
SENATE BILL 5558

State of Washington

67th Legislature

2022 Regular Session

By Senators King, Lias, and Mullet

Prefiled 12/17/21. Read first time 01/10/22. Referred to Committee on Transportation.

1 AN ACT Relating to the bistate governance of interstate toll
2 bridges owned by local governments; amending RCW 47.56.860; and
3 adding a new chapter to Title 47 RCW.

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

5 NEW SECTION. **Sec. 1.** The legislature finds and declares that:

6 (1) Interstate toll bridges owned by local governments provide
7 critical links for the transport of workers, services, tourism, and
8 emergency response between Washington and Oregon, and for Washington
9 and Oregon businesses to transport local agricultural products,
10 forest products, rock and gravel, and manufactured products within
11 their bistate regions and to broader national markets.

12 (2) Existing local government-owned interstate toll bridges are
13 becoming functionally obsolete, weight-restricted, seismically
14 deficient, and a hazardous obstacle for marine freight; and need to
15 be replaced.

16 (3) Replacement of aging interstate toll bridges by local
17 governments is extremely challenging, and local governments that own
18 or are served by the bridges require additional means to address the
19 problem. For some bistate regions, the successful replacement and
20 subsequent operations of interstate toll bridges can be best
21 accomplished by an independent bistate governmental authority,

1 chartered by local governments, with sufficient powers to efficiently
2 and equitably develop, operate, maintain, toll, and finance the
3 replacement bridge.

4 NEW SECTION. **Sec. 2.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Applicable laws" means the laws applicable to the commission
8 pursuant to section 13 of this act.

9 (2) "Board" means the board of directors of a commission formed
10 under this chapter.

11 (3) "Bordering state" means a state that shares a boundary with
12 the state of Washington, the majority of which is formed by a river,
13 and that enacts legislation authorizing the formation by local
14 governments of a commission with the substantive powers provided in
15 this chapter.

16 (4) "Bridge" means an interstate bridge, including any
17 approaches, buildings, structures, facilities, equipment,
18 improvements, tolling systems and software, and appurtenances
19 necessary or incidental to the bridge, which replaces an existing
20 bridge.

21 (5) "Bridge finance plan" means a plan adopted by the board to
22 finance the design, construction, operations, maintenance,
23 administration, and governance of the bridge, as it may be revised
24 from time to time.

25 (6) "Commission" means a public corporation formed under this
26 chapter.

27 (7) "Commission formation agreement" means a bistate agreement
28 among local governments to charter and form a commission under this
29 chapter.

30 (8) "Construction" or "construct" means all activities,
31 materials, and services necessary or incidental to the design and
32 construction of a bridge including, but not limited to, engineering,
33 permitting, property acquisition, procurement, installation of
34 equipment, site work, utility relocation, inspection, start-up,
35 landscaping, hard construction, environmental mitigation, demolition
36 and removal of an existing bridge, and all associated accounting,
37 legal, administrative, project management, and governance activities.

38 (9) "Debt instrument" means any contractual undertaking,
39 financing agreement, or instrument entered into or issued by a

1 commission to evidence an obligation to repay or guaranty repayment
2 of borrowed moneys including, but not limited to, bonds, refunding
3 bonds, notes, loans, interim financing, anticipation notes,
4 certificates, credit enhancement devices, or other debt obligations.

5 (10) "Departments of transportation" means the Washington state
6 department of transportation and the department of transportation of
7 a bordering state.

8 (11) "Director" means a duly appointed member of the board or,
9 when acting in the absence of a director, a duly appointed alternate
10 member of the board.

11 (12) "Existing bridge" means an interstate toll bridge owned by a
12 local government, or which has been conveyed by a local government to
13 a commission, which is to be replaced by a new bridge.

14 (13) "Local government" means any county, city, or port district
15 along the border of a bordering state that enters into a commission
16 formation agreement.

17 (14) "Operate" means all activities necessary or incidental to
18 the operations, tolling, maintenance, repair, rehabilitation,
19 renewal, or replacement of the bridge, and all associated accounting,
20 legal, administrative, management, and governance activities.

