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**SENATE BILL 5359**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Hobbs, Liias, Pedersen, McAuliffe, and Chase; by request of Governor Inslee

AN ACT Relating to transportation funding and appropriations; amending 2014 c 222 ss 207, 208, 209, 215, 219, 221, 307, 309, 401, 402, 403, 404, 405, 406, and 407 (uncodified); adding a new section to 2013 c 306 (uncodified); making appropriations and authorizing expenditures for capital improvements; and declaring an emergency.

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

**2013-2015 FISCAL BIENNIUM**

**TRANSPORTATION AGENCIES—OPERATING**

**Sec.**  2014 c 222 s 207 (uncodified) is amended to read as follows:

**FOR THE WASHINGTON STATE PATROL**

State Patrol Highway Account—State

Appropriation ((~~$366,805,000~~))

$366,594,000

State Patrol Highway Account—Federal

Appropriation ((~~$11,067,000~~))

$11,069,000

State Patrol Highway Account—Private/Local

Appropriation $3,572,000

Highway Safety Account—State Appropriation ((~~$19,265,000~~))

$19,272,000

Multimodal Transportation Account—State

Appropriation $272,000

Ignition Interlock Device Revolving Account—State

Appropriation $569,000

TOTAL APPROPRIATION ~~$401,550,000~~

$401,348,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington state patrol shall collaborate with the Washington traffic safety commission on the target zero team pilot program referenced in section 201 ((~~of this act~~)), chapter 306, Laws of 2013.

(2) During the 2013-2015 fiscal biennium, the Washington state patrol shall relocate its data center to the state data center in Olympia. The Washington state patrol shall work with the department of enterprise services to negotiate the lease termination agreement for the current data center site.

(3) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol must be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(4) ((~~$573,000~~))$569,000 of the ignition interlock device revolving account—state appropriation is provided solely for the ignition interlock program at the Washington state patrol to provide funding for two staff to work and provide support for the program in working with manufacturers, service centers, technicians, and participants in the program.

(5) $370,000 of the state patrol highway account—state appropriation is provided solely for costs associated with the pilot program described under section 216(5) ((~~of this act~~)), chapter 222, Laws of 2014. The Washington state patrol may incur costs related only to the assignment of cadets and necessary computer equipment and to the reimbursement of the department of transportation for contract costs. The appropriation in this subsection must be funded from the portion of the automated traffic safety camera infraction fines deposited into the state patrol highway account; however, if the fines deposited into the state patrol highway account from automated traffic safety camera infractions do not reach three hundred seventy thousand dollars, the department of transportation shall remit funds necessary to the Washington state patrol to ensure the completion of the pilot program. The Washington state patrol may not incur overtime as a result of this pilot program. The Washington state patrol shall not assign troopers to operate or deploy the pilot program equipment used in roadway construction zones.

(6) The cost allocation for any costs incurred for the facilities at the Olympia, Washington airport used for the Washington state patrol aviation section must be split evenly between the state patrol highway account and the general fund.

(7) The Washington state patrol shall work with the state interoperability executive committee to compile a list of recent studies evaluating the potential savings and benefits of consolidating law enforcement and emergency dispatching centers and report to the joint transportation committee by December 1, 2014, on the findings and recommendations of those studies. As part of this study, the Washington state patrol must look for potential efficiencies within state government.

**Sec.**  2014 c 222 s 208 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LICENSING**

Marine Fuel Tax Refund Account—State

Appropriation $34,000

Motorcycle Safety Education Account—State

Appropriation $4,396,000

State Wildlife Account—State Appropriation $867,000

Highway Safety Account—State Appropriation ((~~$158,505,000~~))

$161,230,000

Highway Safety Account—Federal Appropriation $4,363,000

Motor Vehicle Account—State Appropriation ((~~$81,352,000~~))

$82,410,000

Motor Vehicle Account—Federal Appropriation $467,000

Motor Vehicle Account—Private/Local Appropriation $1,544,000

Ignition Interlock Device Revolving Account—State

Appropriation $2,871,000

Department of Licensing Services Account—State

Appropriation ((~~$5,983,000~~))

$6,481,000

TOTAL APPROPRIATION ~~$260,382,000~~

$264,663,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $1,235,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Substitute House Bill No. 1752), Laws of 2013 (requirements for the operation of commercial motor vehicles in compliance with federal regulations). If chapter . . . (Substitute House Bill No. 1752), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

(2) $1,000,000 of the highway safety account—state appropriation is provided solely for information technology field system modernization.

(3) $5,286,000 of the highway safety account—state appropriation is provided solely for business and technology modernization.

(4) $2,355,000 of the motor vehicle account—state appropriation is provided solely for replacing prorate and fuel tax computer systems used to administer interstate licensing and the collection of fuel tax revenues.

