

# SENATE BILL REPORT

## SB 5765

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As Amended by House, April 18, 2023

**Title:** An act relating to tolling authorization for the Interstate 5 bridge replacement project.

**Brief Description:** Addressing tolling authorization for the Interstate 5 bridge replacement project.

**Sponsors:** Senators Lias, King, Cleveland and Holy.

**Brief History:**

**Committee Activity:** Transportation: 3/30/23, 4/03/23 [DP, w/oRec].

**Floor Activity:** Passed Senate: 4/5/23, 32-16.

Passed House: 4/18/23, 57-40.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes tolls on the Interstate 5 Bridge Replacement Project.</li></ul>
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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators Lias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; King, Ranking Member; Holy, Assistant Ranking Member; Cleveland, Hawkins, Kauffman, Lovelett, MacEwen, Nobles, Randall, Valdez and Wilson, C..

**Minority Report:** That it be referred without recommendation.

Signed by Senators Padden and Wilson, J..

**Staff:** Brandon Popovac (786-7465)

**Background:** Toll Authorization and Rate Setting. The Legislature is the only entity with the authority to authorize tolls on an eligible toll facility. An eligible toll facility is portions of the state highway system specifically identified by the Legislature, including

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transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways. The Legislature has authorized collection of tolls on the following facilities:

- the Tacoma Narrows Bridge;
- the SR 520 floating bridge;
- the SR 99 tunnel;
- the new sections of SR 167 and SR 509 that are part of the Puget Sound Gateway Project;
- the SR 167 high-occupancy toll lanes; and
- the Interstate 405 express toll lanes.

The Legislature has designated the Washington State Transportation Commission (Commission) as the state tolling authority with responsibility for setting toll rates, including variable pricing, and reviewing toll operations. Before each regular session of the Legislature, the Commission must report to the transportation committees of the Legislature on any increase or decrease in toll rates approved by the Commission.

Interstate 5 Bridge Replacement Project. The Interstate 5 (I-5) Bridge crosses the Columbia River and connects Vancouver, Washington and Portland, Oregon with two parallel bridge structures. One bridge structure carries traffic northbound to Vancouver, and the other bridge structure carries traffic southbound to Portland. The northbound bridge was built in 1917, and the southbound bridge was built in 1958.

In 2012, the Legislature provided tolling authorization for replacement of the I-5 bridge crossing the Columbia river as part of the Columbia River Crossing Project. Although a bistate agreement regarding toll rate setting was entered into by the Commission and Oregon State Transportation Commission, the project was never fully funded and was suspended indefinitely in 2013.

In 2017, the Legislature established a joint Oregon-Washington legislative action committee (JLAC) regarding the construction of a new I-5 bridge. The committee is comprised of 16 members, eight from each state, tasked with, among other purposes:

- examining all potential mass transit options available for a new I-5 bridge project;
- utilizing design build procurement or better innovative project delivery method and determines the least costly, most efficient project management and best practices tools; and
- considering the creation of a Columbia River bridge authority to review bridge needs and make recommendations to both states regarding financing, timing of improvements, and operations of the bridges.

In 2017, the Oregon State Legislature authorized the collection of tolls on the Oregon portion of I-5 and Interstate 205 as part of its toll program, the Regional Mobility Pricing Project. The Oregon State Legislature also authorized the Oregon State Transportation Commission to enter into agreements with the state of Washington, or its tollway operator,

to establish, review, adjust, and collect tolls for the project.

Planning for the I-5 Bridge Replacement (IBR) Project was restarted in 2018, and the IBR Project was expanded in 2020. The IBR Project will reportedly replace the I-5 bridges, extend light rail to Vancouver, improve closely-spaced interchanges, and enhance the pedestrian and bicycle paths. The estimated project costs range from \$5 billion to \$7.5 billion.

In March 2022, the Secretary of the Washington State Department of Transportation (WSDOT) and Director of the Oregon State Department of Transportation (ODOT) signed a memorandum of understanding (MOU) regarding how tolls for the IBR Project could be designed, implemented, and administered. The MOU provides that ODOT should be the entity responsible for IBR Project toll operations. While acknowledging the respective state transportation commissions entering into a future bistate tolling agreement, the MOU also provides that future agreements between the states will address toll operations implementation and cost allocation processes and toll revenue uses and financial arrangements.