21 (15) "Primary place of business" means the state and county
22 within which the principal headquarters office of the commission is
23 established in a commission formation agreement, notwithstanding any
24 subsequent relocation of the principal headquarters office of the
25 commission.

26 (16) "Public corporation" means a corporation created under this
27 chapter to perform essential governmental functions for the public
28 purposes described in this chapter, and, when issuing bonds or other
29 debt instruments, acts on behalf of the local governments as a
30 constituted authority, within the meaning of the United States
31 department of the treasury regulations and the internal revenue
32 service rulings adopted under section 103, internal revenue code.

33 (17) "States" means the state of Washington and a bordering
34 state.

35 NEW SECTION. **Sec. 3.** (1) Upon enactment of an act by a
36 bordering state having the same material effect as this act, as
37 determined by the statute law committee, local governments may enter
38 into a commission formation agreement to form and charter a
39 commission under this chapter. The commission shall be a public

1 corporation formed under the laws of both states, vested with the
2 powers and duties granted by this chapter. The commission shall
3 perform an essential governmental function and shall exercise its
4 powers for the public purposes described in this chapter.

5 (2) Local governments may by resolution enter a commission
6 formation agreement, consistent with the requirements of this
7 chapter, to charter and form a commission. The commission formation
8 agreement shall, at a minimum, be approved and executed by the owner
9 of an existing bridge and the governing bodies of the counties within
10 which an existing bridge is situated. The commission formation
11 agreement shall establish the following provisions:

12 (a) A name for the commission;

13 (b) The date on which the powers granted to the commission by
14 this chapter become effective;

15 (c) The primary place of business for the purpose of establishing
16 applicable laws under section 12 of this act;

17 (d) The composition and appointment process for members of the
18 board, as described in section 4 (1) and (4) this act;

19 (e) The term of office for, and rules, responsibilities, and
20 requirements applicable to, the office of chair and cochair, as
21 described in section 4(4) of this act;

22 (f) The requirements for formal actions of the board, as
23 described in section 4(5) of this act; and

24 (g) Such other provisions as the local governments may elect, as
25 long as the provisions comply with applicable laws, and do not impair
26 or adversely affect the powers of the commission granted by this
27 chapter.

28 (3) The commission formation agreement may allow the board to
29 amend all or some of the provisions included in the commission
30 formation agreement pursuant to subsection (2)(d), (e), (f), or (g)
31 of this section, and may establish conditions for such amendments.

32 (4) The purposes of the commission are to:

33 (a) Design, engineer, develop, finance and refinance, install,
34 equip, and construct a bridge to replace and remove an existing toll
35 bridge;

36 (b) Act as a cooperative bistate governance structure to develop,
37 own or control, fix and adjust tolls, and regulate the use of a
38 bridge;

39 (c) Oversee the efficient operation, maintenance, administration,
40 rehabilitation, and renewal of the bridge; and

1 (d) Perform such additional duties and exercise such additional
2 powers as may hereafter be conferred upon the commission pursuant to
3 law.

4 NEW SECTION. **Sec. 4.** (1) The commission shall be governed by a
5 board. The commission formation agreement shall establish the number
6 of voting and, if any, nonvoting or ex officio directors appointed by
7 local governments of each state and, if any, appointed by
8 governmental entities that are not local governments, and shall
9 further establish the procedures for the nomination and appointment
10 of such directors, which may differ by state.

11 (2) Each nominating authority shall nominate and each appointing
12 authority shall appoint an alternate director for each director it
13 nominates or appoints. The alternate director may only act in the
14 absence of the director for whom the alternate is appointed. Unless
15 the context requires otherwise, the term director under this chapter
16 includes the alternate director when such alternate director is
17 acting in the absence of the director.

18 (3) Directors and alternate directors shall serve without
19 compensation, but may be reimbursed for reasonable expenses incurred
20 as an incident to the performance of their duties. Directors and
21 alternate directors shall serve at the pleasure of the appointing
22 body, and with or without cause may be removed or suspended from
23 office by the appointing body. The commission formation agreement
24 shall establish the length of the initial term of each of director
25 and alternate director so that subsequent appointments by appointing
26 bodies from each state are reasonably and similarly staggered. Except
27 for the initial appointments of directors and alternate directors,
28 the term of directors and alternate directors shall be four years.

