
Transportation Committee

ESB 5232

Brief Description: Limiting bonding toll revenues on certain state highway facilities.

Sponsors: Senator King.

Brief Summary of Engrossed Bill

- Prohibits tolling revenue bonds from being sold for the Interstate 405/State Route 167 Express Toll Lanes and the Puget Sound Gateway facilities until January 1, 2023, and until the facilities' revenue outlooks meet certain benchmarks.

Hearing Date: 4/2/21

Staff: David Munnecke (786-7315).

Background:

Toll Facilities. The Legislature must authorize a facility as toll-eligible before it may be tolled. The Washington State Transportation Commission is the state's tolling authority with responsibility for setting toll rates. The Washington State Department of Transportation is the operator of the authorized toll facilities.

Project Financing. Over the past 20 years, the State of Washington has used various methods to finance larger transportation projects. The State Route (SR) 520 Bridge was partially paid for with toll-backed bonds, in addition to state funds, federal funds, federal loans or grants, and local funds. The Tacoma Narrows Bridge and SR 99 Tunnel used tolls to cover project costs, but used a repayment structure where tolls reimburse another state funding source used to issue bonds.

In 2019 the Legislature authorized tolling both the Interstate 405 (I-405)/SR 167 Express Toll

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Lanes (ETL) and various Puget Sound Gateway facilities and the issuance of up to \$1.5 billion in bonds to fund various project priorities.

Summary of Engrossed Bill:

For the I-405 and SR 167 ETL facility, bonds supported by toll revenues from the facility are prohibited from being issued until:

- after January 1, 2023; and
- toll revenue levels have returned to \$8.5 million in a single quarter or the State Treasurer determines revenues are sufficient to meet the financial obligations of the account.

For the Puget Sound Gateway facility, bonds supported by toll revenues from the facility are prohibited from being issued until:

- after January 1, 2023; and
- the State Treasurer determines revenues are sufficient to meet the financial obligations of the account.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested April 1, 2021.

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