city or town may build and maintain toll bridges and charge and
33 collect tolls thereon, and to that end may provide a system and elect
34 or appoint persons to operate the same, or the said bridges may be made
35 free, as it may elect.

1 Consistent with section 7 of this act, any toll proposed under this
2 section, including any change in an existing toll rate, must first be
3 reviewed and approved by the tolling authority designated in section 7
4 of this act if the toll, or change in toll rate, would have a
5 significant impact, as determined by the tolling authority, on the
6 operation of any state facility.

7 **Sec. 16.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to
8 read as follows:

9 (1) A regional transportation investment district planning
10 committee may, as part of a regional transportation investment plan,
11 recommend the imposition or authorization of some or all of the
12 following revenue sources, which a regional transportation investment
13 district may impose or authorize upon approval of the voters as
14 provided in this chapter:

15 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
16 up to 0.1 percent of the selling price, in the case of a sales tax, or
17 value of the article used, in the case of a use tax, upon the
18 occurrence of any taxable event in the regional transportation
19 investment district;

20 (b) A local option vehicle license fee, as specified under RCW
21 82.80.100, of up to one hundred dollars per vehicle registered in the
22 district. As used in this subsection, "vehicle" means motor vehicle as
23 defined in RCW 46.04.320. Certain classes of vehicles, as defined
24 under chapter 46.04 RCW, may be exempted from this fee;

25 (c) A parking tax under RCW 82.80.030;

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

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

28 (f) An employer excise tax under RCW 81.100.030; and

29 (g) Vehicle tolls on new or reconstructed local or regional
30 arterials or state (~~or federal highways~~) routes within the boundaries
31 of the district, if the following conditions are met:

32 (~~(i) ((Any such toll must be approved by the state transportation~~
33 ~~commission or its successor statewide tolling authority;~~

34 ~~(ii))~~ Consistent with section 4 of this act, the vehicle toll must
35 first be authorized by the legislature if the toll is imposed on a
36 state route;

1 (ii) Consistent with section 7 of this act, 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 section 7 of this
4 act if the toll, or change in toll rate, would have a significant
5 impact, as determined by the tolling authority, on the operation of any
6 state facility;

7 (iii) The regional transportation investment plan must identify the
8 facilities that may be tolled; and

9 ~~((iii))~~ (iv) Unless otherwise specified by law, the department
10 shall administer the collection of vehicle tolls on designated
11 facilities, and the state transportation commission, or its successor,
12 shall be the tolling authority, and shall act in accordance with
13 section 7 of this act.

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

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

25 **Sec. 17.** RCW 36.73.040 and 2005 c 336 s 4 are each amended to read
26 as follows:

27 (1) A transportation benefit district is a quasi-municipal
28 corporation, an independent taxing "authority" within the meaning of
29 Article VII, section 1 of the state Constitution, and a "taxing
30 district" within the meaning of Article VII, section 2 of the state
31 Constitution.

32 (2) A transportation benefit district constitutes a body corporate
33 and possesses all the usual powers of a corporation for public purposes
34 as well as all other powers that may now or hereafter be specifically
35 conferred by statute, including, but not limited to, the authority to
36 hire employees, staff, and services, to enter into contracts, to

1 acquire, hold, and dispose of real and personal property, and to sue
2 and be sued. Public works contract limits applicable to the
3 jurisdiction that established the district apply to the district.

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

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

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

9 (c) A fee or charge in accordance with RCW 36.73.120. However, if
10 a county or city within the district area is levying a fee or charge
11 for a transportation improvement, the fee or charge shall be credited
12 against the amount of the fee or charge imposed by the district.
13 Developments consisting of less than twenty residences are exempt from
14 the fee or charge under RCW 36.73.120; and

15 (d) Vehicle tolls on state routes (~~(or federal highways)~~), city
16 streets, or county roads, within the boundaries of the district, unless
17 otherwise prohibited by law. However, consistent with section 4 of
18 this act, the vehicle toll must first be authorized by the legislature
19 if the toll is imposed on a state route. The department of
20 transportation shall administer the collection of vehicle tolls
21 authorized on state routes (~~(or federal highways)~~), unless otherwise
22 specified in law or by contract, and the state transportation
23 commission, or its successor, may approve, set, and impose the tolls in
24 amounts sufficient to implement the district's transportation
25 improvement finance plan. The district shall administer the collection
26 of vehicle tolls authorized on city streets or county roads, and shall
27 set and impose(~~(, only with approval of the transportation commission,~~
28 ~~or its successor,)~~) the tolls in amounts sufficient to implement the
29 district's transportation improvement plan. However, consistent with
30 section 7 of this act, the vehicle toll, including any change in an
31 existing toll rate, must first be reviewed and approved by the tolling
32 authority designated in section 7 of this act if the toll, or change in
33 toll rate, would have a significant impact, as determined by the
34 tolling authority, on the operation of any state facility.