(5) $1,491,000 of the highway safety account—state appropriation is provided solely for the implementation of an updated central issuance system.

(6) $201,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5152), Laws of 2013 (Sounders FC and Seahawks license plates). If chapter . . . (Substitute Senate Bill No. 5152), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

(7) $425,000 of the highway safety account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5182), Laws of 2013 (vehicle owner information). If chapter . . . (Substitute Senate Bill No. 5182), Laws of 2013 is not enacted by June 30, 2013, the amount provided in this subsection lapses.

(8) $289,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Second Engrossed Substitute Senate Bill No. 5785), Laws of 2014 (license plates). If chapter . . . (Second Engrossed Substitute Senate Bill No. 5785), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

(9) The appropriation in this section reflects the department charging an amount sufficient to cover the full cost of providing the data requested under RCW 46.12.630(1)(b).

(10)(a) The department must convene a work group to examine the use of parking placards and special license plates for persons with disabilities and develop a strategic plan for ending any abuse. In developing this plan, the department must work with the department of health, disabled citizen advocacy groups, and representatives from local government.

(b) The work group must be composed of no more than two representatives from each of the entities listed in (a) of this subsection. The work group may, when appropriate, consult with any other public or private entity in order to complete the strategic plan.

(c) The strategic plan must include:

(i) Oversight measures to ensure that parking placards and special license plates for persons with disabilities are being properly issued, including: (A) The entity responsible for coordinating a randomized review of applications for special parking privileges; (B) a volunteer panel of medical professionals to conduct such reviews; (C) a means to protect the anonymity of both the medical professional conducting a review and the medical professional under review; (D) a means to protect the privacy of applicants by removing any personally identifiable information; and (E) possible sanctions against a medical professional for repeated improper issuances of parking placards or special license plates for persons with disabilities, including those sanctions listed in chapter 18.130 RCW; and

(ii) The creation of a publicly accessible system in which the validity of parking placards and special license plates for persons with disabilities may be verified. This system must not allow the public to access any personally identifiable information or protected health information of a person who has been issued a parking placard or special license plate.

(d) The work group must convene by July 1, 2013, and terminate by December 1, 2013.

(e) By December 1, 2013, the work group must deliver to the legislature and the appropriate legislative committees the strategic plan required under this subsection, together with its findings, recommendations, and any necessary draft legislation in order to implement the strategic plan.

(11) $3,082,000 of the highway safety account—state appropriation is provided solely for exam and licensing activities, including the workload associated with providing driver record abstracts, and is subject to the following additional conditions and limitations:

(a) The department may furnish driving record abstracts only to those persons or entities expressly authorized to receive the abstracts under Title 46 RCW;

(b) The department may furnish driving record abstracts only for an amount that does not exceed the specified fee amounts in RCW 46.52.130 (2)(e)(v) and (4); and

(c) The department may not enter into a contract, or otherwise participate in any arrangement, with a third party or other state agency for any service that results in an additional cost, in excess of the fee amounts specified in RCW 46.52.130 (2)(e)(v) and (4), to statutorily authorized persons or entities purchasing a driving record abstract.

(12) $229,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement). If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

((~~(14)~~)) (13) $42,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2100), Laws of 2014 (Seattle University license plates). If chapter . . . (House Bill No. 2100), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

((~~(15)~~)) (14) $46,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2700), Laws of 2014 (breast cancer awareness license plates). If chapter . . . (House Bill No. 2700), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

((~~(17)~~)) (15) $32,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (House Bill No. 2741), Laws of 2014 (initial vehicle registration). If chapter . . . (House Bill No. 2741), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

((~~(18)~~)) (16) Within existing resources, the department must convene a work group that includes, at a minimum, representatives from the department of transportation, the trucking industry, manufacturers of compressed natural gas and liquefied natural gas, and any other stakeholders as deemed necessary, for the following purposes:

(a) To evaluate the annual license fee in lieu of fuel tax under RCW 82.38.075 to determine a fee that more closely represents the average consumption of vehicles by weight and to make recommendations to the transportation committees of the legislature by December 1, 2014, on an updated fee schedule; and

(b) To develop a transition plan to move vehicles powered by liquefied natural gas and compressed natural gas from the annual license fee in lieu of fuel tax to the fuel tax under RCW 82.38.030. The transition plan must incorporate stakeholder feedback and must include draft legislation and cost and revenue estimates. The transition plan must be submitted to the transportation committees of the legislature by December 1, 2015.

(c) This subsection takes effect if both chapter . . . (Engrossed Substitute Senate Bill No. 6440), Laws of 2014 (compressed natural gas and liquefied natural gas) and chapter . . . (Substitute House Bill No. 2753), Laws of 2014 (compressed natural gas and liquefied natural gas) are not enacted by June 30, 2014.

