

FINAL BILL REPORT

ESSB 5825

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Synopsis as Enacted

Brief Description: Addressing the tolling of Interstate 405, state route number 167, and state route number 509.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Hobbs and King; by request of Department of Transportation).

Senate Committee on Transportation
House Committee on Transportation

Background: Toll Facilities. The Legislature must authorize a facility as toll-eligible before it may be tolled. The Transportation Commission (Commission) is the state's tolling authority with responsibility for setting toll rates. The Department of Transportation (DOT) is the operator of the authorized toll facilities, which include the following:

Facility	Tolling Initiation	Format	Account Location
Tacoma Narrows Bridge	2007	all lanes tolled (eastbound)	within motor vehicle fund
SR 167 High Occupancy Toll Lanes	2008	1 high occupancy toll lane tolled each direction	outside motor vehicle fund
SR 520 Bridge	2011	all lanes tolled	outside motor vehicle fund
I-405 Express Toll Lanes	2015	1-2 express toll lanes tolled each direction	within motor vehicle fund
SR 99 Tunnel	2019 (expected)	all lanes tolled	outside motor vehicle fund

Toll revenues from each facility are deposited into that facility's designated account. Some facility accounts are within the Motor Vehicle Fund and some are outside. The Motor Vehicle Fund is restricted by the 18th amendment, which requires revenues be spent on "highway purposes."

Current law confines permissible uses of toll revenue to do the following:

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- cover operating costs, including maintenance, preservation, administration, and toll enforcement;
- meet obligations for repaying debt;
- meet any other funding obligations for projects or operations;
- provide for the operation of conveyances of people or goods; and
- fund improvements to the facility.

State Route 167. In 2008, DOT converted one lane each direction of SR 167 between Renton and Auburn from a high occupancy vehicle (HOV) lane to a high occupancy toll (HOT) lane. Solo drivers can use a transponder to enter the lane and pay a toll to travel in the high occupancy lane during peak periods. If the vehicle has two or more people in it, they may travel in the HOT lane for free. There is currently no photo tolling on the SR 167 HOT lanes. The HOT lanes were initiated as a four-year pilot project through 2012, but tolling authorization has been extended in the transportation budget each biennia since.

Interstate 405. In 2015, DOT completed a widening and HOV conversion project and began tolling on the express toll lanes (ETLs) on I-405 between Bellevue and Lynnwood. Solo drivers can use a transponder to enter the lanes and pay a photo toll to travel in the express toll lanes during peak periods. If the vehicle has three or more people in it, they may travel in the ETLs for free if they have a transponder set to HOV mode. Some sections of the corridor have one ETL each direction, while some sections have two ETLs each direction.

The 2015 Connecting Washington package funded a similar widening and HOV conversion project for the south half of the I-405 corridor, to construct two ETLs each direction between Renton and Bellevue. The legislative project list funds the project at a \$1.23 billion level, with \$215 million of this expected to be toll funding. Assuming current law, the south end facility is expected to be open to traffic in 2024.

Puget Sound Gateway. The Puget Sound Gateway project was funded at \$1.88 billion in the 2015 Connecting Washington package, and will construct new segments of SR 167 in Pierce County and SR 509 in King County, simultaneously, over a 16-year period. The legislative project list assumes local contributions of \$130 million and toll funding of \$180 million, with the remaining \$1.57 billion paid with gas tax and other vehicle related fees.

The SR 167 portion of the Puget Sound Gateway project will complete the remaining four miles of SR 167 between North Meridian Avenue in Puyallup and I-5 in Fife. The SR 509 portion will extend the highway between South 188th Street and I-5 in SeaTac, and also includes a spur from I-5 in Fife to SR 509 in Tacoma. Phase 1 of the project is expected to be open to traffic by 2026, with phase 2 open by 2031. Initial tolling analyses assume all lanes would have variable tolling at three photo toll points.

Summary: I-405/SR 167 Corridor. An express toll lane corridor is designated as beginning on the north end at I-405's junction with I-5 in Lynnwood, and ending on the south end at SR 167's junction with SR 512 near Puyallup. The SR 167 HOT lanes pilot project and account are repealed, and SR 167 toll revenues are combined into a new account with I-405 titled the "Interstate 405 and state route number 167 express toll lanes account," within the Motor Vehicle Fund.

Toll charges on carpools with two or more people are prohibited from being charged on I-405 between Bellevue and the junction with SR 167, unless DOT finds that this would affect the ETLs' financial obligations. If so, DOT must present alternatives to the Legislature within 30 days.

The annual performance reporting requirement on how actual gross revenues align with the original fiscal note is removed. In addition to the required reporting metric of whether the ETLs maintain speeds of 45 miles per hour at least 90 percent of the time during peak periods, if DOT works with the Federal Highway Administration on an alternate metric, it will be reported as well. A two-year, two-part performance trigger—based on speeds and revenue—to terminate the ETL operations is removed.

Bonding of \$1.16 billion is authorized for I-405 and SR 167, and directed to be used on the following projects:

- up to \$600 million for improvements on I-405 between SR 522 and SR 527;
- up to \$215 million for completion of the project on the south half of I-405 between Renton and Bellevue;
- up to \$3 million to update the SR 167 master plan;
- up to \$100 million to extend express toll lanes on SR 167 south; and
- up to \$20 million for design on the I-405/North 8th Street direct access ramp project.

Once the bonds issued are repaid, DOT and the Commission are required to lower toll rates accordingly.

Puget Sound Gateway. The Puget Sound Gateway facility is designated as an eligible toll facility and tolling is authorized. The facility is defined as SR 167 between North Meridian Avenue in Puyallup and I-5 in Fife, the SR 509 spur between I-5 in Fife and SR 509 in Tacoma, and SR 509 between South 188th Street and I-5 in SeaTac. The Commission and DOT must consider naming the sections of the facility the SR 167 Express Way and the SR 509 Express Way. The Commission is directed to set a variable toll rate schedule to maintain travel time, speed, and reliability, and may adjust rates for inflation. For the SR 509 portion of the facility, when setting the rates, the Commission and DOT are directed to consider a lower rate schedule for low-income drivers and for drivers that live in close proximity to the corridor.

A Puget Sound Gateway Facility Account is created within the Motor Vehicle Fund. Deposits to the account are to include:

- all proceeds of bonds and loans;
- all tolls and other revenues received from the operation of the facility;
- any interest from those revenues;
- proceeds from the sale of any associated surplus property; and
- any damages collected under any associated contracts.

Monies in the account may only be spent after appropriation, and are confined to the same permissible uses as other Washington state tolling facilities.

Bonding of \$340 million is authorized for the Puget Sound Gateway facility, and directed to be used on the following projects:

- to advance toll contributions and \$129 million in Connecting Washington funds in order to open stage two of the project three years earlier and realize cost savings; and
- up to \$5 million for noise mitigation on SR 509 between South 188th Street and I-5.

Once the bonds issued are repaid, DOT and the Commission are required to lower toll rates accordingly.

Votes on Final Passage:

Senate	30	18	
House	60	38	(House amended)
Senate	32	14	(Senate concurred)

Effective: June 30, 2019