29 (4) The board shall elect two cochairs from among its directors,
30 with one cochair residing in Washington state and the other cochair
31 residing in the bordering state. The two cochairs shall serve as
32 first cochair and second cochair, with the first cochair serving as a
33 nonvoting director responsible for presiding at all commission
34 meetings. The board shall indicate which cochair will serve in the
35 respective two positions within the first year after the formation of
36 the commission, after which time the two positions must alternate on
37 an annual basis. The commission formation agreement shall establish
38 the terms of the cochairs, and may establish such other requirements
39 for the office of cochair as the local governments elect.

1 (5) Formal actions of the board shall be by ordinance or
2 resolution duly approved at any regular or special meeting of the
3 board. No action of the board shall be effective unless there is a
4 quorum and a majority of the directors present assent. The commission
5 formation agreement shall establish the requirements for a quorum,
6 and may establish such other requirements for formal actions of the
7 board as the local governments may elect, provided such requirements
8 are consistent with applicable laws.

9 (6) Unless otherwise provided in an ordinance or resolution
10 enacted by the board, the board shall have the exclusive right to
11 exercise the powers granted by this chapter, and the exercise of all
12 powers granted to the board by this chapter shall not be subject to
13 any prior or subsequent authorization, approval, or concurrence by
14 any local government or other governmental entity of either state.

15 (7) The board shall adopt rules, consistent with applicable laws
16 and the commission formation agreement, regarding the organization,
17 activities, and procedures of the board and the commission, as the
18 board may determine.

19 NEW SECTION. **Sec. 5.** (1) In addition to any other powers
20 granted under this chapter, the commission shall have the power to:

21 (a) Construct, purchase, lease, acquire, own, operate, maintain,
22 control, hold, sell, convey, dispose of, and finance and refinance
23 real and personal property, facilities, materials, supplies,
24 equipment, or any interest therein, within the state of Washington
25 and the bordering state, as the board deems necessary or incidental
26 to the purposes of the commission;

27 (b) Secure all necessary federal, state, and local
28 authorizations, permits, and approvals for the construction,
29 maintenance, repair, operation, renewal, and financing or refinancing
30 of the bridge;

31 (c) Adopt, amend, and repeal bylaws, rules, and regulations,
32 consistent with applicable laws and the commission formation
33 agreement, which add specificity to the powers and duties of the
34 commission, clarify or interpret provisions in the commission
35 formation agreement, or clarify or interpret laws and regulations
36 applicable to the commission;

37 (d) Receive and accept, with or without consideration, from any
38 federal agency, state, local government, or any other public or
39 private source grants, contributions, loans, advances, credit

1 enhancements, or other contributions in money, property, labor,
2 materials, services, or other things of value to accomplish the
3 purposes of the commission;

4 (e) Invest its moneys in investments permitted for municipal
5 corporations and disburse funds for its lawful purposes;

6 (f) Make and enter into any contract or agreement the board deems
7 necessary or incidental to the purposes of the commission;

8 (g) Grant by franchise, lease, or otherwise, the use of any
9 property or facility owned or controlled by the commission and to
10 make charges therefor;

11 (h) Create and abolish offices, employments, and positions, and
12 employ or contract for professional and other services;

13 (i) Make and enforce regulations governing the use of facilities
14 owned or controlled by the commission, the services rendered by the
15 commission, and the tolls, fees, and other charges to be made
16 therefor;

17 (j) Adopt and use a corporate seal;

18 (k) Sue and be sued in the name of the commission;

19 (l) Establish such special funds, and controls on deposits to and
20 disbursements from them, as it finds convenient for the
21 implementation of this chapter;

22 (m) Delegate any of its powers and duties if consistent with the
23 purposes of this chapter;

24 (n) Perform all other functions necessary or incidental to the
25 purposes of the commission, or to the execution of the powers granted
26 under this chapter; and

27 (o) Exercise such additional powers as shall be conferred on it
28 by law.

29 (2) The commission may not impose any taxes or assessments.

