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SENATE BILL 5700

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State of Washington

62nd Legislature

2011 Regular Session

By Senators Haugen and King

Read first time 02/07/11. Referred to Committee on Transportation.

1 AN ACT Relating to certain toll facilities; amending RCW 47.10.882,  
2 47.10.887, 47.10.888, and 47.56.810; reenacting RCW 47.10.886; adding  
3 a new section to chapter 47.56 RCW; creating a new section; and  
4 declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that Washington  
7 voters strongly supported Initiative Measure No. 1053 during the 2010  
8 general election, which indicates the clear desire on the part of the  
9 state's citizens that legislators approve any new fees or increases to  
10 existing fees. The legislature further recognizes that during the 2009  
11 legislative session tolling was authorized on the state route number  
12 520 corridor, bonds were authorized to finance construction of corridor  
13 projects, and the legislature committed to continue imposing tolls on  
14 the corridor in amounts sufficient to pay the principal and interest on  
15 those bonds. As tolling is scheduled to begin on the corridor in early  
16 April 2011, the legislature intends to honor the voter's clear  
17 direction as identified in Initiative Measure No. 1053 by approving the  
18 transportation commission's schedule of toll charges applicable to the  
19 state route number 520 corridor.

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

3        (1) Consistent with RCW 43.135.055 and 47.56.805 through 47.56.876,  
4 the legislature approves the action taken by the transportation  
5 commission on January 5, 2011, adopting amended rules to set the  
6 schedule of toll rates applicable to the state route number 520  
7 corridor.        The legislature approves the delegation to the  
8 transportation commission, as the tolling authority for the state, of  
9 the authority to set and adjust toll rates on the state route number  
10 520 corridor in accordance with the requirements and guidelines set  
11 forth in RCW 47.56.830, 47.56.850, and 47.56.870.    The transportation  
12 commission may exceed the toll rates, as identified in the adopted  
13 schedule of toll rates, only in amounts not greater than those  
14 sufficient to meet obligations for the timely payment of debt service  
15 on bonds issued under chapter 498, Laws of 2009 and this act, and any  
16 other associated financing costs including, but not limited to,  
17 required reserves, minimum debt coverage or other appropriate  
18 contingency funding, insurance, and compliance with all other financial  
19 and other covenants made by the state in the bond proceedings.

20        (2) Consistent with RCW 43.135.055 and 47.46.100, the legislature  
21 approves the action taken by the transportation commission on January  
22 25, 2011, adopting amended rules to set the schedule of photo toll, or  
23 "pay by mail," charges applicable to the Tacoma Narrows bridge.

24        (3) Consistent with RCW 43.135.055 and 47.56.795(6), the  
25 legislature approves the action taken by the transportation commission  
26 on January 5, 2011, adopting amended rules concerning the assessment of  
27 administrative fees for toll collection processes.    The administrative  
28 fees must not exceed toll collection costs.

29        **Sec. 3.**    RCW 47.10.882 and 2009 c 498 s 11 are each amended to read  
30 as follows:

31        The toll facility bond retirement account is created in the state  
32 treasury for the purpose of payment of the principal of and interest  
33 and premium on bonds.    Both principal of and interest on the bonds  
34 issued for the purposes of chapter 498, Laws of 2009 and this act shall  
35 be payable from the toll facility bond retirement account.    The state  
36 finance committee may provide that special subaccounts be created in  
37 the account to facilitate payment of the principal of and interest on

1 the bonds. The state finance committee shall, on or before June 30th  
2 of each year, certify to the state treasurer the amount required for  
3 principal and interest on the bonds in accordance with the bond  
4 proceedings.

5 **Sec. 4.** RCW 47.10.886 and 2009 c 498 s 16 are each reenacted to  
6 read as follows:

7 If and to the extent that the state finance committee determines,  
8 in consultation with the department of transportation and the tolling  
9 authority, that it will be beneficial for the state to issue any bonds  
10 authorized in RCW 47.10.879 and 47.10.883 through 47.10.885 as toll  
11 revenue bonds rather than as general obligation bonds, the state  
12 finance committee is authorized to issue and sell, upon the request of  
13 the department of transportation, such bonds as toll revenue bonds and  
14 not as general obligation bonds. Notwithstanding RCW 47.10.883, each  
15 such bond shall contain a recital that payment or redemption of the  
16 bond and payment of the interest and any premium thereon is payable  
17 solely from and secured solely by a direct pledge, charge, and lien  
18 upon toll revenue and is not a general obligation of the state to which  
19 the full faith and credit of the state is pledged.

20 Toll revenue is hereby pledged to the payment of any bonds and the  
21 interest thereon issued under the authority of this section, and the  
22 legislature agrees to continue to impose these toll charges on the  
23 state route number 520 corridor, and on any other eligible toll  
24 facility designated by the legislature and on which the imposition of  
25 tolls is authorized by the legislature in respect of the bonds, in  
26 amounts sufficient to pay, when due, the principal and interest on all  
27 bonds issued under the authority of this section.

