
SUBSTITUTE HOUSE BILL 1773

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Clibborn and Jarrett)

READ FIRST TIME 2/28/07.

1 AN ACT Relating to the imposition of tolls; amending RCW 47.56.030,
2 47.56.070, 47.56.075, 47.56.0761, 47.56.240, and 35.74.050; and adding
3 new sections to chapter 47.56 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.56 RCW
6 to read as follows:

7 (1) Unless otherwise delegated, only the legislature may authorize
8 the imposition of tolls on a specific facility or corridor.

9 (2) All revenue from a tolled facility or corridor must be used
10 only to improve, preserve, or operate the tolled facility or corridor
11 on or in which the revenue is collected. For the purposes of this
12 chapter, "facility or corridor" means the following: (a) A bridge,
13 highway, or roadway; (b) a vessel, bus, vehicle, or other conveyance of
14 people or goods; or (c) a system of facilities or corridors as defined
15 by the tolling authority. The expenditure of toll revenues is subject
16 to section 3 of this act.

17 (3) Any proposal for the initial establishment of a tolled facility
18 or corridor shall consider the following policy guidelines:

1 (a) Overall Direction. Washington should use tolling to encourage
2 effective use of the transportation system and provide a supplementary
3 source of transportation funding.

4 (b) When to Use Tolling. Tolling should be used when it can be
5 demonstrated to contribute a significant portion of the cost of a
6 project that cannot be funded solely with existing sources or optimize
7 the performance of the transportation system. Such tolling should in
8 all cases be fairly and equitably applied in the context of the
9 statewide transportation system and not have significant adverse
10 impacts through the diversion of traffic to other routes.

11 (c) Use of Toll Revenue. All revenue from a tolled facility or
12 corridor must be used only to improve, preserve, or operate the tolled
13 facility or corridor on or in which the revenue is collected.

14 (d) Setting Toll Rates. Toll rates, which may include variable
15 pricing, should be set to optimize system performance, recognizing
16 necessary trade-offs to generate revenue.

17 (e) Duration of Toll Collection. Because transportation
18 infrastructure projects have costs and benefits that extend well beyond
19 those paid for by initial construction funding, tolls should remain in
20 place to fund additional capacity, capital rehabilitation, maintenance,
21 and operations, and to optimize performance of the system.

22 (4) A citizen advisory committee may be created at the direction of
23 the legislature or the transportation commission for any tolled
24 facility or corridor. The governor shall appoint nine members to the
25 committee, all of whom must be permanent residents of the affected
26 project area as defined for each project. Members of the committee
27 shall serve without receiving compensation.

28 (a) The citizen advisory committee shall serve in an advisory
29 capacity to the transportation commission on all matters related to the
30 imposition of tolls including, but not limited to: (i) The feasibility
31 of providing discounts to frequent users, electronic transponder users,
32 senior citizens, or students; (ii) the trade-off of lower tolls versus
33 the early retirement of debt; and (iii) consideration of variable or
34 time of day pricing.

35 (b) If a citizen advisory committee is created, a toll rate or
36 variable tolling plan may not be imposed or modified unless the citizen
37 advisory committee has been given at least twenty days to review and

1 comment on any proposed toll rate schedule. In setting toll rates, the
2 transportation commission shall consider recommendations of the citizen
3 advisory committee.

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

6 (1) In addition to any other powers granted under law, the
7 transportation commission, as the tolling authority in the state, may:

8 (a) Set toll rates, establish appropriate exemptions, and make
9 adjustments as conditions warrant;

10 (b) Establish and approve toll collection and toll operations
11 policies on the affected facility or corridor;

12 (c) Collect and remit toll revenues to the custody of the state
13 treasurer for deposit in a special toll account or, where the authority
14 is specifically authorized by law, pledge revenues for the repayment of
15 debt or as a capital contribution to improvements on the facility or
16 corridor;

17 (d) Enter into contracts for the necessary construction,
18 reconstruction, operations, maintenance, preservation, or other
19 improvements to the facility or corridor.

20 (2) The commission, in determining toll rates, shall consider the
21 policy guidelines established in section 1 of this act.

22 (3) In setting and periodically adjusting toll rates, the toll
23 authority must ensure that toll rates will generate revenue sufficient
24 to:

25 (a) Cover the operating costs of the facility or corridor,
26 including necessary maintenance, preservation, administration, and toll
27 enforcement by public law enforcement;

28 (b) Meet obligations for the repayment of debt and interest
29 thereon, and any other associated financing costs including, but not
30 limited to, required reserves and insurance; and

31 (c) Meet any other obligations of the toll authority to provide its
32 proportionate share of funding contributions for any projects or
33 operations in the facility or corridor.