30 NEW SECTION. **Sec. 6.** (1) The board shall appoint or retain an
31 executive director, who shall serve at the pleasure of the board, and
32 be in administrative charge of the activities of the commission, and
33 perform such additional duties as directed by the board. Subject to
34 any rules enacted by the commission, the executive director may
35 appoint staff or retain consultants to carry out the purposes and
36 duties of the commission.

37 (2) The board shall appoint or retain legal counsel, including
38 without limitation bond counsel, who shall furnish or cause to be
39 furnished to the commission such opinions, advice, and counsel as may

1 be required, and represent or oversee the representation of the
2 commission in legal matters or hearings, as directed by the
3 commission.

4 (3) The commission may employ such engineering, technical, legal,
5 administrative, operating, and other personnel, officers, or agents
6 on a regular, part-time, or consulting basis as in its judgment is
7 necessary or beneficial for the discharge of its duties. The
8 commission may fix and provide for the qualification, appointment,
9 removal, term, tenure, compensation, pension, and retirement rights
10 of its officers and employees. Employees of the commission shall be
11 afforded the labor rights and protections afforded public employees
12 under the laws of the state within which the primary place of
13 business is situated.

14 (4) All privileges and immunities from liability, laws, and
15 benefits that apply to directors, officers, agents, or employees of a
16 municipal corporation under applicable law shall apply to the
17 directors, officers, agents, and employees of the commission.

18 (5) The commission may purchase insurance or self-insure to
19 protect and hold personally harmless any of its directors, alternate
20 directors, and the officers, employees, and agents of the commission
21 from any action, claim, or proceeding arising out of their
22 performance, purported performance, or failure of performance, in
23 good faith of duties for, or employment with the commission, and to
24 hold these individuals harmless from any expenses connected with the
25 defense, settlement, or monetary judgments from such actions, claims,
26 or proceedings.

27 (6) The commission may purchase insurance or self-insure against
28 loss or damage to any of its properties or facilities, damage to
29 persons or property, loss of revenues, or such other coverages as the
30 board may elect to accomplish the purposes of the commission.
31 Insurance coverage shall be in such form and amount as the board may
32 determine, provided that it satisfies any requirements of any
33 agreement arising out of issuance of bonds or other obligations by
34 the commission. The board may enter into intergovernmental agreements
35 with any state, or local government, or combination thereof, to
36 acquire or maintain the insurance.

37 (7) The commission shall furnish such information with respect to
38 its affairs as may be requested by the state of Washington, bordering
39 state, or any local government. The commission shall prepare an
40 annual report which summarizes the major activities and expenditures

1 of the commission during the year and anticipated for the following
2 year. The commission shall furnish a copy of the annual report,
3 together with any additional information deemed appropriate, to the
4 local governments and other interested parties.

5 (8) Except as described in subsection (9) of this section, the
6 commission shall prepare and adopt a single-year or biennial budget
7 and make appropriations in accordance with this subsection. The
8 commission shall: (a) Establish a budget committee; (b) publish
9 public notice of each meeting of the budget committee; (c) publish
10 public notice and hold a public hearing on the proposed budget before
11 enacting a budget; (d) adopt the budget as it may be amended or
12 revised by the commission, before the start of the budget period; (e)
13 enact such amendments or supplementary budgets during a budget period
14 as the commission may determine are appropriate; and (f) transmit to
15 local area governments a copy of the final budget and any amended or
16 supplementary budgets approved by the commission. In no case may the
17 adopted budget expenditure allowances exceed total estimated revenues
18 unless accompanied by proposed legislation to obtain an equivalent
19 amount of additional revenue. The commission may adopt, and from time
20 to time, amend a rule that further details the preparation of the
21 budget and the process for its adoption.

22 (9) The commission formation agreement may establish a transition
23 period during which, in lieu of an independent budget for the
24 commission approved by the board, revenues passed through to the
25 commission and the expenditures of the passed through revenues are
26 authorized and budgeted as a component of a budget approved by a
27 local area government.

28 NEW SECTION. **Sec. 7.** (1) The commission may finance, refinance,
29 and acquire or otherwise assume control by purchase, lease, donation,
30 or by other means such real and personal property, structures,
31 property rights, franchises, easements, and other property interests,
32 whether situated within the state of Washington or the bordering
33 state, as the board may deem necessary or incidental to the purposes
34 of the commission.