((~~(19)~~)) (17) $36,000 of the motor vehicle account—state appropriation is provided solely for the implementation of chapter . . . (Substitute Senate Bill No. 5467), Laws of 2014 (vehicle owner list furnishment requirements). If chapter . . . (Substitute Senate Bill No. 5467), Laws of 2014 is not enacted by June 30, 2014, the amount provided in this subsection lapses.

((~~(20)~~)) (18) The department must convene a work group to study the issue of regulating tow truck operators that are not licensed as registered tow truck operators under chapter 46.55 RCW. The work group must examine the advisability of regulating such operators, including any potential benefits to public safety, and possible methodologies for accomplishing this regulation. The work group must include the department, representatives of the Washington state patrol, organized groups of registered tow truck operators, and automobile clubs. The work group may also include hulk haulers, wreckers, transporters, and other stakeholders relating to the issue of unregulated towing for monetary compensation. The work group shall convene as necessary and report its recommendations and draft legislation to the transportation committees of the legislature by December 1, 2014.

((~~(21)~~)) (19) The department when modernizing its computer systems must place personal and company data elements in separate data fields to allow the department to select discrete data elements when providing information or data to persons or entities outside the department. This requirement must be included as part of the systems design in the department's business and technology modernization. A person's photo, social security number, or medical information must not be made available through public disclosure or data being provided under RCW 46.12.630 or 46.12.635.

**Sec.**  2014 c 222 s 209 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—TOLL OPERATIONS AND MAINTENANCE—PROGRAM B**

High((~~-~~))Occupancy Toll Lanes Operations Account—State

Appropriation $1,942,000

Motor Vehicle Account—State Appropriation $514,000

State Route Number 520 Corridor Account—State

Appropriation $34,267,000

State Route Number 520 Civil Penalties Account—State

Appropriation ((~~$4,156,000~~))

$4,291,000

Tacoma Narrows Toll Bridge Account—State

Appropriation ((~~$25,007,000~~))

$26,298,000

Puget Sound Ferry Operations Account—State

Appropriation $250,000

Interstate 405 Express Toll Lanes Operations

Account—State Appropriation $2,019,000

TOTAL APPROPRIATION ~~$68,155,000~~

$69,581,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The legislature finds that the department's tolling division has expanded greatly in recent years to address the demands of administering several newly tolled facilities using emerging toll collection technologies. The legislature intends for the department to continue its good work in administering the tolled facilities of the state, while at the same time implementing controls and processes to ensure the efficient and judicious administration of toll payer dollars.

(b) The legislature finds that the department has undertaken a cost-of-service study in the winter and spring of 2013 for the purposes of identifying in detail the costs of operating and administering tolling on state route number 520, state route number 167 high-occupancy toll lanes, and the Tacoma Narrows bridge. The purpose of the study is to provide results to establish a baseline by which future activity may be compared and opportunities identified for cost savings and operational efficiencies. In addition, the legislature finds that the state auditor has undertaken a performance audit of the department's contract for the customer service center and back office processing of tolling transactions. The audit findings, which are expected to include lessons learned, are due in late spring 2013.

(c) Using the results of the cost-of-service study and the state audit as a basis, the department shall conduct a review of operations using lean management principles in order to eliminate inefficiencies and redundancies, incorporate lessons learned, and identify opportunities to conduct operations more efficiently and effectively. Within current statutory and budgetary tolling policy, the department shall use the results of the review to improve operations in order to conduct toll operations within the appropriations provided in subsections (2) through (4) of this section. The department shall submit the review, along with the status of and plans for the implementation of review recommendations, to the office of financial management and the house of representatives and senate transportation committees by October 15, 2013.

(2) $10,343,000 of the Tacoma Narrows toll bridge account—state appropriation, $16,534,000 of the state route number 520 corridor account—state appropriation, $1,217,000 of the high((~~-~~))occupancy toll lanes operations account—state appropriation, and $514,000 of the motor vehicle account—state appropriation are provided solely for nonvendor costs of administering toll operations, including the costs of: Staffing the division, consultants and other personal service contracts required for technical oversight and management assistance, insurance, payments related to credit card processing, transponder purchases and inventory management, facility operations and maintenance, and other miscellaneous nonvendor costs.

(3) $11,265,000 of the Tacoma Narrows toll bridge account—state appropriation, $9,730,000 of the state route number 520 corridor account—state appropriation, and $625,000 of the high((~~-~~))occupancy toll lanes operations account—state appropriation are provided solely for vendor-related costs of operating tolled facilities, including the costs of: The customer service center; cash collections on the Tacoma Narrows bridge; electronic payment processing; and toll collection equipment maintenance, renewal, and replacement.

