
SENATE BILL 5734

State of Washington

69th Legislature

2025 Regular Session

By Senators Lias, Harris, Cleveland, Cortes, and King; by request of Department of Transportation

1 AN ACT Relating to the interstate bridge replacement toll bond
2 authority; amending RCW 47.10.905, 47.10.906, and 47.10.907; and
3 adding new sections to chapter 47.10 RCW.

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

5 NEW SECTION. **Sec. 1.** (1) In order to provide funds necessary
6 for the design, right-of-way, and construction of the Interstate 5
7 bridge replacement project as allowed in RCW 47.56.902 and 47.56.904,
8 there shall be issued and sold upon the request of the department up
9 to \$1,600,000,000 of general obligation bonds of the state of
10 Washington first payable from toll revenue and excise taxes on fuel
11 and vehicle-related fees in accordance with section 4 of this act.

12 (2) For purposes of this act, "vehicle-related fees" means
13 vehicle-related fees imposed under Title 46 RCW that constitute
14 license fees for motor vehicles to be used for highway purposes.

15 NEW SECTION. **Sec. 2.** Upon the request of the department, the
16 state finance committee shall supervise and provide for the issuance,
17 sale, and retirement of bonds authorized by this act in accordance
18 with chapter 39.42 RCW. Bonds authorized by this act shall be sold in
19 the manner, at time or times, in amounts, and at the price as the
20 state finance committee shall determine. No bonds may be offered for

1 sale without prior legislative appropriation of the net proceeds of
2 the sale of the bonds.

3 NEW SECTION. **Sec. 3.** (1) The proceeds from the sale of bonds
4 authorized in section 1(1) of this act must be deposited in the
5 Interstate 5 bridge replacement project account created in RCW
6 47.56.904.

7 (2) The bond proceeds must be available only for the purposes
8 enumerated in section 1 of this act, for payment of bond anticipation
9 notes or other interim financing, if any, capitalizing interest on
10 the bonds, funding a debt service reserve fund, if any, and for the
11 payment of bond issuance costs, including the costs of underwriting.

12 NEW SECTION. **Sec. 4.** Bonds issued under the authority of this
13 section and sections 1, 6, and 7 of this act must distinctly state
14 that they are a general obligation of the state of Washington, must
15 pledge the full faith and credit of the state to the payment of the
16 principal thereof and the interest thereon, and must contain an
17 unconditional promise to pay such principal and interest as the same
18 becomes due. The principal of and interest on the bonds must be first
19 payable in the manner provided in this section and sections 1, 6, and
20 7 of this act from toll revenue and then from proceeds of excise
21 taxes on fuel and vehicle-related fees to the extent toll revenue is
22 not available for that purpose. Toll revenue and the state excise
23 taxes on fuel imposed by chapter 82.38 RCW and vehicle-related fees
24 are hereby pledged to the payment of any bonds and the interest
25 thereon issued under the authority of this section and sections 1, 6,
26 and 7 of this act, and the legislature agrees to continue to impose
27 these toll charges on the Interstate 5 bridge replacement project,
28 and on any other eligible toll facility designated by the legislature
29 and on which the imposition of tolls is authorized by the legislature
30 in respect of the bonds, and excise taxes on fuel and vehicle-related
31 fees in amounts sufficient to pay, when due, the principal and
32 interest on all bonds issued under the authority of this section and
33 sections 1, 6, and 7 of this act.

34 NEW SECTION. **Sec. 5.** (1) If and to the extent that the state
35 finance committee determines, in consultation with the department and
36 the tolling authority, that it will be beneficial for the state to
37 issue any bonds authorized in sections 1, 4, 6, and 7 of this act as

1 toll revenue bonds rather than as general obligation bonds, the state
2 finance committee is authorized to issue and sell, upon the request
3 of the department, such bonds as toll revenue bonds and not as
4 general obligation bonds. Notwithstanding section 4 of this act, each
5 such bond must contain a recital that payment or redemption of the
6 bond and payment of the interest and any premium thereon is payable
7 solely from and secured solely by a direct pledge, charge, and lien
8 upon toll revenue and is not a general obligation of the state to
9 which the full faith and credit of the state is pledged.

