

**ESHB 3096** - S COMM AMD  
By Committee on Transportation

ADOPTED 03/05/2008

1 Strike everything after the enacting clause and insert the  
2 following:

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

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

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

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

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

26 The state route number 520 bridge replacement and HOV project  
27 finance plan must include:

1 (1) Recognition of revenue sources that include: One billion seven  
2 hundred million dollars in state and federal funds allocated to the  
3 project; one billion five hundred million dollars to two billion  
4 dollars in tolling revenue, including early tolls that could begin in  
5 late 2009; eighty-five million dollars in federal urban partnership  
6 grant funds; and other contributions from private and other government  
7 sources; and

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

9 (a) Potential early construction of traffic improvements from the  
10 eastern Lake Washington shoreline to 108th Avenue Northeast in  
11 Bellevue;

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

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

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

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

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

23 (2) The schedule of toll charges must be established by the  
24 transportation commission and collected in a manner determined by the  
25 department.

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

28 The department shall work with the federal highways administration  
29 to determine the necessary actions for receiving federal authorization  
30 to toll the Interstate 90 floating bridge. The department must  
31 periodically report the status of those discussions to the governor and  
32 the joint transportation committee.

33 NEW SECTION. **Sec. 6.** (1) The executive director of the Puget  
34 Sound regional council, the secretary of the department of

1 transportation or his or her designee, and a member of the state  
2 transportation commission from King county shall form a state route  
3 number 520 tolling implementation committee.

4 (2) The committee must:

5 (a) Evaluate the potential diversion of traffic from state route  
6 number 520 to other parts of the transportation system, including state  
7 route number 522 and local roadways, when tolls are implemented on  
8 state route number 520 or other corridors, and recommend mitigation  
9 measures to address the diversion;

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

13 (c) Evaluate available active traffic management technology to  
14 determine the most effective options for technology that could manage  
15 congestion on the state route number 520 bridge and other impacted  
16 facilities;

17 (d) Explore opportunities to partner with the business community to  
18 reduce congestion and financially contribute to the state route number  
19 520 bridge replacement project;

20 (e) Confer with the mayors and city councils of jurisdictions  
21 adjacent to the state route number 520 corridor, the state route number  
22 522 corridor, and the Interstate 90 corridor regarding the  
23 implementation of tolls, the impacts that the implementation of tolls  
24 might have on the operation of the corridors, the diversion of traffic  
25 to local streets, and potential mitigation measures;

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

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

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

35 (iii) Providing incentives and choices for users of the state route  
36 number 520 bridge replacement project to use transit and to carpool;  
37 and

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

3 (g) Provide a report to the governor and the legislature by January  
4 2009.

5 (3) The department of transportation shall provide staff support to  
6 the committee.

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

9 (1)(a) Any person involved in the construction of the state route  
10 number 520 bridge replacement and HOV project may apply for deferral of  
11 state and local sales and use taxes on the site preparation for, the  
12 construction of, the acquisition of any related machinery and equipment  
13 that will become a part of, and the rental of equipment for use in, the  
14 project.

15 (b) Application shall be made to the department of revenue in a  
16 form and manner prescribed by the department of revenue. The  
17 application must contain information regarding estimated or actual  
18 costs, time schedules for completion and operation, and other  
19 information required by the department of revenue. The department of  
20 revenue shall approve the application within sixty days if it meets the  
21 requirements of this section.

22 (2) The department of revenue shall issue a sales and use tax  
23 deferral certificate for state and local sales and use taxes imposed or  
24 authorized under chapters 82.08, 82.12, and 82.14 RCW and RCW  
25 81.104.170 on the project.

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

35 (4) The department of revenue may authorize an accelerated  
36 repayment schedule upon request of a person granted a deferral under  
37 this section.

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

7 (6) Applications and any other information received by the  
8 department of revenue under this section are not confidential and are  
9 subject to disclosure. Chapter 82.32 RCW applies to the administration  
10 of this section.

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

13 NEW SECTION. **Sec. 8.** Section 6 of this act expires February 1,  
14 2009."

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15 On page 1, line 2 of the title, after "project;" strike the  
16 remainder of the title and insert "adding new sections to chapter 47.01  
17 RCW; adding new sections to chapter 47.56 RCW; creating new sections;  
18 and providing an expiration date."

EFFECT: Payment of state and local sales and use tax applicable to  
site acquisition, construction, and equipment related to the SR 520  
bridge replacement project may be deferred until five years after the  
project is open to traffic. The financial plan for the SR 520 bridge  
replacement project must include the assumption of a sales tax  
deferral, rather than a sales tax rebate.

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