(4) $1,300,000 of the Tacoma Narrows toll bridge account—state appropriation and $6,000,000 of the state route number 520 corridor account—state appropriation are provided solely for the purposes of addressing unforeseen operations and maintenance costs on the Tacoma Narrows bridge and the state route number 520 bridge, respectively. The office of financial management shall place the amounts provided in this section, which represent a portion of the required minimum fund balance under the policy of the state treasurer, in unallotted status. The office may release the funds only when it determines that all other funds designated for operations and maintenance purposes have been exhausted.

(5) $4,156,000 of the state route number 520 civil penalties account—state appropriation and $1,039,000 of the Tacoma Narrows toll bridge account—state appropriation are provided solely for expenditures related to the toll adjudication process. The department shall report on the civil penalty process to the office of financial management and the house of representatives and senate transportation committees by the end of each calendar quarter. The reports must include a summary table for each toll facility that includes: The number of notices of civil penalty issued; the number of recipients who pay before the notice becomes a penalty; the number of recipients who request a hearing and the number who do not respond; workload costs related to hearings; the cost and effectiveness of debt collection activities; and revenues generated from notices of civil penalty.

(6) The Tacoma Narrows toll bridge account—state appropriation in this section reflects reductions in management costs of $1,235,000.

(7) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's web site using current department resources. The reports must include a summary of toll revenue by facility on all operating toll facilities and high occupancy toll lane systems, and an itemized depiction of the use of that revenue.

(8) The department shall make detailed quarterly reports to the governor and the transportation committees of the legislature on the use of consultants in the tolling program. The reports must include the name of the contractor, the scope of work, the type of contract, timelines, deliverables, any new task orders, and any extensions to existing consulting contracts.

(9)(a) $250,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the development of a plan to integrate and transition customer service, reservation, and payment systems currently provided by the marine division to ferry users into the statewide tolling customer service center.

(b)(i) The department shall develop a plan that addresses:

(A) A phased implementation approach, beginning with "Good To Go" as a payment option for ferry users;

(B) The feasibility, schedule, and cost of creating a single account-based system for toll road and ferry users;

(C) Transitioning customer service currently provided by the marine division to the statewide tolling customer service center; and

(D) Transitioning existing and planned ferry reservation system support from the marine division to the statewide tolling customer service center.

(ii) The plan must be provided to the office of financial management and the transportation committees of the legislature by January 14, 2014.

(10)(a) $2,019,000 of the Interstate 405 express toll lanes operations account—state appropriation is provided solely for operating and maintenance costs of the Interstate 405 express toll lanes program, including staff costs related to operating an additional toll facility, consulting support for operations, purchase of transponders, costs related to adjudication, credit card fees, printing and postage, and customer service center support. Of the amount provided in this subsection, $519,000 of the Interstate 405 express toll lanes operations account—state appropriation must be placed in unallotted status by the office of financial management until a plan to begin tolling the Interstate 405 express toll lanes during the summer of 2015 is finalized and approved by the office of financial management, in consultation with the chairs and ranking member of the transportation committees of the legislature.

(b) The funds provided in (a) of this subsection are provided through a transfer from the motor vehicle account—state appropriation in section 407(19) ((~~of this act~~)), chapter 222, Laws of 2014. These funds are a loan to the Interstate 405 express toll lanes operations account—state appropriation, and the legislature assumes that these funds will be reimbursed to the motor vehicle account at a later date when the Interstate 405 express toll lanes are operational.

(11) $1,060,000 of the Tacoma Narrows toll bridge account—state appropriation, $2,003,000 of the state route number 520 corridor account—state appropriation, and $99,000 of the high occupancy toll lanes operations account—state appropriation are provided solely in anticipation of, and to prepare for, the procurement of a new tolling customer service center. Of the amounts provided in this subsection, $480,000 of the Tacoma Narrows toll bridge account—state appropriation, $906,000 of the state route number 520 corridor account—state appropriation, and $45,000 of the high occupancy toll lanes operations account—state appropriation must be placed in unallotted status by the office of financial management until a procurement plan is finalized and approved by the office of financial management, in consultation with the chairs and ranking member of the transportation committees of the legislature. Beginning July 1, 2014, the department shall report quarterly to the governor, legislature, and state auditor on: (a) The department's effort to mitigate risk to the state, (b) the development of a request for proposals, and (c) the overall progress towards procuring a new tolling customer service center.

**Sec.**  2014 c 222 s 215 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M**

Highway Safety Account—State Appropriation $10,000,000

Motor Vehicle Account—State Appropriation ((~~$391,358,000~~))

$392,798,000

Motor Vehicle Account—Federal Appropriation $7,000,000

TOTAL APPROPRIATION ~~$408,358,000~~

$409,798,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $10,910,000 of the motor vehicle account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(2) $2,605,000 of the motor vehicle account—state appropriation is provided solely for utility fees assessed by local governments as authorized under RCW 90.03.525 for the mitigation of storm water runoff from state highways.