34 (4) The established toll rates may include variable pricing, and
35 should be set to optimize system performance, recognizing necessary
36 trade-offs to generate revenue for the purposes specified in subsection

1 (3) of this section. Tolls may vary for type of vehicle, time of day,
2 traffic conditions, or other factors designed to improve performance of
3 the system.

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

6 Expenditures of toll revenues shall be made only: To cover the
7 operating costs of the facility or corridor, including necessary
8 maintenance, preservation, administration, and toll enforcement by
9 public law enforcement; to meet obligations for the repayment of debt
10 and interest thereon, and any other associated financing costs
11 including, but not limited to, required reserves and insurance; to meet
12 any other obligations to provide funding contributions for any projects
13 or operations on the facility or corridor; or for any other
14 improvements to the facility or corridor.

15 **Sec. 4.** RCW 47.56.030 and 2002 c 114 s 19 are each amended to read
16 as follows:

17 (1) Except as permitted under chapter 47.46 RCW:

18 (a) The department of transportation shall have full charge of the
19 construction of all toll bridges and other toll facilities including
20 the Washington state ferries, and the operation and maintenance
21 thereof.

22 (b) Subject to section 2 of this act, the transportation commission
23 shall determine and establish the tolls and charges thereon, and shall
24 perform all duties and exercise all powers relating to the financing,
25 refinancing, and fiscal management of all toll bridges and other toll
26 facilities including the Washington state ferries, and bonded
27 indebtedness in the manner provided by law.

28 (c) The department shall have full charge of design of all toll
29 facilities.

30 (d) The department shall utilize and administer toll collection
31 systems that are simple, unified, and interoperable. To the extent
32 practicable, the department shall avoid the use of toll booths.

33 (e) Except as provided in this section, the department shall
34 proceed with the construction of such toll bridges and other facilities
35 and the approaches thereto by contract in the manner of state highway
36 construction immediately upon there being made available funds for such

1 work and shall prosecute such work to completion as rapidly as
2 practicable. The department is authorized to negotiate contracts for
3 any amount without bid under (~~(d)~~) (e)(i) and (ii) of this
4 subsection:

5 (i) Emergency contracts, in order to make repairs to ferries or
6 ferry terminal facilities or removal of such facilities whenever
7 continued use of ferries or ferry terminal facilities constitutes a
8 real or immediate danger to the traveling public or precludes prudent
9 use of such ferries or facilities; and

10 (ii) Single source contracts for vessel dry dockings, when there is
11 clearly and legitimately only one available bidder to conduct dry dock-
12 related work for a specific class or classes of vessels. The contracts
13 may be entered into for a single vessel dry docking or for multiple
14 vessel dry dockings for a period not to exceed two years.

15 (2) The department shall proceed with the procurement of materials,
16 supplies, services, and equipment needed for the support, maintenance,
17 and use of a ferry, ferry terminal, or other facility operated by
18 Washington state ferries, in accordance with chapter 43.19 RCW except
19 as follows:

20 (a) Except as provided in (d) of this subsection, when the
21 secretary of the department of transportation determines in writing
22 that the use of invitation for bid is either not practicable or not
23 advantageous to the state and it may be necessary to make competitive
24 evaluations, including technical or performance evaluations among
25 acceptable proposals to complete the contract award, a contract may be
26 entered into by use of a competitive sealed proposals method, and a
27 formal request for proposals solicitation. Such formal request for
28 proposals solicitation shall include a functional description of the
29 needs and requirements of the state and the significant factors.

30 (b) When purchases are made through a formal request for proposals
31 solicitation the contract shall be awarded to the responsible proposer
32 whose competitive sealed proposal is determined in writing to be the
33 most advantageous to the state taking into consideration price and
34 other evaluation factors set forth in the request for proposals. No
35 significant factors may be used in evaluating a proposal that are not
36 specified in the request for proposals. Factors that may be considered
37 in evaluating proposals include but are not limited to: Price;
38 maintainability; reliability; commonality; performance levels; life

1 cycle cost if applicable under this section; cost of transportation or
2 delivery; delivery schedule offered; installation cost; cost of spare
3 parts; availability of parts and service offered; and the following:

4 (i) The ability, capacity, and skill of the proposer to perform the
5 contract or provide the service required;

6 (ii) The character, integrity, reputation, judgment, experience,
7 and efficiency of the proposer;

8 (iii) Whether the proposer can perform the contract within the time
9 specified;

10 (iv) The quality of performance of previous contracts or services;

11 (v) The previous and existing compliance by the proposer with laws
12 relating to the contract or services;

13 (vi) Objective, measurable criteria defined in the request for
14 proposal. These criteria may include but are not limited to items such
15 as discounts, delivery costs, maintenance services costs, installation
16 costs, and transportation costs; and

17 (vii) Such other information as may be secured having a bearing on
18 the decision to award the contract.

