
SENATE BILL 6041

State of Washington

56th Legislature

1999 Regular Session

By Senators Rasmussen, Roach, Gardner, Patterson, Haugen, Heavey and Johnson

Read first time 02/24/1999. Referred to Committee on Transportation.

1 AN ACT Relating to public-private transportation initiatives; and
2 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
19 negotiated rate of return on investment is not affected, the private

1 entity may establish and modify toll rates and user fees. A requested
2 modification in the toll rate or user fees authorized under this
3 chapter that would result in a rate or fees greater than that rate or
4 fee established and approved by the voters in the advisory vote will
5 automatically place the individual public-private initiatives project,
6 from the request date forward, under the control and governance of the
7 Washington utilities and transportation commission as if the private
8 entity were a "service company" and requires that entity to comply with
9 all laws, rules, and regulations implemented or imposed by the
10 utilities and transportation commission.

11 (3) Agreements may establish "incentive" rates of return beyond the
12 negotiated maximum rate of return on investment. The incentive rates
13 of return shall be designed to provide financial benefits to the
14 affected public jurisdictions and the private entity, given the
15 attainment of various safety, performance, or transportation demand
16 management goals. The incentive rates of return shall be negotiated in
17 the agreement.

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

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