(3) The department shall submit a budget decision for the 2014 legislative session package that details all costs associated with utility fees assessed by local governments as authorized under RCW 90.03.525.

(4) $50,000 of the motor vehicle account—state appropriation is provided solely for clearing and pruning dangerous trees along state route number 542 between mile markers 43 and 48 to prevent safety hazards and delays.

(5) $2,277,000 of the motor vehicle account—state appropriation is provided solely to replace or rehabilitate critical equipment needed to perform snow and ice removal activities and roadway maintenance. These funds may not be used to purchase passenger cars as defined in RCW 46.04.382.

**Sec.**  2014 c 222 s 219 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U**

Motor Vehicle Account—State Appropriation ((~~$74,198,000~~))

$73,941,000

Motor Vehicle Account—Federal Appropriation $400,000

Multimodal Transportation Account—State

Appropriation $3,068,000

TOTAL APPROPRIATION ~~$77,666,000~~

$77,409,000

The appropriations in this section are subject to the following conditions and limitations: The department of enterprise services must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

**Sec.**  2014 c 222 s 221 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X**

Puget Sound Ferry Operations Account—State

Appropriation ((~~$483,404,000~~))

$479,038,000

Puget Sound Ferry Operations Account—Private/Local

Appropriation $121,000

TOTAL APPROPRIATION ~~$483,525,000~~

$479,159,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The office of financial management budget instructions require agencies to recast enacted budgets into activities. The Washington state ferries shall include a greater level of detail in its 2013-2015 supplemental and 2015-2017 omnibus transportation appropriations act requests, as determined jointly by the office of financial management, the Washington state ferries, and the transportation committees of the legislature. This level of detail must include the administrative functions in the operating as well as capital programs.

(2) Until a reservation system is operational on the San Juan islands inter-island route, the department shall provide the same priority loading benefits on the San Juan islands inter-island route to home health care workers as are currently provided to patients traveling for purposes of receiving medical treatment.

(3) For the 2013-2015 fiscal biennium, the department may enter into a distributor controlled fuel hedging program and other methods of hedging approved by the fuel hedging committee.

(4) ((~~$113,157,000~~))$108,791,000 of the Puget Sound ferry operations account—state appropriation is provided solely for auto ferry vessel operating fuel in the 2013-2015 fiscal biennium, which reflect cost savings from a reduced biodiesel fuel requirement and, therefore, are contingent upon the enactment of section 701, chapter 306, Laws of 2013. The amount provided in this subsection represent the fuel budget for the purposes of calculating any ferry fare fuel surcharge. The department shall develop a fuel reduction plan to be submitted as part of its 2014 supplemental budget proposal. The plan must include fuel saving proposals, such as vessel modifications, vessel speed reductions, and changes to operating procedures, along with anticipated fuel saving estimates.

(5) $100,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the department's compliance with its national pollution discharge elimination system permit.

(6) When purchasing uniforms that are required by collective bargaining agreements, the department shall contract with the lowest cost provider.

(7) $3,049,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the operating program share of the $7,259,000 in lease payments for the ferry division's headquarters building. Consistent with the 2012 facilities oversight plan, the department shall strive to consolidate office space in downtown Seattle by the end of 2015. The department shall consider renewing the lease for the ferry division's current headquarters building only if the lease rate is reduced at least ((~~fifty~~))forty percent and analysis shows that this is the least cost and risk option for the department. Consolidation with other divisions or state agencies, or a reduction in leased space, must also be considered as part of any headquarters lease renewal analysis.

(8) $5,000,000 of the Puget Sound ferry operations account—state appropriation is provided solely for the purchase of a 2013-2015 marine insurance policy. Within this amount, the department is expected to purchase a policy with the lowest deductible possible, while maintaining at least existing coverage levels for ferry vessels, and providing coverage for all terminals.

(9) Within existing resources, the department must evaluate the feasibility of using re-refined used motor oil processed in Washington state as a ferry fuel source. The evaluation must include, but is not limited to, research on existing entities currently using the process for re-refined fuel, any required combustible engine modifications, additional needed equipment on the vessels or fueling locations, cost analysis, compatibility with B-5 blended diesel, and meeting engine performance specifications. The department must establish an evaluation group that includes, but is not limited to, persons experienced in the re-refined motor oil industry. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2014.

(10) $71,000 of the Puget Sound ferry operations account—state appropriation is provided solely for one traffic attendant for ferry terminal traffic control at the Fauntleroy ferry terminal.