**Summary of Bill:** The IBR Project is defined as a bistate, multimodal corridor improvement program between the state route number 500 interchange in Vancouver, Washington and the Victory Boulevard interchange in Portland, Oregon. The IBR Project is designated as an eligible toll facility, and tolls may be imposed on the IBR Project. Tolls may be charged for travel only on the existing and replacement I-5 Columbia River bridges. Tolls may not be charged for travel on any portion of Interstate 205 within Washington State.

The Commission as tolling authority may enter into a bistate agreement with the Oregon State Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates and exemptions.

The IBR Project Account is created in the state treasury and the types of revenue and moneys that must be deposited into the account are specified, including all net tolls and other revenues received from operation of the IBR project as a toll facility. Toll revenue generated on the IBR Project must only be expended to construct, improve, preserve, maintain, manage, or operate the IBR Project. Expenditures of toll revenues are subject to appropriation and must only be made:

- to cover the operating costs of the eligible toll facility, including necessary maintenance, preservation, administration, and toll enforcement by public law enforcement within the boundaries of the facility;
- to meet obligations for the repayment of debt and interest on the eligible toll facility, and any other associated financing costs including, but not limited to, required reserves and insurance;
- to meet any other obligations to provide funding contributions for any projects or operations on the eligible toll facility;

- to provide for the operations of conveyances of people or goods; or
- for any other improvements to the eligible toll facility.

Tolls may not be collected on the IBR Project until (1) certification of the Secretary of Transportation to the Governor that WSDOT has received satisfactory evidence that a sufficient federal funding plan is in place and that sufficient state and local funds are available to complete the IBR Project, and (2) and the bistate agreement between the Commission and the Oregon Transportation Commission has taken effect.

Provisions addressing bistate agreements related to the former Columbia River Crossing project are repealed.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony:** PRO: The IBR Project is critical to the infrastructure of this state and represents the seventh authorized tolling project in the state. The IBR Project requires compromise and dialogue between the two states, and reflects hard work by JLAC to achieve a design that will work for both states. Approved tolling authorization keeps the IBR Project competitive for federal funding that will provide a large chunk of needed resources. The aging I-5 bridge, which is over 100 years old and does not meet seismic safety standards, needs to be replaced by a modern, earthquake resilient bridge. The cost of the IBR Project is estimated at \$6 billion. Multiple state and federal funding sources will provide some coverage for project costs. Every national bridge project has a tolling element or component. The IBR Project financial plan approximates that \$1.2 billion in tolling revenue is necessary to close the project funding gap. Use of variable rate tolling to reduce discretionary trips is helpful. Both states will consider low-income tolling programs. Adoption of toll rates will not occur until shortly before tolling takes place. I-5 bridge replacement will improve I-5 corridor safety and mobility. Oregon State is currently working on its pledge \$1 billion for the project. Toll revenue is a critical component of the project. The bipartisan nature of this legislation is appreciated. Other multimodal options will be explored to mitigate toll diversion.

**Persons Testifying:** PRO: Senator Marko Liias, Prime Sponsor; Anne McEnerny-Ogle, Mayor of Vancouver; Amber Carter, Port of Vancouver USA and Identity Clark County; Greg Johnson, Interstate Bridge Replacement Program; Charlie Brown, Fred Meyer.

**Persons Signed In To Testify But Not Testifying:** No one.

## **EFFECT OF HOUSE AMENDMENT(S):**

- Prohibits toll rates established under the bistrate agreement between the Oregon and Washington State Transportation Commissions from being:
  1. set to pay for all of the operational and administrative costs of the Oregon State tolling system; and
  2. set at a rate that exceeds the highest toll rate allowed on any other Washington State toll facility, unless the Legislature provides direction to do so in enacted legislation.
- Requires toll rates to specifically cover the Interstate 5 Columbia River bridge without subsidizing other Oregon State toll facilities.
- Requires the bistrate agreement between Oregon and Washington State Transportation Commissions to recognize that it would be unfair for the toll rates on the Interstate 5 Columbia River bridge to pay for administrative and program costs of the Oregon Department of Transportation that are created with the expectation to benefit multiple tolled facilities in Oregon State.