

# SENATE BILL REPORT

## SSB 5700

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As Amended by House, March 5, 2011

**Title:** An act relating to certain toll facilities.

**Brief Description:** Concerning certain toll facilities.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Haugen and King).

**Brief History:**

**Committee Activity:** Transportation: 2/08/11, 2/09/11 [DPS, DNP].

Passed Senate: 2/18/11, 35-10.

Passed House: 3/05/11, 73-25.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5700 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; White, Vice Chair; King, Ranking Minority Member; Fain, Assistant Ranking Minority Member; Delvin, Hill, Hobbs, Litzow, Prentice, Ranker, Sheldon, Shin and Swecker.

**Minority Report:** Do not pass.

Signed by Senator Ericksen.

**Staff:** Kelly Simpson (786-7403)

**Background:** During the 2009 regular legislative session, the Legislature authorized tolling on the State Route 520 (SR 520) corridor, authorized bonds to finance construction of corridor projects, and committed to continue imposing tolls on the corridor in amounts sufficient to pay the principal and interest on the bonds. The Washington State Department of Transportation (WSDOT) has indicated it will be ready to start imposing tolls on the corridor in Spring of 2011, using a new electronic toll collection system, including photo tolling, authorized during the 2010 regular legislative session. As such, on January 5, 2011, the Transportation Commission adopted a schedule of toll rates applicable to the SR 520 corridor, and on January 25, 2011, adopted a schedule of photo toll rates applicable to the Tacoma Narrows Bridge. Included in the commission's January 5 action was the adoption of administrative fees for toll collection processes.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

On November 2, 2010, Washington State voters approved Initiative Measure No. 1053 (I-1053). Among other things, I-1053 provides that "[a] fee may only be imposed or increased in any fiscal year if approved with majority legislative approval in both the house of representatives and the senate ..." I-1053 took effect December 2, 2010. Tolls are considered fees.

**Summary of Substitute Bill:** Consistent with the fee provisions of I-1053 and previously enacted statutory toll-related criteria, the Legislature approves the action taken by the Transportation Commission in January to (1) adopt the schedule of toll rates applicable to the SR 520 corridor, (2) adopt the schedule of photo toll charges applicable to the Tacoma Narrows Bridge, and (3) adopt the assessment of administrative fees for toll collection processes. The Legislature approves the delegation to the Transportation Commission of the authority to set and adjust toll rates on the SR 520 corridor in accordance with previously enacted statutory criteria. The Transportation Commission may exceed the SR 520 toll rates only in amounts not greater than those sufficient to meet maintenance and operating costs on the corridor and to make debt service payments and other associated financing costs. The Transportation Commission must send a report to the Legislature regarding any increase or decrease to the SR 520 toll rates, along with a detailed justification for the action.

Corrective language is enacted to reauthorize the issuance of toll revenue bonds applicable to the SR 520 corridor. The definition of toll revenue for bonding purposes applicable to the SR 520 corridor is broadened to include funds received for the benefit of transportation facilities in the state.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony on Original Bill:** PRO: The SR 520 corridor has critical safety needs and progress is currently being made toward addressing those needs. The financing of the floating bridge replacement project, including the issuance of bonds, is dependent on the imposition and collection of tolls on the facility. WSDOT needs a month lead time prior to early April to provide the public a date certain by which tolls will start being collected. The project may be suspended without the imposition of tolls. Millions of dollars, generally \$1 million per week, would be lost on this project without tolls starting in early April. WSDOT is currently experiencing a good bid climate and would not want to jeopardize this with a failure to start tolling the project. Many jobs are expected to result from the SR 520 corridor projects, which would help address the very high existing unemployment rate. Three hundred jobs are estimated in the Grays Harbor area alone due to the pontoon work necessary for the project. This bill works well for the Treasurer's Office and allows the state to move forward with the SR 520 project and puts the state in good position to sell bonds in a cost-effective way. Washington drivers feel safety and mobility on

the SR 520 corridor are important. Microsoft and area businesses are dependent on a safe and effective SR 520 corridor for their workforce to commute on. The SR 520 bridge project supports economic vitality in the region.

OTHER: Some taxi companies have concerns with the administration of the toll collection system, but not with imposing tolls on the corridor. Having the toll be charged to the vehicle owner is a problem when some of the cabs are operated by independent contractors and not the actual owner.

**Persons Testifying:** PRO: Dick Ford, Transportation Commission; Dave Johnson, WA State Building Trades Council; Keith Weir, Seattle King Co. Bldg & Construction Trades Council; Dale Bright, Laborers L 440; Dave Dye, WSDOT; James McIntire, State Treasurer; Dave Overstreet, AAA Washington; Michael Groesch, Microsoft, WA Roundtable.

OTHER: Chris Van Dyk, BYG Taxi Cooperative.

**House Amendment(s):**

1. Adds the Legislature's intent to review and approve photo toll charges for the Tacoma Narrows bridge.
2. Removes language regarding delegation to the Transportation Commission and replaces it with language authorizing the Transportation Commission to set and adjust toll rates for the SR 520 corridor.
3. Requires the Transportation Commission to provide a detailed report and justification to the Transportation Committees of the Legislature regarding any changes to the photo toll rates on the Tacoma Narrows bridge.