

# HOUSE BILL REPORT

## SSB 6316

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### As Passed House - Amended:

March 6, 2024

**Title:** An act relating to the state route number 520 corridor.

**Brief Description:** Concerning the state route number 520 corridor.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Pedersen and King).

### Brief History:

#### Committee Activity:

Transportation: 3/5/24 [DPA].

#### Floor Activity:

Passed House: 3/6/24, 96-0.

### Brief Summary of Substitute Bill (As Amended by House)

- Authorizes the Washington State Department of Transportation to apply for a state and local sales and use tax deferral related to the construction of the State Route 520 Corridor Improvements—West End Project.

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 29 members: Representatives Fey, Chair; Donaghy, Vice Chair; Paul, Vice Chair; Timmons, Vice Chair; Barkis, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Low, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Berry, Bronoske, Chapman, Cortes, Dent, Doglio, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Mena, Nance, Orcutt, Ramel, Ramos, Schmidt, Volz, Walsh and Wylie.

**Staff:** David Munnecke (786-7315).

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*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.*

**Background:**State Route 520 Corridor.

In 2009 the Legislature authorized the initial imposition of tolls on the State Route (SR) 520 Corridor, defined as SR 520 between Interstate 5 (I-5) and SR 202, to be charged only for travel on the floating bridge portion of the corridor, which is part of the SR 520 Bridge Replacement and High-Occupancy Vehicle (HOV) Project that rebuilds SR 520 between I-5 and Interstate 405. The finance plan for the project included a deferral of the sales taxes paid on construction of the project.

State Route 520 Corridor—Sales and Use Tax Deferral.

State and local sales and use tax due on site acquisition, construction, and equipment related to the SR 520 Corridor and HOV Project may be deferred until the twenty-fourth calendar year after the project is operationally complete, when the replacement floating bridge is constructed and open to traffic, and is then due in equal yearly installments over the next decade. These payments are currently scheduled to begin by the end of 2041 since the replacement floating bridge was operationally complete and opened to traffic in August 2017.

State Route 520 Corridor Improvements—West End Project.

The SR 520 Corridor Improvements—West End Project is intended to replace the Portage Bay Bridge with a seismically resilient structure that includes improved bus and carpool travel and an extension of the SR 520 Trail. The project is also intended to build a landscaped lid between Seattle's Roanoke Park and North Capitol Hill neighborhoods.

**Summary of Amended Bill:**

The Washington State Department of Transportation (WSDOT) may apply for a state and local sales and use tax deferral on site acquisition, construction, and equipment related to the SR 520 Corridor Improvements—West End Project, which completes corridor improvements between I-5 and the west high rise. Such sales and use tax may be deferred until the twenty-fourth calendar year after the project is operationally complete. The project is operationally complete when the WSDOT notifies the Department of Revenue in writing that all projects qualifying for a deferral within the West End Project are operationally complete. New deferral certificates may not be issued once the project is operationally complete.

The new sales and local sales and use tax deferral option is exempted from the requirements related to tax preference expiration and performance statements.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This project was a significant issue 18 years ago and remains one today. The people in the project area want the project completed, to avoid the noise and disruption that goes with it, and do not want the project extended. They are also fine with segment tolling and the sales and use tax being deferred to complete the project.

Multiple tolling points on SR 520 were contemplated when tolling was originally contemplated. The Washington State Transportation Commission is ready to conduct public engagement and assess tolling on the corridor. There is virtue to exploring the expansion of tolling, and this process would take several years.

The commitment to funding the project to replace the Portage Bay Bridge, in order to preserve the corridor, is appreciated. Moving forward with the project avoids potential cost increases and will benefit all users of the corridor.

(Opposed) None.

**Persons Testifying:** Senator Jamie Pedersen, prime sponsor; Reema Griffith, Washington State Transportation Commission; and Sarah Clark, Seattle Metropolitan Chamber of Commerce.

**Persons Signed In To Testify But Not Testifying:** None.