

ESHB 1954 - S AMD 393
By Senator Schlicher

NOT CONSIDERED

1 On page 67, after line 1, insert the following:

2 "Sec. 601. RCW 47.46.060 and 2012 c 77 s 1 are each amended to
3 read as follows:

4 (1) Any person, including the department of transportation and any
5 private entity or entities, may apply for deferral of taxes on the site
6 preparation for, the construction of, the acquisition of any related
7 machinery and equipment that becomes a part of, and the rental of
8 equipment for use in the state route number 16 corridor improvements
9 project under this chapter. Application must be made to the department
10 of revenue in a form and manner prescribed by the department of
11 revenue. The application must contain information regarding estimated
12 or actual costs, time schedules for completion and operation, and other
13 information required by the department of revenue. The department of
14 revenue must approve the application within sixty days if it meets the
15 requirements of this section.

16 (2) The department of revenue must issue a sales and use tax
17 deferral certificate for state and local sales and use taxes due under
18 chapters 82.08, 82.12, and 82.14 RCW on the project.

19 (3) The department of transportation or a private entity granted a
20 tax deferral under this section must begin paying the deferred taxes in
21 the ((eleventh)) twenty-fourth year after the date certified by the
22 department of revenue as the date on which the project is operationally
23 complete. The first payment is due on December 31st of the
24 ((eleventh)) twenty-fourth calendar year after such certified date,
25 with subsequent annual payments due on December 31st of the following
26 nine years. Each payment must equal ten percent of the deferred tax.
27 The project is operationally complete under this section when the
28 collection of tolls is commenced for the state route number 16
29 improvements covered by the deferral.

1 (4) The department of revenue may authorize an accelerated
2 repayment schedule upon request of the department of transportation or
3 a private entity granted a deferral under this section.

4 (5) Interest may not be charged on any taxes deferred under this
5 section for the period of deferral, although all other penalties and
6 interest applicable to delinquent excise taxes may be assessed and
7 imposed for delinquent payments under this section. The debt for
8 deferred taxes is not extinguished by insolvency or other failure of
9 the private entity. Transfer of ownership does not terminate the
10 deferral.

11 (6) Applications and any other information received by the
12 department of revenue under this section are not confidential and are
13 subject to disclosure. Chapter 82.32 RCW applies to the administration
14 of this section.

15 **Sec. 602.** RCW 47.46.100 and 2002 c 114 s 7 are each amended to
16 read as follows:

17 (1) The commission shall fix the rates of toll and other charges
18 for all toll bridges built under this chapter that are financed
19 primarily by bonds issued by the state. Subject to RCW 47.46.090, the
20 commission may impose and modify toll charges from time to time as
21 conditions warrant. However, from the effective date of this section
22 forward, the commission may not increase the toll rates on the Tacoma
23 Narrows bridge beyond those rates adopted by the commission on May 20,
24 2013.

25 (2) In establishing toll charges, the commission shall give due
26 consideration to any required costs for (~~operating and maintaining the~~
27 ~~toll bridge or toll bridges, including the cost of insurance, and to~~)
28 : (a) Any amount required by law to meet the redemption of bonds and
29 interest payments on them and (b) beginning July 16, 2031, operating
30 and maintaining the toll bridge or toll bridges, including the cost of
31 insurance.

32 (3) The toll charges must be imposed in amounts sufficient to:

33 (a) Beginning July 16, 2031, provide annual revenue sufficient to
34 provide for annual operating and maintenance expenses, except as
35 provided in RCW 47.56.245;

36 (b) Make payments required under RCW 47.56.165 and 47.46.140,

1 including insurance costs and the payment of principal and interest on
2 bonds issued for any particular toll bridge or toll bridges; and

3 (c) Repay the motor vehicle fund under RCW 47.46.110, 47.56.165,
4 and 47.46.140.

5 (4) The bond principal and interest payments, including repayment
6 of the motor vehicle fund for amounts transferred from that fund to
7 provide for such principal and interest payments, constitute a first
8 direct and exclusive charge and lien on all tolls and other revenues
9 from the toll bridge concerned, subject to operating and maintenance
10 expenses beginning July 16, 2031.

11 **Sec. 603.** RCW 47.46.110 and 2002 c 114 s 8 are each amended to
12 read as follows:

13 (1) The commission shall retain toll charges on any existing and
14 future facilities constructed under this chapter and financed primarily
15 by bonds issued by the state until:

16 (a) All costs of investigation, financing, acquisition of property,
17 and construction advanced from the motor vehicle fund have been fully
18 repaid, except as provided in subsection (2)(b) of this section;

19 (b) Obligations incurred in constructing that facility have been
20 fully paid; and

21 (c) The motor vehicle fund is fully repaid under RCW 47.46.140.

22 (2) This section does not:

23 (a) Prohibit the use of toll revenues, beginning July 16, 2031, to
24 fund maintenance, operations, or management of facilities constructed
25 under this chapter except as prohibited by RCW 47.56.245;

26 (b) Require repayment of funds specifically appropriated as a
27 nonreimbursable state financial contribution to a project.

28 (3) Notwithstanding the provisions of subsection (2)(a) of this
29 section, upon satisfaction of the conditions enumerated in subsection
30 (1) of this section:

31 (a) The facility must be operated as a toll-free facility; and

32 (b) The operation, maintenance, upkeep, and repair of the facility
33 must be paid from funds appropriated for the use of the department for
34 the construction and maintenance of the primary state highways of the
35 state of Washington.

(2) The Transportation Commission's authority to increase toll rates on the Tacoma Narrows Bridge is removed.

(3) Prohibits the use of toll revenue from the Tacoma Narrows Bridge for maintenance, operation, and preservation of the bridge until July 16, 2031.

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