10 (2) Toll revenue is hereby pledged to the payment of any bonds
11 and the interest thereon issued under the authority of this section,
12 and the legislature agrees to continue to impose these toll charges
13 on the Interstate 5 bridge replacement project, and on any other
14 eligible toll facility designated by the legislature and on which the
15 imposition of tolls is authorized by the legislature in respect of
16 the bonds, in amounts sufficient to pay, when due, the principal and
17 interest on all bonds issued under the authority of this section.

18 NEW SECTION. **Sec. 6.** (1) For bonds issued under the authority
19 of this section and sections 1, 4, and 7 of this act, the state
20 treasurer shall first withdraw toll revenue from the appropriate toll
21 account for the facility for which the bonds are issued and sold,
22 and, to the extent toll revenue is not available, excise taxes on
23 fuel and vehicle-related fees and deposit in the toll facility bond
24 retirement account, or a special subaccount in the account, such
25 amounts, and at such times, as are required by the bond proceedings.

26 (2) Any excise taxes on fuel and vehicle-related fees required
27 for bond retirement or interest on the bonds authorized by this
28 section and sections 1, 4, and 7 of this act must be taken from that
29 portion of the motor vehicle fund that results from the imposition of
30 excise taxes on fuel and vehicle-related fees and which is, or may
31 be, appropriated to the department for state highway purposes. Funds
32 required must never constitute a charge against any other allocations
33 of fuel tax and vehicle-related fee revenues to the state, counties,
34 cities, and towns unless the amount arising from excise taxes on fuel
35 and vehicle-related fees distributed to the state in the motor
36 vehicle fund proves insufficient to meet the requirements for bond
37 retirement or interest on any such bonds.

38 (3) Any payments for bond retirement or interest on the bonds
39 taken from other revenues from the fuel taxes and vehicle-related

1 fees that are distributable to the state, counties, cities, and towns
2 must be repaid from available toll revenue in the manner provided in
3 the bond proceedings or, if toll revenue is not available for that
4 purpose, from the first revenues from the excise taxes on fuel and
5 vehicle-related fees distributed to the motor vehicle fund not
6 required for bond retirement or interest on the bonds. Any excise
7 taxes on fuel and vehicle-related fees required for bond retirement
8 or interest on the bonds authorized by this section and sections 1,
9 4, and 7 of this act must be reimbursed to the motor vehicle fund
10 from toll revenue in the manner and with the priority specified in
11 the bond proceedings.

12 NEW SECTION. **Sec. 7.** Bonds issued under the authority of
13 sections 1, 4, and 6 of this act and this section and any other
14 general obligation bonds of the state of Washington that have been or
15 that may be authorized and that pledge excise taxes on fuel and
16 vehicle-related fees for the payment of principal and interest
17 thereon must be an equal charge against the revenues from such excise
18 taxes on fuel and vehicle-related fees.

19 **Sec. 8.** RCW 47.10.905 and 2019 c 421 s 8 are each amended to
20 read as follows:

21 The toll facility bond retirement account is created in the state
22 treasury for the purpose of payment of the principal of and interest
23 and premium on bonds. Both principal of and interest on the bonds
24 issued for the purposes of chapter 498, Laws of 2009, chapter 377,
25 Laws of 2011, (~~and~~) chapter 421, Laws of 2019, and chapter . . . ,
26 Laws of 2025 (this act) shall be payable from the toll facility bond
27 retirement account. The state finance committee may provide that
28 special subaccounts be created in the account to facilitate payment
29 of the principal of and interest on the bonds. The state finance
30 committee shall, on or before June 30th of each year, certify to the
31 state treasurer the amount required for principal and interest on the
32 bonds in accordance with the bond proceedings.

