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**SUBSTITUTE SENATE BILL 5700**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Haugen and King)

READ FIRST TIME 02/10/11.

1           AN ACT Relating to certain toll facilities; amending RCW 47.10.882,  
2 47.10.887, 47.10.888, and 47.56.810; reenacting RCW 47.10.886; adding  
3 a new section to chapter 47.56 RCW; creating a new section; and  
4 declaring an emergency.

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

6           NEW SECTION.   **Sec. 1.** The legislature recognizes that Washington  
7 voters strongly supported Initiative Measure No. 1053 during the 2010  
8 general election, which indicates the clear desire on the part of the  
9 state's citizens that legislators approve any new fees or increases to  
10 existing fees. The legislature further recognizes that during the 2009  
11 legislative session tolling was authorized on the state route number  
12 520 corridor, bonds were authorized to finance construction of corridor  
13 projects, and the legislature committed to continue imposing tolls on  
14 the corridor in amounts sufficient to pay the principal and interest on  
15 those bonds. As tolling is scheduled to begin on the corridor in early  
16 April 2011, the legislature intends to honor the voters' clear  
17 direction as identified in Initiative Measure No. 1053 by reviewing the  
18 transportation commission's recommended schedule for tolling charges

1 and explicitly approving those rates applicable to the state route  
2 number 520 corridor.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.56 RCW  
4 to read as follows:

5 (1) Consistent with RCW 43.135.055 and 47.56.805 through 47.56.876,  
6 the legislature approves the action taken by the transportation  
7 commission on January 5, 2011, adopting amended rules to set the  
8 schedule of toll rates applicable to the state route number 520  
9 corridor. The legislature approves the delegation to the  
10 transportation commission, as the tolling authority for the state, of  
11 the authority to set and adjust toll rates on the state route number  
12 520 corridor in accordance with the requirements and guidelines set  
13 forth in RCW 47.56.830, 47.56.850, and 47.56.870. The transportation  
14 commission may adjust the toll rates, as identified in the adopted  
15 schedule of toll rates, only in amounts not greater than those  
16 sufficient to meet (a) the operating costs of the state route number  
17 520 corridor, including necessary maintenance, preservation, renewal,  
18 replacement, administration, and toll enforcement by public law  
19 enforcement and (b) obligations for the timely payment of debt service  
20 on bonds issued under chapter 498, Laws of 2009 and this act, and any  
21 other associated financing costs including, but not limited to,  
22 required reserves, minimum debt coverage or other appropriate  
23 contingency funding, insurance, and compliance with all other financial  
24 and other covenants made by the state in the bond proceedings. Prior  
25 to the convening of each regular session of the legislature, the  
26 transportation commission must provide the transportation committees of  
27 the legislature with a detailed report regarding any increase or  
28 decrease in any toll rate approved by the commission that has not been  
29 described in a previous report provided pursuant to this subsection  
30 (1), along with a detailed justification for each such increase or  
31 decrease.

32 (2) Consistent with RCW 43.135.055 and 47.46.100, the legislature  
33 approves the action taken by the transportation commission on January  
34 25, 2011, adopting amended rules to set the schedule of photo toll, or  
35 "pay by mail," charges applicable to the Tacoma Narrows bridge.

36 (3) Consistent with RCW 43.135.055 and 47.56.795(6), the  
37 legislature approves the action taken by the transportation commission

1 on January 5, 2011, adopting amended rules concerning the assessment of  
2 administrative fees for toll collection processes. The administrative  
3 fees must not exceed toll collection costs.

4 **Sec. 3.** RCW 47.10.882 and 2009 c 498 s 11 are each amended to read  
5 as follows:

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

17 **Sec. 4.** RCW 47.10.886 and 2009 c 498 s 16 are each reenacted to  
18 read as follows:

19 If and to the extent that the state finance committee determines,  
20 in consultation with the department of transportation and the tolling  
21 authority, that it will be beneficial for the state to issue any bonds  
22 authorized in RCW 47.10.879 and 47.10.883 through 47.10.885 as toll  
23 revenue bonds rather than as general obligation bonds, the state  
24 finance committee is authorized to issue and sell, upon the request of  
25 the department of transportation, such bonds as toll revenue bonds and  
26 not as general obligation bonds. Notwithstanding RCW 47.10.883, each  
27 such bond shall contain a recital that payment or redemption of the  
28 bond and payment of the interest and any premium thereon is payable  
29 solely from and secured solely by a direct pledge, charge, and lien  
30 upon toll revenue and is not a general obligation of the state to which  
31 the full faith and credit of the state is pledged.