35 **Sec. 18.** RCW 47.29.060 and 2005 c 317 s 6 are each amended to read
36 as follows:

37 (1) Subject to the limitations in this section, the department may,

1 in connection with the evaluation of eligible projects, consider any
2 financing mechanisms identified under subsections (3) through (5) of
3 this section or any other lawful source, either integrated as part of
4 a project proposal or as a separate, stand-alone proposal to finance a
5 project. Financing may be considered for all or part of a proposed
6 project. A project may be financed in whole or in part with:

7 (a) The proceeds of grant anticipation revenue bonds authorized by
8 23 U.S.C. Sec. 122 and applicable state law. Legislative authorization
9 and appropriation is required in order to use this source of financing;

10 (b) Grants, loans, loan guarantees, lines of credit, revolving
11 lines of credit, or other financing arrangements available under the
12 Transportation Infrastructure Finance and Innovation Act under 23
13 U.S.C. Sec. 181 et seq., or any other applicable federal law;

14 (c) Infrastructure loans or assistance from the state
15 infrastructure bank established by RCW 82.44.195;

16 (d) Federal, state, or local revenues, subject to appropriation by
17 the applicable legislative authority;

18 (e) User fees, tolls, fares, lease proceeds, rents, gross or net
19 receipts from sales, proceeds from the sale of development rights,
20 franchise fees, or any other lawful form of consideration. However,
21 projects financed by tolls or equivalent funding sources must first be
22 authorized by the legislature under section 4 of this act.

23 (2) As security for the payment of financing described in this
24 section, the revenues from the project may be pledged, but no such
25 pledge of revenues constitutes in any manner or to any extent a general
26 obligation of the state. Any financing described in this section may
27 be structured on a senior, parity, or subordinate basis to any other
28 financing.

29 (3) For any transportation project developed under this chapter
30 that is owned, leased, used, or operated by the state, as a public
31 facility, if indebtedness is issued, it must be issued by the state
32 treasurer for the transportation project.

33 (4) For other public projects defined in RCW 47.29.050(2) that are
34 developed in conjunction with a transportation project, financing
35 necessary to develop, construct, or operate the public project must be
36 approved by the state finance committee or by the governing board of a
37 public benefit corporation as provided in the federal Internal Revenue
38 Code section 63-20;

1 (5) For projects that are developed in conjunction with a
2 transportation project but are not themselves a public facility or
3 public project, any lawful means of financing may be used.

4 **Sec. 19.** RCW 47.58.030 and 1984 c 7 s 290 are each amended to read
5 as follows:

6 Except as otherwise provided in section 7 of this act, the
7 secretary shall have full charge of the construction of all such
8 improvements and reconstruction work and the construction of any
9 additional bridge, including approaches and connecting highways, that
10 may be authorized under this chapter and the operation of such bridge
11 or bridges, as well as the collection of tolls and other charges for
12 services and facilities thereby afforded. The schedule of charges for
13 the services and facilities shall be fixed and revised from time to
14 time by the commission so that the tolls and revenues collected will
15 yield annual revenue and income sufficient, after payment or allowance
16 for all operating, maintenance, and repair expenses, to pay the
17 interest on all revenue bonds outstanding under the provisions of this
18 chapter for account of the project and to create a sinking fund for the
19 retirement of the revenue bonds at or prior to maturity. The charges
20 shall be continued until all such bonds and interest thereon and unpaid
21 advancements, if any, have been paid.

22 **Sec. 20.** RCW 47.60.010 and 1984 c 18 s 1 are each amended to read
23 as follows:

24 The department is authorized to acquire by lease, charter,
25 contract, purchase, condemnation, or construction, and partly by any or
26 all of such means, and to thereafter operate, improve, and extend, a
27 system of ferries on and crossing Puget Sound and any of its tributary
28 waters and connections thereof, and connecting with the public streets
29 and highways in the state. The system of ferries shall include such
30 boats, vessels, wharves, docks, approaches, landings, franchises,
31 licenses, and appurtenances as shall be determined by the department to
32 be necessary or desirable for efficient operation of the ferry system
33 and best serve the public. Subject to section 4 of this act, the
34 department may in like manner acquire by purchase, condemnation, or
35 construction and include in the ferry system such toll bridges,
36 approaches, and connecting roadways as may be deemed by the department

1 advantageous in channeling traffic to points served by the ferry
2 system. In addition to the powers of acquisition granted by this
3 section, the department is empowered to enter into any contracts,
4 agreements, or leases with any person, firm, or corporation and to
5 thereby provide, on such terms and conditions as it shall determine,
6 for the operation of any ferry or ferries or system thereof, whether
7 acquired by the department or not.

8 The authority of the department to sell and lease back any state
9 ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec.
10 168(f)(8) is confirmed. Legal title and all incidents of legal title
11 to any ferry sold and leased back (except for the federal tax benefits
12 attributable to the ownership thereof) shall remain in the state of
13 Washington.