35 (2) The commission may exercise the power of eminent domain to
36 acquire by condemnation any property, structures, property rights,
37 franchises, easements, and other property interests situated within
38 the state of Washington or the bordering state as the board deems
39 necessary or incidental to the purposes of the commission, subject to

1 the applicable laws described in section 13(1)(b) of this act. No
2 property owned or held by any state or local government shall be
3 taken by the commission without the prior consent of such state or
4 local government.

5 NEW SECTION. **Sec. 8.** (1) The board shall have the exclusive
6 power to impose, fix, and periodically adjust the rate of tolls and
7 other charges for use of any bridge owned by or operated by the
8 commission without any approval, authorization, or concurrence by a
9 legislature, state toll authority, local government, state agency or
10 official, or other entity. The board may establish and implement such
11 policies and criteria as the board deems advisable for the rate of
12 tolls and other charges including, but not limited to, establishing
13 discounts, exemptions, administrative fees, late fees, civil
14 penalties, and toll rates for such classes of vehicles and users as
15 the board may determine.

16 (2) In setting and periodically adjusting toll rates and other
17 charges, the board shall ensure that toll rates and other charges
18 will annually yield revenue sufficient to meet all costs, expenses,
19 and obligations of the commission, including the satisfaction of all
20 financial and other covenants made by the commission with regard to
21 any bond or other debt instrument.

22 (3) The commission may enter agreements with the Washington state
23 department of licensing and the applicable agency of the bordering
24 state to enforce the payment of tolls and other charges for use of
25 the bridge. Such agreements may provide that if the commission or its
26 designee gives notice to the applicable department that a person has
27 not paid a toll or other charge for use of the bridge, the applicable
28 department shall refuse to renew the motor vehicle registration of
29 the motor vehicle operated by the person at the time of the
30 violation. The applicable department may renew such motor vehicle
31 registration upon receipt of a notice from the commission or its
32 designee indicating that all tolls and other charges owed by the
33 person have been paid. The rights to enforce the payment of tolls and
34 other charges of the commission granted under this chapter are
35 supplemental; the commission may employ all other remedies available
36 to it under the laws of the state of Washington and the bordering
37 state.

38 (4) The proceeds from toll rates and other charges of the
39 commission shall only be used to pay the necessary and incidental

1 costs and expenses incurred by the commission in connection with
2 owning, constructing, operating, and governing the bridge, which
3 shall include, but not be limited to, costs incurred for:

4 (a) The design, development, construction, equipping,
5 installation, and financing and refinancing of the bridge, demolition
6 and removal of the existing bridge, and mitigation of associated
7 impacts;

8 (b) The operations of the bridge including, but not limited to,
9 repair, maintenance, resurfacing, preservation, equipping,
10 improvement, reconstruction, renewal, and replacement;

11 (c) The tolling of the bridge including, but not limited to, toll
12 collection, administration, and enforcement, and the acquisition,
13 leasing, maintenance, and replacement of tolling equipment and
14 software;

15 (d) The financing or refinancing of any bonds or other debt
16 instruments of the commission;

17 (e) A reasonable return on investment for any private financing
18 of any costs, expenses, or obligations of the commission;

19 (f) The establishment and maintenance of any reserves or sinking
20 funds approved by the board; and

21 (g) Any other obligations or expenses incurred by the commission
22 in carrying out its purposes under this chapter.

23 (5) The commission may grant to any public or private entity by
24 franchise, lease, or otherwise the use of any portion of the bridge
25 or any property or facility owned or under the control of the
26 commission, and may fix the terms, conditions, rents, and other
27 charges for such use.

28 (6) All revenues, receipts, grants, bond proceeds, and other
29 funds of the commission may be comingled and spent to carry out
30 commission purposes within either state, unless and to the extent
31 otherwise restricted by the terms of a grant agreement or debt
32 instrument.

33 NEW SECTION. **Sec. 9.** (1) The commission shall design and
34 construct the bridge to standards and specifications satisfactory to
35 the departments of transportation, and in accordance with all
36 applicable permits, clearances, and mitigation requirements. The
37 commission shall arrange for timely review by the departments of
38 transportation of all pertinent engineering plans, specifications,
39 and related reports.