33 **Sec. 9.** RCW 47.10.906 and 2019 c 421 s 9 are each amended to
34 read as follows:

35 The state finance committee may determine and include in any
36 resolution authorizing the issuance of any bonds under chapter 498,
37 Laws of 2009, chapter 377, Laws of 2011, (~~and~~) chapter 421, Laws of

1 2019, and chapter . . . , Laws of 2025 (this act), such terms,
2 provisions, covenants, and conditions as it may deem appropriate in
3 order to assist with the marketing and sale of the bonds, confer
4 rights upon the owners of bonds, and safeguard rights of the owners
5 of bonds including, among other things:

6 (1) Provisions regarding the maintenance and operation of
7 eligible toll facilities;

8 (2) The pledges, uses, and priorities of application of toll
9 revenue;

10 (3) Provisions that bonds shall be payable from and secured
11 solely by toll revenue as provided by RCW 47.10.886 and section 5 of
12 this act, or shall be payable from and secured by both toll revenue
13 and by a pledge of excise taxes on motor vehicle and special fuels
14 and the full faith and credit of the state as provided in RCW
15 47.10.879 and 47.10.883 through 47.10.885;

16 (4) Provisions that bonds shall be payable from and secured by
17 both toll revenue and by a pledge of excise taxes on fuel and
18 vehicle-related fees and the full faith and credit of the state as
19 provided in RCW 47.10.896 and 47.10.899 through 47.10.901 and
20 sections 1, 4, 6, and 7 of this act;

21 (5) In consultation with the department of transportation and the
22 tolling authority, financial covenants requiring that the eligible
23 toll facilities must produce specified coverage ratios of toll
24 revenue to debt service on bonds;

25 (6) The purposes and conditions that must be satisfied prior to
26 the issuance of any additional bonds that are to be payable from and
27 secured by any toll revenue on an equal basis with previously issued
28 and outstanding bonds payable from and secured by toll revenue;

29 (7) Provisions that bonds for which any toll revenue are pledged,
30 or for which a pledge of any toll revenue may be reserved, may be
31 structured on a senior, parity, subordinate, or special lien basis in
32 relation to any other bonds for which toll revenue is pledged, with
33 respect to toll revenue only; and

34 (8) Provisions regarding reserves, credit enhancement, liquidity
35 facilities, and payment agreements with respect to bonds.

36 Notwithstanding the foregoing, covenants and conditions detailing
37 the character of management, maintenance, and operation of eligible
38 toll facilities, insurance for eligible toll facilities, financial
39 management of toll revenue, and disposition of eligible toll

1 facilities must first be approved by the department of
2 transportation.

3 The owner of any bond may by mandamus or other appropriate
4 proceeding require and compel performance of any duties imposed upon
5 the tolling authority and the department of transportation and their
6 respective officials, including any duties imposed upon or undertaken
7 by them or by their respective officers, agents, and employees, in
8 connection with the construction, maintenance, and operation of
9 eligible toll facilities and in connection with the collection,
10 deposit, investment, application, and disbursement of the proceeds of
11 the bonds and toll revenue.

12 **Sec. 10.** RCW 47.10.907 and 2019 c 421 s 10 are each amended to
13 read as follows:

14 (1) For the purposes of chapter 498, Laws of 2009, chapter 377,
15 Laws of 2011, (~~and~~) chapter 421, Laws of 2019, and chapter . . . ,
16 Laws of 2025 (this act), "toll revenue" means all toll receipts, all
17 interest income derived from the investment of toll receipts, and any
18 gifts, grants, or other funds received for the benefit of
19 transportation facilities in the state, including eligible toll
20 facilities. However, for the purpose of any pledge of toll revenue to
21 the payment of particular bonds issued under chapter 498, Laws of
22 2009, chapter 377, Laws of 2011, (~~and~~) chapter 421, Laws of 2019,
23 and chapter . . . , Laws of 2025 (this act), "toll revenue" means and
24 includes only such toll revenue or portion thereof that is pledged to
25 the payment of those bonds in the resolution authorizing the issuance
26 of such bonds. Toll revenue constitutes "fees and revenues derived
27 from the ownership or operation of any undertaking, facility, or
28 project" as that phrase is used in Article VIII, section 1(c)(1) of
29 the state Constitution.

30 (2) For the purposes of chapter 498, Laws of 2009, chapter 377,
31 Laws of 2011, (~~and~~) chapter 421, Laws of 2019, and chapter . . . ,
32 Laws of 2025 (this act), "tolling authority" has the same meaning as
33 in RCW 47.56.810.

34 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act are each
35 added to chapter 47.10 RCW.

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