**TRANSPORTATION AGENCIES—CAPITAL**

**Sec.**  2014 c 222 s 307 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P**

Transportation Partnership Account—State

Appropriation $34,966,000

Highway Safety Account—State Appropriation $13,500,000

Motor Vehicle Account—State Appropriation ((~~$59,796,000~~))

$60,796,000

Motor Vehicle Account—Federal Appropriation $595,604,000

Motor Vehicle Account—Private/Local Appropriation $11,827,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $2,650,000

Tacoma Narrows Toll Bridge Account—State

Appropriation $120,000

TOTAL APPROPRIATION ~~$718,463,000~~

$719,463,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2014-1 as developed March 10, 2014, Program - Highway Preservation Program (P). However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 601 ((~~of this act~~)), chapter 222, Laws of 2014.

(2) Except as provided otherwise in this section, the entire motor vehicle account—state appropriation and motor vehicle account—federal appropriation are provided solely for the projects and activities listed in LEAP Transportation Document 2014-2 ALL PROJECTS as developed March 10, 2014, Program - Highway Preservation Program (P). The department shall apply any federal funds gained through efficiencies or the redistribution process in an amount up to $27,200,000 for cost overruns related to the pontoon design errors on the SR 520 Bridge Replacement and HOV project (8BI1003) as described in section 306(12)(f) ((~~of this act~~)), chapter 222, Laws of 2014. Any federal funds gained through efficiencies or the redistribution process that are in excess of $27,200,000 must then be applied to the "Contingency (Unfunded) Highway Preservation Projects" as identified in LEAP Transportation Document 2014-2 ALL PROJECTS as developed March 10, 2014, Program - Highway Preservation Program (P). However, no additional federal funds may be allocated to the I-5/Columbia River Crossing project (400506A).

(3) Within the motor vehicle account—state appropriation and motor vehicle account—federal appropriation, the department may transfer funds between programs I and P, except for funds that are otherwise restricted in this act.

(4) $26,610,000 of the motor vehicle account—federal appropriation, $51,000 of the motor vehicle account—state appropriation, and $769,000 of the highway safety account—state appropriation are provided solely for the SR 167/Puyallup River Bridge Replacement project (316725A). This project must be completed as a design-build project. The department must work with local jurisdictions and the community during the environmental review process to develop appropriate esthetic design elements, at no additional cost to the department, and traffic management plans pertaining to this project. The department must report to the transportation committees of the legislature on estimated cost and/or time savings realized as a result of using the design-build process.

(5) The department shall examine the use of electric arc furnace slag for use as an aggregate for new roads and paving projects in high traffic areas and report back to the legislature on its current use in other areas of the country and any characteristics that can provide greater wear resistance and skid resistance in new pavement construction.

**Sec.**  2014 c 222 s 309 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W**

Puget Sound Capital Construction Account—State

Appropriation ((~~$63,825,000~~))

$65,890,000

Puget Sound Capital Construction Account—Federal

Appropriation $118,444,000

Puget Sound Capital Construction Account—Private/Local

Appropriation $1,312,000

Multimodal Transportation Account—State

Appropriation $2,588,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $190,031,000

Transportation Partnership Account—State

Appropriation $2,813,000

TOTAL APPROPRIATION ~~$379,013,000~~

$381,078,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Except as provided otherwise in this section, the entire appropriations in this section are provided solely for the projects and activities as listed in LEAP Transportation Document 2014-2 ALL PROJECTS as developed March 10, 2014, Program - Washington State Ferries Capital Program (W).

(2) The Puget Sound capital construction account—state appropriation includes up to $20,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.843.

(3) $137,425,000 of the transportation 2003 account (nickel account)—state appropriation, $2,338,000 of the transportation partnership account—state appropriation, and $300,000 of the Puget Sound capital construction account—federal appropriation are provided solely for the acquisition of two 144-car vessels (projects L2200038 and L2200039). The department shall use as much already procured equipment as practicable on the 144-car vessels.

(4) $14,728,000 of the Puget Sound capital construction account—federal appropriation, $4,038,000 of the Puget Sound capital construction account—state appropriation, and $1,535,000 of the multimodal transportation account—state appropriation are provided solely for the Mukilteo ferry terminal (project 952515P). To the greatest extent practicable, the department shall seek additional federal funding for this project. Within the multimodal transportation account—state appropriation amount provided in this subsection, the department shall lease to the city in which the project is located a portion of the department's property associated with this project to provide safe, temporary public access from the easterly terminus of First Street to the vicinity of Front Street. The department shall provide the lease at no cost in recognition of the impacts of this project to the city and require appropriate liability and maintenance coverage in the terms of the lease. Public access must be installed and removed at no cost to the state prior to construction of the multimodal terminal project.

(5) ((~~$4,935,000~~))$7,000,000 of the Puget Sound capital construction account—state appropriation is provided solely for emergency capital repair costs (project 999910K). Funds may only be spent after approval by the office of financial management.

(6) Consistent with RCW 47.60.662, which requires the Washington state ferry system to collaborate with passenger-only ferry and transit providers to provide service at existing terminals, the department shall ensure that multimodal access, including for passenger-only ferries and transit service providers, is not precluded by any future modifications at the terminal.