1 (2) The commission may undertake any construction activities that
2 have necessary permits and for which funding is available, provided
3 that prior to issuing a notice to proceed with the construction of
4 any bridge foundation, the commission shall:

5 (a) Prepare and adopt an initial bridge finance plan to fund the
6 design, construction, operations, maintenance, administration, and
7 governance of the bridge. Prior to adopting the initial bridge
8 finance plan, the board shall require a feasibility review of the
9 initial financial plan and shall submit the feasibility review to the
10 departments of transportation and the local governments for their
11 review as determined by the board. Following the review by the
12 departments of transportation and local governments, the board may
13 adopt the initial bridge finance plan, as it may be amended as a
14 result of the reviews. Following the adoption of the initial
15 financial plan, the board may periodically adjust or amend the plan
16 as the board may determine; and

17 (b) Make and enter into a written agreement with the owner of the
18 applicable existing bridge, under such terms and conditions as may be
19 acceptable to the commission and the owner of the existing bridge,
20 regarding the removal and disposition of the existing bridge. The
21 agreement shall address: (i) The roles, responsibilities, and
22 obligations of the parties with respect to the removal and disposal
23 of the existing bridge, including any liabilities or potential
24 liabilities incidental thereto; (ii) the retirement of any
25 outstanding debt for which toll revenue from the existing bridge is
26 pledged; (iii) the distribution of proceeds from any salvage value of
27 the existing bridge; (iv) the disposition of any property, equipment,
28 or other assets incidental to the existing bridge; (v) mitigation of
29 impacts to existing bridge operations; and (vi) such other matters as
30 the commission and owner of the existing bridge may determine.

31 (3) For purposes of the acquisition, design, construction,
32 installation, operation, or maintenance of the bridge, or any
33 combination thereof, the commission, without any prior or subsequent
34 authorization, approval, or concurrence by any state, local
35 government, or any other governmental entity of either state, may
36 enter into any combination of contracts, agreements, or other
37 arrangements with any one or more private entities or units of
38 government, or any combination thereof, as the commission may elect
39 including, but not limited to, any alternative or supplemental public
40 works contract such as design-build and construction manager-general

1 contractor contracts, public-private partnership agreement, lease
2 agreement, franchise agreement, or financing agreement, and may
3 include such terms and conditions as permitted under the
4 constitutions of both states and the parties may agree to.

5 (4) As part of the construction of a bridge, the commission shall
6 demolish, remove, and dispose of the applicable existing bridge in
7 accordance with all applicable environmental permits and the terms of
8 an agreement between the commission and owner of the existing bridge.
9 Unless otherwise agreed to by the owner of the existing bridge, the
10 proceeds from the sale of any salvaged materials from the existing
11 bridge shall be owing to such owner.

12 (5) The public road construction exemption under RCW
13 82.04.050(10) shall apply to taxes otherwise owing from construction
14 of a bridge. The commission may apply for a deferral of all state and
15 local sales and use taxes incurred from construction of a bridge that
16 are not relieved by the public road construction exemption; such
17 deferral shall be subject to the same terms and conditions applicable
18 to the state route number 520 project under RCW 47.01.412.

19 NEW SECTION. **Sec. 10.** (1) The board shall have the exclusive
20 power to enact and enforce such rules and regulations as the board
21 may elect for the use, operations, maintenance, inspection, and
22 preservation of any bridge owned or operated by the commission,
23 including limiting loads permitted on the bridge and closing the
24 bridge to any traffic deemed unsafe by the commission, provided the
25 commission shall comply with all state and federal regulations
26 generally applicable to bridge operations, maintenance, safety, and
27 inspections.

28 (2) Any facility or property owned, leased, operated, or
29 controlled by the commission may be operated by the commission
30 directly, or by another public or a private entity pursuant to a
31 contract, lease, or agreement that is subject to such terms and
32 conditions as the board may determine.

33 (3) Compensation to a contractor under an operating contract may
34 be in the form of a payment by the commission to the contractor for
35 services rendered, a payment by the contractor to the commission for
36 the rights to operate the facility or property, or such other
37 arrangements as the board may elect.

