

SENATE BILL REPORT

SB 5488

As of January 14, 2022

Title: An act relating to completing outstanding financial obligations regarding the Tacoma Narrows toll bridge project.

Brief Description: Completing outstanding financial obligations regarding the Tacoma Narrows toll bridge project.

Sponsors: Senators Randall, Rolfes, Billig, Dhingra, Van De Wege and Wilson, C..

Brief History:

Committee Activity: Transportation: 1/17/22.

Brief Summary of Bill

- Directs the state treasurer to transfer a total of about \$772 million from the general fund to various highway accounts to repay outstanding bond debt, temporary transfers, and deferred sales taxes related to the Tacoma Narrows Bridge (TNB).
- Declares that all outstanding financial obligations related to the TNB are paid in full and that the TNB must be operated as a toll-free facility.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Daniel Masterson (786-7454)

Background: The eastbound Tacoma Narrows Bridge (TNB) 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. The bridge was financed with an escalating debt structure, resulting in multiple toll rate increases over the years as debt payments have increased. Over the life of the bridge, the Legislature has adjusted the funding structure in

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the following ways:

- 2007—loan of \$5.3 million, scheduled to be fully repaid by the 2023-25 biennium;
- 2012—deferral of the \$57.6 million repayment of the sales tax for construction of the bridge until fiscal year 2032 after the debt service is fully paid;
- 2018 —declaration of legislative intent in SHB 2990, to provide a series of loans up to \$85 million to keep TNB toll rates at no more than \$0.25 higher than 2018 rates—\$43 million of this amount has been, or is appropriated to be, transferred to the TNB account by 2023; and
- 2019—loan of \$5 million to maintain minimum fund balance, paid back in 2020.

As of October 1, 2021, rates on the TNB are \$0.25 higher than in 2018. Current rates are \$5.25 with a Good to Go! Pass, \$6.25 with cash, and \$7.25 with pay by mail for a 2-axle vehicle. Toll rates are set by the Transportation Commission and currently may only be collected on the TNB until the debt service, deferred sales tax, and loans from the motor vehicle account are paid in full.

Summary of Bill: By July 1, 2022, the state treasurer must transfer \$772,020,000 from the general fund to various highway accounts to fully pay for outstanding financial obligations as detailed below:

Account	Amount	Purpose
Highway Bond Retirement Fund	\$672M	Full payment of outstanding principal and interest payments on bonds issued to construct the TNB.
Tacoma Narrows Toll Bridge Account	\$57M	Full payment of deferred sales taxes regarding construction of the TNB.
Transportation Partnership Account	\$43M	Full repayment of temporary transfers made between fiscal years 2020 and 2023.
Tacoma Narrows Toll Bridge Account	\$0.02M	Administrative costs of carrying out defeasance of the outstanding principal and interest payments on bonds issued to construct the TNB.
Total Transferred from General Fund	\$772M	

The bill declares that its provisions constitute full payment of all outstanding financial obligations regarding construction of the bridge and that the TNB must be operated as a

toll-free facility.

Appropriation: The bill contains transfers totaling \$772,020,000 from the General Fund.

Fiscal Note: Requested on January 8, 2022.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.