19 (c) When purchases are made through a request for proposal process,
20 proposals received shall be evaluated based on the evaluation factors
21 set forth in the request for proposal. When issuing a request for
22 proposal for the procurement of propulsion equipment or systems that
23 include an engine, the request for proposal must specify the use of a
24 life cycle cost analysis that includes an evaluation of fuel
25 efficiency. When a life cycle cost analysis is used, the life cycle
26 cost of a proposal shall be given at least the same relative importance
27 as the initial price element specified in the request of proposal
28 documents. The department may reject any and all proposals received.
29 If the proposals are not rejected, the award shall be made to the
30 proposer whose proposal is most advantageous to the department,
31 considering price and the other evaluation factors set forth in the
32 request for proposal.

33 (d) If the department is procuring large equipment or systems
34 (e.g., electrical, propulsion) needed for the support, maintenance, and
35 use of a ferry operated by Washington state ferries, the department
36 shall proceed with a formal request for proposal solicitation under
37 this subsection (2) without a determination of necessity by the
38 secretary.

1 **Sec. 5.** RCW 47.56.070 and 1977 ex.s. c 151 s 67 are each amended
2 to read as follows:

3 The department of transportation may, with the approval of the
4 transportation commission, provide for the establishment, construction,
5 and operation of toll tunnels, toll roads, and other facilities
6 necessary for their construction and connection with public highways of
7 the state. It may cause surveys to be made to determine the propriety
8 of their establishment, construction, and operation, and may acquire
9 rights of way and other facilities necessary to carry out the
10 provisions hereof; and may issue, sell, and redeem bonds, and deposit
11 and expend them; secure and remit financial and other assistance in the
12 construction thereof; carry insurance thereon; and handle any other
13 matters pertaining thereto, all of which shall be conducted in the same
14 manner and under the same procedure as provided for the establishing,
15 constructing, operating, and maintaining of toll bridges by the
16 department, insofar as reasonably consistent and applicable. (~~No toll
17 facility, toll bridge, toll road, or toll tunnel, shall be combined
18 with any other toll facility for the purpose of financing unless such
19 facilities form a continuous project, to the end that each such
20 facility or project be self liquidating and self sustaining.~~)

21 **Sec. 6.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to read
22 as follows:

23 The department shall approve for construction only such toll roads
24 as the legislature specifically authorizes or such toll facilities as
25 are specifically sponsored by a regional transportation investment
26 district, transportation benefit district, city, town, or county.

27 **Sec. 7.** RCW 47.56.0761 and 2006 c 311 s 20 are each amended to
28 read as follows:

29 Notwithstanding any provision to the contrary in this chapter, a
30 regional transportation investment district may authorize vehicle
31 tolls, only with the approval of the transportation commission, on
32 either Lake Washington bridge within its boundaries to implement a
33 regional transportation investment plan as authorized in chapter 36.120
34 RCW and RCW 47.56.076.

1 **Sec. 8.** RCW 47.56.240 and 1984 c 7 s 265 are each amended to read
2 as follows:

3 Subject to section 2 of this act, the commission is hereby
4 empowered to fix the rates of toll and other charges for all toll
5 bridges built under the terms of this chapter. Toll charges so fixed
6 may be changed from time to time as conditions warrant. The
7 commission, in establishing toll charges, shall give due consideration
8 to the cost of operating and maintaining such toll bridge or toll
9 bridges including the cost of insurance, and to the amount required
10 annually to meet the redemption of bonds and interest payments on them.
11 The tolls and charges shall be at all times fixed at rates to yield
12 annual revenue at least equal to annual operating and maintenance
13 expenses including insurance costs and all redemption payments and
14 interest charges of the bonds, including applicable excess coverage,
15 issued for any particular toll bridge or toll bridges as the bonds
16 become due. The bond redemption and interest payments constitute a
17 first direct (~~and exclusive~~) charge and lien on all such tolls and
18 other revenues and interest thereon. Sinking funds created therefrom
19 received from the use and operation of the toll bridge or toll bridges,
20 and such tolls and revenues together with the interest earned thereon
21 shall constitute a trust fund for the security and payment of such
22 bonds and shall not be used or pledged for any other purpose as long as
23 any of these bonds are outstanding and unpaid, except to the extent
24 that the tolls and charges exceed the amount necessary to achieve the
25 purpose of this section.

26 **Sec. 9.** RCW 35.74.050 and 1965 c 7 s 35.74.050 are each amended to
27 read as follows:

28 A city or town may build and maintain toll bridges and charge and
29 collect tolls thereon, and to that end may provide a system and elect
30 or appoint persons to operate the same, or the said bridges may be made
31 free, as it may elect.

32 Any toll proposed under this section must first be approved by the
33 state transportation commission or its successor statewide tolling
34 authority.

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