1 NEW SECTION. **Sec. 11.** The commission may issue revenue bonds
2 and other debt instruments paid from and secured by all or any
3 revenue of the commission in one or more series to be issued and sold
4 from time to time in accordance with chapter 39.46 RCW. The
5 commission may issue and sell debt instruments in one or more series
6 from time to time to refund outstanding debt instruments on the same
7 basis as a public body under the refunding bond act, chapter 39.53
8 RCW, and may issue and sell short-term obligations in one or more
9 series from time to time on the same basis as a municipal corporation
10 in accordance with chapter 36.56 RCW.

11 NEW SECTION. **Sec. 12.** Notwithstanding anything in the laws of
12 either state to the contrary, the commission shall not be required to
13 pay any tax or assessment, or any in lieu of tax or assessment, by
14 either state, or by any political subdivision, municipality, or
15 district thereof including, but not limited to, any property tax,
16 sales and use tax, or other tax or assessment upon real or personal
17 property acquired or otherwise under the control of the commission,
18 or upon any activity or expenditure of the commission, or upon the
19 revenues of the commission, except to the extent that a municipal
20 corporation would be subject to such a tax or assessment.

21 NEW SECTION. **Sec. 13.** (1) The commission shall be governed by
22 applicable federal law, this chapter, rules adopted by the board
23 under this chapter, and in the manner of a municipal corporation
24 under the following state and local laws:

25 (a) Except as provided in (b) and (c) of this subsection, the
26 commission and its board, officials, employees, and agents, shall be
27 governed by the laws of the primary place of business. Such laws
28 include, but are not limited to, laws pertaining to local government
29 audits, financial administration, and accounting requirements; public
30 records; prohibitions on using facilities for campaign purposes; open
31 public meetings; the code of ethics for municipal officers; the
32 rights of public employees; and local government whistleblower
33 protection.

34 (b) The real estate transactions of, and exercise of eminent
35 domain by, the commission, including relocation assistance;
36 compliance with land use, environmental, and building codes; and such
37 other actions of the commission pertaining to the ownership, control,
38 or use of a particular property site or area as the board may

1 determine by rule shall be governed by the laws of the state and
2 local government within which the particular property site or area is
3 situated.

4 (c) If there is a conflict between a provision of an otherwise
5 applicable state or local law and a provision of this chapter, this
6 chapter shall govern, and the conflicting provision in state or local
7 law is inapplicable to the commission.

8 (2) The court of original jurisdiction for any action brought by
9 or against the commission is the court designated pursuant to
10 applicable law.

11 NEW SECTION. **Sec. 14.** (1) The grantee for any federal, state,
12 or local grant for a bridge owned or to be owned by the commission
13 that was awarded before the formation date of the commission shall
14 remain the grantee until such grant is closed under the terms of the
15 grant agreement, unless otherwise agreed to by the grantee and the
16 commission. The governing body of the grantee shall oversee the work
17 under the grant, however, the grantee shall coordinate with the
18 commission, and not take any actions inconsistent with the policy
19 direction of the commission, unless required by the terms of the
20 grant agreement. Following the formation date of the commission, the
21 commission shall be the applicant and grantee for all federal, state,
22 or local grants for the bridge, unless the commission otherwise
23 agrees. The commission shall establish procedures for the timely
24 coordination of its activities with the states and local governments.

25 (2) The departments of transportation and local governments are
26 authorized to enter agreements with the commission to furnish it with
27 surveys, engineering, plans, and specifications, construction
28 management, project controls, operations, administration, and other
29 technical services, the cost of which shall be reimbursed by the
30 commission.

31 (3) The commission may fund its activities before the receipt of
32 tolls or other charges in any manner permitted by applicable law
33 including, but not limited to:

34 (a) Borrowing funds from either or both states, any local
35 government, or any combination thereof, and repaying such borrowings
36 following the opening of the bridge with the proceeds of tolls and
37 other charges for use of the bridge, or in such other manner as the
38 parties may agree;

1 (b) Being a direct grantee of any federal, state, or local
2 government grant; and

3 (c) Receiving moneys as a subrecipient of a federal, state, or
4 local government grant for which a department or local government is
5 the grantee. To the extent permitted by the grant agreement, the
6 departments of transportation and local governments may enter into
7 agreements with the commission to make any portion of such grant
8 funds available to the commission under such terms and conditions as
9 the parties may agree to.