32 Toll revenue is hereby pledged to the payment of any bonds and the  
33 interest thereon issued under the authority of this section, and the  
34 legislature agrees to continue to impose these toll charges on the  
35 state route number 520 corridor, and on any other eligible toll  
36 facility designated by the legislature and on which the imposition of

1 tolls is authorized by the legislature in respect of the bonds, in  
2 amounts sufficient to pay, when due, the principal and interest on all  
3 bonds issued under the authority of this section.

4 **Sec. 5.** RCW 47.10.887 and 2009 c 498 s 17 are each amended to read  
5 as follows:

6 The state finance committee may determine and include in any  
7 resolution authorizing the issuance of any bonds under chapter 498,  
8 Laws of 2009 and this act, such terms, provisions, covenants, and  
9 conditions as it may deem appropriate in order to assist with the  
10 marketing and sale of the bonds, confer rights upon the owners of  
11 bonds, and safeguard rights of the owners of bonds including, among  
12 other things:

13 (1) Provisions regarding the maintenance and operation of eligible  
14 toll facilities;

15 (2) The pledges, uses, and priorities of application of toll  
16 revenue;

17 (3) Provisions that bonds shall be payable from and secured solely  
18 by toll revenue as provided by RCW 47.10.886, or shall be payable from  
19 and secured by both toll revenue and by a pledge of excise taxes on  
20 motor vehicle and special fuels and the full faith and credit of the  
21 state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

22 (4) In consultation with the department of transportation and the  
23 tolling authority, financial covenants requiring that the eligible toll  
24 facilities must produce specified coverage ratios of toll revenue to  
25 debt service on bonds;

26 (5) The purposes and conditions that must be satisfied prior to the  
27 issuance of any additional bonds that are to be payable from and  
28 secured by any toll revenue on an equal basis with previously issued  
29 and outstanding bonds payable from and secured by toll revenue;

30 (6) Provisions that bonds for which any toll revenue are pledged,  
31 or for which a pledge of any toll revenue may be reserved, may be  
32 structured on a senior, parity, subordinate, or special lien basis in  
33 relation to any other bonds for which toll revenue is pledged, with  
34 respect to toll revenue only; and

35 (7) Provisions regarding reserves, credit enhancement, liquidity  
36 facilities, and payment agreements with respect to bonds.

1 Notwithstanding the foregoing, covenants and conditions detailing  
2 the character of management, maintenance, and operation of eligible  
3 toll facilities, insurance for eligible toll facilities, financial  
4 management of toll revenue, and disposition of eligible toll facilities  
5 must first be approved by the department of transportation.

6 The owner of any bond may by mandamus or other appropriate  
7 proceeding require and compel performance of any duties imposed upon  
8 the tolling authority and the department of transportation and their  
9 respective officials, including any duties imposed upon or undertaken  
10 by them or by their respective officers, agents, and employees, in  
11 connection with the construction, maintenance, and operation of  
12 eligible toll facilities and in connection with the collection,  
13 deposit, investment, application, and disbursement of the proceeds of  
14 the bonds and toll revenue.

15 **Sec. 6.** RCW 47.10.888 and 2009 c 498 s 18 are each amended to read  
16 as follows:

17 (1) For the purposes of chapter 498, Laws of 2009 and this act,  
18 "toll revenue" means all toll receipts, all interest income derived  
19 from the investment of toll receipts, and any gifts, grants, or other  
20 funds received for the benefit of transportation facilities in the  
21 state, including eligible toll facilities. However, for the purpose of  
22 any pledge of toll revenue to the payment of particular bonds issued  
23 under chapter 498, Laws of 2009 and this act, "toll revenue" means and  
24 includes only such toll revenue or portion thereof that is pledged to  
25 the payment of those bonds in the resolution authorizing the issuance  
26 of such bonds. Toll revenue constitutes "fees and revenues derived  
27 from the ownership or operation of any undertaking, facility, or  
28 project" as that phrase is used in Article VIII, section 1(c)(1) of the  
29 state Constitution.

30 (2) For the purposes of chapter 498, Laws of 2009 and this act,  
31 "tolling authority" has the same meaning as in RCW 47.56.810.

32 **Sec. 7.** RCW 47.56.810 and 2008 c 122 s 3 are each amended to read  
33 as follows:

34 The definitions in this section apply throughout this subchapter  
35 unless the context clearly requires otherwise:

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

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

10 (3) "Toll revenue" or "revenue from an eligible toll facility"  
11 means toll receipts, all interest income derived from the investment of  
12 toll receipts, and any gifts, grants, or other funds received for the  
13 benefit of ((the)) transportation facilities in the state, including  
14 eligible toll ((facility)) facilities.

15 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
16 preservation of the public peace, health, or safety, or support of the  
17 state government and its existing public institutions, and takes effect  
18 immediately.

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