

EFFECT of PSSB 5488 compared to SB 5488:

- Removes all sections from the original bill including:
  - The one-time transfer totaling \$772,020,000 from the General Fund to various highway accounts, and appropriations to fully pay for outstanding financial obligations related to the Tacoma Narrows Bridge, and
  - The declaration that the bill's provisions constitute full payment of all outstanding financial obligations regarding construction of the TNB and that the TNB must be operated as a toll-free facility.
  
- Requires that the state treasurer make quarterly transfers from the general fund to the TNB toll account of \$3,250,000 beginning with September 2022 and ending July 1, 2032. The total amount that may be transferred pursuant to this subsection is \$130,000,000.
- Modifies the legislative intent of the state contribution loans initiated in 2018 to convey that the legislature intends that the Transportation Commission will adjust tolls with the intended goal of maintaining two-axle toll rates at no more than 75 cents lower than the toll rates in effect as of October 1, 2021.
- States that this modified legislative intent shall not be construed to mean that toll rates for vehicles with three or more axles should be reduced.
- Modifies the requirement that the Transportation Commission report to the legislature regarding the adequate amount of state contributions to the TNB to reflect the new intended goal of maintaining two-axle toll rates at no more than 75 cents lower than the toll rates in effect as of October 1, 2021, and indicates that the toll rate change is expected to be in place by October 1, 2022.

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

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

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

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

9 (1) Deposits to the account must include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~fiscal year 2022))~~ adjust tolls accordingly, in consideration of  
2 annual contributions from nontoll sources and the costs required to  
3 be covered under RCW 47.46.100 with the intended goal of maintaining  
4 two-axle toll rates at no more than 75 cents lower than the toll  
5 rates in effect as of October 1, 2021, until such time as the debt  
6 service and deferred sales tax obligation is fully met according to  
7 the repayment schedule in place as of June 7, 2018, and until any  
8 state contribution loans are fully repaid. The intent in this  
9 subsection shall not be construed to mean that toll rates for  
10 vehicles with three or more axles should be reduced.

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

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

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

26 (1) Through 2031, the commission shall submit to the  
27 transportation committees of the legislature on an annual basis a  
28 report that includes sufficient information to enable the legislature  
29 to determine an adequate amount of contribution from nontoll sources  
30 required for each fiscal biennium to maintain ~~((tolls))~~ toll rates at  
31 no more than ~~((twenty-five cents higher than the toll rates effective~~  
32 ~~at the fiscal year 2018 level))~~ the amount in effect as of October 1,  
33 2022, while also maintaining the debt service plan repayment schedule  
34 in place as of June 7, 2018. The report must be submitted by January  
35 5th of each year.

36 (2) Beginning in 2031, and until such time as the state  
37 contribution loans described in RCW 47.46.190(4) are repaid, the  
38 commission shall submit to the transportation committees of the  
39 legislature on an annual basis a report that includes information

1 detailing the annual expected toll revenue to be used for repayment  
2 of the state contribution loans while maintaining (~~(tolls)~~) toll  
3 rates at no more than (~~(twenty-five cents higher than the toll rates~~  
4 ~~effective at the fiscal year 2018 level)~~) the amount in effect as of  
5 October 1, 2022. The report must be submitted by January 5th of each  
6 year.

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

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