10 (4) The commission may from time to time assign or otherwise
11 convey any of its properties, facilities, funds, accounts,
12 obligations, or duties to any department, local government, or
13 combination thereof, provided such assignment or conveyance does not
14 in any manner impair or affect adversely the interests or rights of
15 the holders of any bonds or other debt instruments of the commission,
16 and the department or local government may, in its discretion, accept
17 such assignment or conveyance.

18 (5) The commission may be dissolved as follows:

19 (a) Before the issuance of any bonds or other debt instrument of
20 the commission, the board may enact a resolution to dissolve the
21 commission at any time it determines the dissolution is in the public
22 interest. The dissolution resolution shall address the methods by
23 which all liabilities and obligations of the commission will be
24 satisfied before the effective date of the dissolution, provided that
25 all liabilities incurred by the commission shall be satisfied
26 exclusively from the assets and properties of the commission and no
27 creditor or other person shall have any right of action against any
28 local government that formed the commission on account of any debts,
29 obligations, or liabilities of the commission. The dissolution
30 resolution shall also address the distribution and transference to
31 local governments of any properties or other assets of the commission
32 that may remain after the satisfaction of all commission liabilities,
33 and such other matters as the board may elect. A resolution to
34 dissolve the commission may not take effect until at least a majority
35 of the local governments in each state agree in writing to the
36 resolution; and

37 (b) Following the issuance of any bonds or other debt instruments
38 of the commission, or in the event of the insolvency of the
39 commission, the superior court or circuit court of the county of the
40 primary place of business shall have jurisdiction and authority to

1 appoint trustees or receivers of commission property and assets and
2 supervise such trusteeship or receivership, provided that all
3 liabilities incurred by the commission shall be satisfied exclusively
4 from the assets and properties of the commission and no creditor or
5 other person shall have any right of action against any local
6 government that formed the commission on account of any debts,
7 obligations, or liabilities of the commission. In the event the
8 commission is dissolved and properties or assets of the commission
9 remain after the satisfaction of all of its outstanding debts,
10 obligations, or liabilities, the remaining property and assets of the
11 commission shall be transferred to local governments in accordance
12 with an order issued by the superior court or circuit court of the
13 county of the primary place of business. The allocation and transfer
14 of the remaining properties and assets of the commission to local
15 governments shall be in such manner as the court determines is
16 equitable and serves the public interest.

17 NEW SECTION. **Sec. 15.** (1) This chapter is liberally construed
18 to effectuate the purposes of the commission, and the powers and
19 authority granted to the commission under this chapter are deemed
20 supplemental to all other powers and authorities granted to municipal
21 corporations under applicable law.

22 (2) If any provision of this chapter, or its application to any
23 person or circumstance, is held to be invalid, all other provisions
24 of this chapter, and the application of all of its provisions to all
25 other persons and circumstances, shall remain valid, and to this end
26 the provisions of this chapter are severable.

27 (3) No legal challenge to the formation of the commission
28 intended to be authorized or created pursuant to this chapter may be
29 commenced more than 30 days after the effective date of the
30 commission formation agreement.

31 NEW SECTION. **Sec. 16.** The statute law committee must give
32 notice that the condition in section 3(1) of this act has been met to
33 the transportation committees of the house of representatives and
34 senate and the office of the code reviser.

35 **Sec. 17.** RCW 47.56.860 and 2008 c 122 s 2 are each amended to
36 read as follows:

1 This subchapter applies only to all state toll bridges and other
2 state toll facilities, excluding the Washington state ferries, first
3 authorized within this state after July 1, 2008. However, this
4 subchapter does not apply to bridges under chapter 47.--- RCW (the
5 new chapter created under section 18 of this act).

6 NEW SECTION. **Sec. 18.** Sections 1 through 16 of this act
7 constitute a new chapter in Title 47 RCW.

--- END ---