(7) $4,026,000 of the Puget Sound capital construction account—state appropriation is provided solely for the reservation and communications system projects (L200041 & L200042).

(8) $4,210,000 of the Puget Sound capital construction account—state appropriation is provided solely for the capital program share of $7,259,000 in lease payments for the ferry division's headquarters building. Consistent with the 2012 facilities oversight plan, the department shall strive to consolidate office space in downtown Seattle by the end of 2015. The department shall consider renewing the lease for the ferry division's current headquarters building only if the lease rate is reduced at least ((~~fifty~~))forty percent and analysis shows that this is the least cost and risk option for the department. Consolidation with other divisions or state agencies, or a reduction in leased space, must also be considered as part of any headquarters lease renewal analysis.

(9) $23,737,000 of the total appropriation is for preservation work on the Hyak super class vessel (project 944431D), including installation of a power management system and more efficient propulsion systems, that in combination are anticipated to save up to twenty percent in fuel and reduce maintenance costs. Upon completion of this project, the department shall provide a report to the transportation committees of the legislature on the fuel and maintenance savings achieved for this vessel and the potential to save additional funds through other vessel conversions.

(10) The transportation 2003 account (nickel account)—state appropriation includes up to $50,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.861.

(11) $50,000,000 of the transportation 2003 account (nickel account)—state appropriation is provided solely for the acquisition of one 144-car vessel (project L1000063). If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement) is not enacted by June 30, 2014, the amount provided in the subsection lapses.

(12) If the department pursues a conversion of the existing diesel powered Issaquah class fleet to a different fuel source or engine technology, the department must use a design-build procurement process.

(13) $350,000 of the Puget Sound capital construction account—state appropriation is provided solely for the issuance of a request for proposals to convert the Issaquah class vessels to use liquefied natural gas and to provide a one-time stipend to the entity awarded the conversion contract. Of the amounts provided in this subsection:

(a) $100,000 of the Puget Sound capital construction account—state appropriation is for the department to issue a request for proposals for a design-build contract consistent with RCW 47.20.780 to convert six Issaquah class vessels to be powered by liquefied natural gas. Consistent with RCW 47.56.030(2)(c), the legislature finds that the performance needs of the department in converting to liquefied natural gas are for engines with the lowest life-cycle costs, and the department must weigh this criteria as a priority when evaluating the proposals. To encourage cost saving ideas, the department shall limit prescribing design elements in the proposal to those approved or required by the United States coast guard in the liquefied natural gas waterways suitability assessment or those otherwise essential to provide clear direction to bidders. The request for proposals must include a process for evaluating proposals that may include alternative financing arrangements that are in compliance with state private financing law. When evaluating the financial merits of any liquefied natural gas conversion request for proposals, the department shall give consideration to the inability of the state to fund a liquefied natural gas conversion using currently available public resources. The department shall issue the request for proposals within forty-five days of rejecting the liquefied natural gas request for proposals issued under section 308(11), chapter 86, Laws of 2012 or receiving final findings from the United States coast guard on the liquefied natural gas waterways suitability assessment, whichever is later.

(b) $250,000 of the Puget Sound capital construction account—state appropriation is for the entity awarded the contract pursuant to this subsection.

**TRANSFERS AND DISTRIBUTIONS**

**Sec.**  2014 c 222 s 401 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE**

Transportation Partnership Account—State

Appropriation $3,099,000

Motor Vehicle Account—State Appropriation ((~~$187,000~~))

$229,000

State Route Number 520 Corridor Account—State

Appropriation ((~~$3,866,000~~))

$866,000

Highway Bond Retirement Account—State

Appropriation ((~~$1,086,801,000~~))

$1,068,801,000

Ferry Bond Retirement Account—State Appropriation ((~~$31,824,000~~))

$30,824,000

Transportation Improvement Board Bond Retirement

Account—State Appropriation $16,268,000

Nondebt-Limit Reimbursable Bond Retirement Account—

State Appropriation $25,825,000

Toll Facility Bond Retirement Account—State

Appropriation $52,050,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $682,000

TOTAL APPROPRIATION ~~$1,220,602,000~~

$1,198,644,000

**Sec.**  2014 c 222 s 402 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

Transportation Partnership Account—State

Appropriation $588,000

Motor Vehicle Account—State Appropriation ((~~$32,000~~))

$43,000

State Route Number 520 Corridor Account—State

Appropriation $531,000

Transportation 2003 Account (Nickel Account)—State

Appropriation $123,000

TOTAL APPROPRIATION ~~$1,274,000~~

$1,285,000

**Sec.**  2014 c 222 s 403 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE**

Toll Facility Bond Retirement Account—Federal

Appropriation $69,913,000

**Sec.**  2014 c 222 s 404 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION**

Motor Vehicle Account—State Appropriation: For

motor vehicle fuel tax distributions to cities

and counties ((~~$478,598,000~~))