28 **Sec. 5.** RCW 47.10.887 and 2009 c 498 s 17 are each amended to read  
29 as follows:

30 The state finance committee may determine and include in any  
31 resolution authorizing the issuance of any bonds under chapter 498,  
32 Laws of 2009 and this act, such terms, provisions, covenants, and  
33 conditions as it may deem appropriate in order to assist with the  
34 marketing and sale of the bonds, confer rights upon the owners of  
35 bonds, and safeguard rights of the owners of bonds including, among  
36 other things:

1 (1) Provisions regarding the maintenance and operation of eligible  
2 toll facilities;

3 (2) The pledges, uses, and priorities of application of toll  
4 revenue;

5 (3) Provisions that bonds shall be payable from and secured solely  
6 by toll revenue as provided by RCW 47.10.886, or shall be payable from  
7 and secured by both toll revenue and by a pledge of excise taxes on  
8 motor vehicle and special fuels and the full faith and credit of the  
9 state as provided in RCW 47.10.879 and 47.10.883 through 47.10.885;

10 (4) In consultation with the department of transportation and the  
11 tolling authority, financial covenants requiring that the eligible toll  
12 facilities must produce specified coverage ratios of toll revenue to  
13 debt service on bonds;

14 (5) The purposes and conditions that must be satisfied prior to the  
15 issuance of any additional bonds that are to be payable from and  
16 secured by any toll revenue on an equal basis with previously issued  
17 and outstanding bonds payable from and secured by toll revenue;

18 (6) Provisions that bonds for which any toll revenue are pledged,  
19 or for which a pledge of any toll revenue may be reserved, may be  
20 structured on a senior, parity, subordinate, or special lien basis in  
21 relation to any other bonds for which toll revenue is pledged, with  
22 respect to toll revenue only; and

23 (7) Provisions regarding reserves, credit enhancement, liquidity  
24 facilities, and payment agreements with respect to bonds.

25 Notwithstanding the foregoing, covenants and conditions detailing  
26 the character of management, maintenance, and operation of eligible  
27 toll facilities, insurance for eligible toll facilities, financial  
28 management of toll revenue, and disposition of eligible toll facilities  
29 must first be approved by the department of transportation.

30 The owner of any bond may by mandamus or other appropriate  
31 proceeding require and compel performance of any duties imposed upon  
32 the tolling authority and the department of transportation and their  
33 respective officials, including any duties imposed upon or undertaken  
34 by them or by their respective officers, agents, and employees, in  
35 connection with the construction, maintenance, and operation of  
36 eligible toll facilities and in connection with the collection,  
37 deposit, investment, application, and disbursement of the proceeds of  
38 the bonds and toll revenue.

1       **Sec. 6.** RCW 47.10.888 and 2009 c 498 s 18 are each amended to read  
2 as follows:

3       (1) For the purposes of chapter 498, Laws of 2009 and this act,  
4 "toll revenue" means all toll receipts, all interest income derived  
5 from the investment of toll receipts, and any gifts, grants, or other  
6 funds received for the benefit of transportation facilities in the  
7 state, including eligible toll facilities. However, for the purpose of  
8 any pledge of toll revenue to the payment of particular bonds issued  
9 under chapter 498, Laws of 2009 and this act, "toll revenue" means and  
10 includes only such toll revenue or portion thereof that is pledged to  
11 the payment of those bonds in the resolution authorizing the issuance  
12 of such bonds. Toll revenue constitutes "fees and revenues derived  
13 from the ownership or operation of any undertaking, facility, or  
14 project" as that phrase is used in Article VIII, section 1(c)(1) of the  
15 state Constitution.

16       (2) For the purposes of chapter 498, Laws of 2009 and this act,  
17 "tolling authority" has the same meaning as in RCW 47.56.810.

18       **Sec. 7.** RCW 47.56.810 and 2008 c 122 s 3 are each amended to read  
19 as follows:

20       The definitions in this section apply throughout this subchapter  
21 unless the context clearly requires otherwise:

22       (1) "Tolling authority" means the governing body that is legally  
23 empowered to review and adjust toll rates. Unless otherwise delegated,  
24 the transportation commission is the tolling authority for all state  
25 highways.

26       (2) "Eligible toll facility" or "eligible toll facilities" means  
27 portions of the state highway system specifically identified by the  
28 legislature including, but not limited to, transportation corridors,  
29 bridges, crossings, interchanges, on-ramps, off-ramps, approaches,  
30 bistate facilities, and interconnections between highways.

31       (3) "Toll revenue" or "revenue from an eligible toll facility"  
32 means toll receipts, all interest income derived from the investment of  
33 toll receipts, and any gifts, grants, or other funds received for the  
34 benefit of ~~((the))~~ transportation facilities in the state, including  
35 eligible toll ~~((facility))~~ facilities.

1        NEW SECTION.    **Sec. 8.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

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