
Transportation Committee

SSB 5488

Brief Description: Concerning state contributions in support of the Tacoma Narrows toll bridge.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Randall, Rolfes, Billig, Dhingra, Nobles, Van De Wege and Wilson, C.).

Brief Summary of Substitute Bill

- Requires the State Treasurer to make quarterly transfers of \$3.25 million from the State General Fund to the Tacoma Narrows Toll Bridge Account beginning in September 2022 and ending in June 2032, for a total of \$130 million.
- Modifies the legislative intent of the state contribution loans to the Tacoma Narrows Toll Bridge Account initiated in 2018 to convey that the Legislature intends that the Washington State Transportation Commission will adjust tolls with the intended goal of maintaining two-axle toll rates at no more than 75 cents lower than the toll rates in effect as of October 1, 2021.

Hearing Date: 2/28/22

Staff: Mark Matteson (786-7145).

Background:

The Washington State Transportation Commission (Commission) is a seven-member body of citizens appointed by the Governor for six-year terms. The Commission provides an open public forum for transportation policy development. It reviews and assesses how the transportation system works across the state and issues the state's 20-year Transportation Plan. In 2002 the

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Commission was authorized to act as the state tolling authority for the purposes of establishing tolls on authorized facilities.

In the same act that authorized the Commission as the state tolling authority, the Legislature authorized the construction and state financing of the eastbound Tacoma Narrows Bridge (Bridge) and created the Tacoma Narrows Toll Bridge Account. The Bridge was constructed over several years and opened to traffic in July 2007 as a toll bridge. The Bridge cost \$735 million to complete and was funded by selling general obligation bonds that were backed by the Motor Vehicle Account and the full faith and credit of the State of Washington. Tolls have been collected on the Bridge since its opening and must be imposed by the Commission in amounts sufficient to cover annual operating and maintenance expenses; insurance; the costs of the debt service; and amounts necessary to repay the Motor Vehicle Fund for \$5.3 million of initial operating expenses when the Bridge opened. Tolls are deposited to the Tacoma Narrows Toll Bridge Account.

To reduce the operating costs on the Bridge, the Legislature enacted a deferral of the payment of sales taxes associated with the construction of the Bridge and has extended the deferral period twice. Sales taxes must be repaid in 10 equal installments, beginning the twenty-fourth year (fiscal 2032) after the Bridge was operationally complete.

In the 2017-19 Transportation biennial budget, the Legislature directed the Commission to form a work group to study the need for long-term toll payer relief from increasing toll rates on the Bridge. The work group recommended the provision of up to \$125 million in state funding to offset future debt service payment increases, allocated across the remaining years of tolling at levels that would maintain the toll rates in effect during fiscal year 2018. In the 2018 legislative session, the Legislature enacted legislation signifying its intent to provide \$85 million in state contribution loans from other accounts to the Tacoma Narrows Toll Bridge Account through the life of the debt service, in order to maintain tolls at no more than 25 cents more than the toll rates in effect during fiscal year 2018, starting in fiscal year 2022. The state contribution loans would be repaid once the debt service is retired and the deferred sales tax fully repaid.

The Commission is required to submit to the Legislature:

- through 2031, annual reports with sufficient information to enable the Legislature to determine adequate amounts of state contribution loans necessary for each fiscal biennium; and
- beginning in 2031 until the state contribution loans are repaid, annual reports with information detailing the annual expected toll revenue from the Bridge that will be used to repay the state contribution loans.

The Commission may impose tolls on the Bridge only until the debt service, deferred sales tax, initial loans from the Motor Vehicle Account, and the state contribution loans are paid in full.

Summary of Bill:

Beginning in September 2022 and ending in June 2032, by the last day of September, December, March, and June of each year, the State Treasurer is directed to transfer from the State General Fund to the Tacoma Narrows Toll Bridge Account the sum of \$3.25 million. The total amount that may be transferred is \$130 million.

It is the intent of the Legislature that the Commission will adjust tolls with the goal of maintaining two-axle toll rates at no more than 75 cents lower than the toll rates in effect as of October 1, 2021.

The requirement regarding the Commission's annual report to the Legislature to allow the Legislature to determine the necessary amounts of state contribution loans is modified to refer to the amounts necessary in consideration of the toll rate on the Bridge as of October 1, 2022.

Appropriation: None.

Fiscal Note: Available on the original Senate bill.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.