$480,991,000

**Sec.**  2014 c 222 s 405 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—TRANSFERS**

Motor Vehicle Account—State Appropriation: For

motor vehicle fuel tax refunds and statutory

transfers ((~~$1,242,728,000~~))

$1,248,043,000

**Sec.**  2014 c 222 s 406 (uncodified) is amended to read as follows:

**FOR THE DEPARTMENT OF LICENSING—TRANSFERS**

Motor Vehicle Account—State Appropriation:

For motor vehicle fuel tax refunds

and transfers ((~~$138,494,000~~))

$135,862,000

**Sec.**  2014 c 222 s 407 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER—ADMINISTRATIVE TRANSFERS**

(1) Recreational Vehicle Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $1,300,000

(2) Multimodal Transportation Account—State

Appropriation: For transfer to the Puget Sound

Ferry Operations Account—State $13,000,000

(3) Rural Mobility Grant Program Account—State

Appropriation: For transfer to the Multimodal

Transportation Account—State $3,000,000

(4) ((~~Motor Vehicle Account—State~~

~~Appropriation: For transfer to the Special Category C~~

~~Account—State~~ ~~$1,500,000~~

~~(5)~~)) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Transportation

2003 Account (Nickel Account)—State ((~~$7,571,000~~))

$15,000,000

((~~(6)~~))(5) Multimodal Transportation Account—State

Appropriation: For transfer to the Public

Transportation Grant Program Account—State $26,000,000

((~~(7)~~))(6) Motor Vehicle Account—State Appropriation:

For transfer to the Puget Sound Ferry Operations

Account—State $28,000,000

((~~(8)~~))(7) Motor Vehicle Account—State Appropriation:

For transfer to the Puget Sound Capital Construction

Account—State $28,000,000

((~~(9)~~))(8) State Route Number 520 Civil Penalties

Account—State Appropriation: For transfer to the

State Route Number 520 Corridor Account—State $886,000

((~~(10)~~))(9) Multimodal Transportation Account—State

Appropriation: For transfer to the Highway Safety

Account—State $14,000,000

((~~(11)~~))(10) Motor Vehicle Account—State Appropriation:

For transfer to the State Patrol Highway

Account—State $27,000,000

((~~(12)~~))(11) Highway Safety Account—State

Appropriation: For transfer to the Puget Sound Ferry

Operations Account—State $42,000,000

((~~(13)~~))(12) Advanced Environmental Mitigation Revolving

Account—State Appropriation: For transfer to the

Motor Vehicle Account—State ((~~$2,000,000~~))

$1,600,000

((~~(14)~~))(13) Advanced Right-of-Way Revolving Fund—State

Appropriation: For transfer to the Motor Vehicle

Account—State $6,000,000

((~~(15)~~))(14) Tacoma Narrows Toll Bridge Account—State

Appropriation: For transfer to the Motor Vehicle

Account—State $950,000

((~~(16)~~))(15) License Plate Technology Account—State

Appropriation: For transfer to the Highway Safety

Account—State $3,000,000

((~~(17)~~))(16) Motor Vehicle Account—State Appropriation:

For transfer to the Transportation Equipment

Fund—State $3,915,000

((~~(18)(a) Capital Vessel Replacement Account—State~~

~~Appropriation: For transfer to Transportation 2003~~

~~Account (Nickel Account)—State~~ ~~$11,128,000~~

~~(b) If chapter . . . (Engrossed Second Substitute House Bill No. 1129), Laws of 2014 (ferry vessel replacement) is not enacted by June 30, 2014, the amount transferred in (a) of this subsection lapses.~~

~~(19)~~))(17) Motor Vehicle Account—State

Appropriation: For transfer to the Interstate 405

Express Toll Lanes Operations Account—State $2,019,000

(18) Highway Safety Account—State Appropriation:

For transfer to the Department of Licensing Services

Account—State $800,000

**IMPLEMENTING PROVISIONS**

NEW SECTION. **Sec.**  A new section is added to 2013 c 306 (uncodified) to read as follows:

To the extent that any appropriation authorizes expenditures of state funds from the motor vehicle account, special category C account, Tacoma Narrows toll bridge account, transportation 2003 account (nickel account), transportation partnership account, transportation improvement account, Puget Sound capital construction account, multimodal transportation account, state route number 520 corridor account, or other transportation capital project account in the state treasury for a state transportation program that is specified to be funded with proceeds from the sale of bonds authorized in chapter 47.10 RCW, the legislature declares that any such expenditures made prior to the issue date of the applicable transportation bonds for that state transportation program are intended to be reimbursed from proceeds of those transportation bonds in a maximum amount equal to the amount of such appropriation.

**MISCELLANEOUS**

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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

**--- END ---**