14 **Sec. 21.** RCW 53.34.010 and 1984 c 7 s 365 are each amended to read
15 as follows:

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

- 27 (1) Toll bridges;
28 (2) Tunnels under or upon the beds of any river, stream, or other
29 body of water, or through mountain ranges.

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

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

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

13 NEW SECTION. Sec. 22. The following acts or parts of acts are
14 each repealed:

- 15 (1) RCW 47.56.0761 (Regional transportation investment district--
16 Tolls on Lake Washington bridges) and 2006 c 311 s 20; and
- 17 (2) RCW 47.56.080 (Construction of toll bridges and issuance of
18 bonds authorized) and 1977 ex.s. c 151 s 68 & 1961 c 13 s 47.56.080.

19 NEW SECTION. Sec. 23. A new section is added to chapter 47.56 RCW
20 to read as follows:

21 The toll collection account is created in the custody of the state
22 treasurer. All receipts from prepaid customer tolls must be deposited
23 into the account. Distributions from the account may be used only to
24 refund customers' prepaid tolls or for distributions into the
25 appropriate toll facility account. Distributions into the appropriate
26 toll facility account shall be based on charges incurred at each toll
27 facility and shall include a proportionate share of interest earned
28 from amounts deposited into the account. For purposes of accounting,
29 distributions from the account constitute earned toll revenues in the
30 receiving toll facility account at the time of distribution. Only the
31 secretary of transportation or the secretary's designee may authorize
32 distributions from the account. Distributions of revenue and refunds
33 from this account are not subject to the allotment procedures under
34 chapter 43.88 RCW and an appropriation is not required.

1 **Sec. 24.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and
2 2007 c 214 s 14 are each reenacted and amended to read as follows:

3 (1) Money in the treasurer's trust fund may be deposited, invested,
4 and reinvested by the state treasurer in accordance with RCW 43.84.080
5 in the same manner and to the same extent as if the money were in the
6 state treasury.

7 (2) All income received from investment of the treasurer's trust
8 fund shall be set aside in an account in the treasury trust fund to be
9 known as the investment income account.

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

18 (4)(a) Monthly, the state treasurer shall distribute the earnings
19 credited to the investment income account to the state general fund
20 except under (b) and (c) of this subsection.

21 (b) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's or fund's
23 average daily balance for the period: The Washington promise
24 scholarship account, the college savings program account, the
25 Washington advanced college tuition payment program account, the
26 agricultural local fund, the American Indian scholarship endowment
27 fund, the foster care scholarship endowment fund, the foster care
28 endowed scholarship trust fund, the students with dependents grant
29 account, the basic health plan self-insurance reserve account, the
30 contract harvesting revolving account, the Washington state combined
31 fund drive account, the commemorative works account, the Washington
32 international exchange scholarship endowment fund, the toll collection
33 account, the developmental disabilities endowment trust fund, the
34 energy account, the fair fund, the family leave insurance account, the
35 fruit and vegetable inspection account, the future teachers conditional
36 scholarship account, the game farm alternative account, the GET ready
37 for math and science scholarship account, the grain inspection
38 revolving fund, the juvenile accountability incentive account, the law

1 enforcement officers' and firefighters' plan 2 expense fund, the local
2 tourism promotion account, the produce railcar pool account, the
3 regional transportation investment district account, the rural
4 rehabilitation account, the stadium and exhibition center account, the
5 youth athletic facility account, the self-insurance revolving fund, the
6 sulfur dioxide abatement account, the children's trust fund, the
7 Washington horse racing commission Washington bred owners' bonus fund
8 account, the Washington horse racing commission class C purse fund
9 account, the individual development account program account, the
10 Washington horse racing commission operating account (earnings from the
11 Washington horse racing commission operating account must be credited
12 to the Washington horse racing commission class C purse fund account),
13 the life sciences discovery fund, the Washington state heritage center
14 account, and the reading achievement account. However, the earnings to
15 be distributed shall first be reduced by the allocation to the state
16 treasurer's service fund pursuant to RCW 43.08.190.

17 (c) The following accounts and funds shall receive eighty percent
18 of their proportionate share of earnings based upon each account's or
19 fund's average daily balance for the period: The advanced right-of-way
20 revolving fund, the advanced environmental mitigation revolving
21 account, the city and county advance right-of-way revolving fund, the
22 federal narcotics asset forfeitures account, the high occupancy vehicle
23 account, the local rail service assistance account, and the
24 miscellaneous transportation programs account.

25 (5) In conformance with Article II, section 37 of the state
26 Constitution, no trust accounts or funds shall be allocated earnings
27 without the specific affirmative directive of this section.

28 NEW SECTION. **Sec. 25.** Sections 1 through 7 of this act are each
29 added to chapter 47.56 RCW under the subchapter heading "toll
30 facilities created after July 1, 2008."

31 NEW SECTION. **Sec. 26.** Sections 23 and 24 of this act are
32 necessary for the immediate preservation of the public peace, health,
33 or safety, or support of the state government and its existing public
34 institutions, and take effect immediately.

--- END ---