
HOUSE BILL 1976

State of Washington 56th Legislature 1999 Regular Session

By Representatives Lantz, Huff, Mielke, Dunshee and Haigh

Read first time 02/12/1999. Referred to Committee on Transportation.

1 AN ACT Relating to restrictions on capitalized costs for public
2 projects; and amending RCW 47.46.050.

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

4 **Sec. 1.** RCW 47.46.050 and 1995 2nd sp.s. c 19 s 4 are each amended
5 to read as follows:

6 (1) The department may enter into agreements using federal, state,
7 and local financing in connection with the projects, including without
8 limitation, grants, loans, and other measures authorized by section
9 1012 of ISTEPA, and to do such things as necessary and desirable to
10 maximize the funding and financing, including the formation of a
11 revolving loan fund to implement this section.

12 (2) Agreements entered into under this section shall authorize the
13 private entity to lease the facilities within a designated area or
14 areas from the state and to impose user fees or tolls within the
15 designated area to allow a reasonable rate of return on investment, as
16 established through a negotiated agreement between the state and the
17 private entity. The negotiated agreement shall determine a maximum
18 rate of return on investment, based on project characteristics. If the

1 negotiated rate of return on investment is not affected, the private
2 entity may establish and modify toll rates and user fees.

3 (3) Agreements may establish "incentive" rates of return beyond the
4 negotiated maximum rate of return on investment. The incentive rates
5 of return shall be designed to provide financial benefits to the
6 affected public jurisdictions and the private entity, given the
7 attainment of various safety, performance, or transportation demand
8 management goals. The incentive rates of return shall be negotiated in
9 the agreement.

10 (4) No appropriation of public funds for public-private
11 partnerships for state route number 16 corridor improvements or the
12 Tacoma Narrows bridge, or any other expenditure of funds, that came
13 from the proceeds of the bonds authorized under RCW 47.10.834 through
14 47.10.842 may be required to be repaid to the state from the revenue
15 derived from tolls or user fees imposed on the state route number 16
16 corridor.

17 (5) Agreements shall require that over the term of the ownership or
18 lease the user fees or toll revenues be applied only to payment of the
19 private entity's capital outlay costs for the project, including
20 project development costs, interest expense, the costs associated with
21 design, construction, operations, toll collection, maintenance and
22 administration of the project, reimbursement to the state for all costs
23 associated with an election as required under RCW 47.46.030, the costs
24 of project review and oversight, technical and law enforcement
25 services, establishment of a fund to assure the adequacy of maintenance
26 expenditures, and a reasonable return on investment to the private
27 entity. A negotiated agreement shall not extend the term of the
28 ownership or lease beyond the period of time required for payment of
29 the private entity's capital outlay costs for the project under this
30 subsection.

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