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**HOUSE BILL 1899**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Representatives Fey and Wylie; by request of Department of Transportation

1 AN ACT Relating to tolling the Interstate 405, state route number  
2 167, and state route number 509; amending RCW 47.56.880 and  
3 47.56.884; reenacting and amending RCW 43.84.092; adding new sections  
4 to chapter 47.56 RCW; creating a new section; repealing RCW  
5 47.56.403; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that the  
8 Puget Sound region is faced with growing traffic congestion and must  
9 improve mobility for people and goods by maximizing the effectiveness  
10 of the freeway system. Investments in the Interstate 405, state route  
11 number 167, and state route number 509 corridors are essential for  
12 providing benefits for the movement of vehicles and people. Further,  
13 the legislature recognizes that in 2015, the passage of the  
14 connecting Washington transportation revenue proposal assumed that  
15 tolling would be a component of projects on these corridors.

16 (2) The legislature recognizes that completion of state route  
17 number 167 in Pierce county and completion of state route number 509  
18 in King county provide essential connections to the Port of Tacoma  
19 and the Port of Seattle and will help ensure people and goods move  
20 more reliably through the Puget Sound region. The completion of these  
21 corridors, known as the Gateway project, will play an essential role

1 in enhancing the state's economic competitiveness, both nationally  
2 and globally.

3 (3) The legislature acknowledges that as one of the most  
4 congested freeway sections in the state, the combined Interstate  
5 number 405 and state route number 167 corridor in King county serves  
6 as an ideal candidate for an express toll lanes network. The express  
7 toll lanes network provides a tool for managing the use of high  
8 occupancy vehicle lanes while generating funds to improve projects in  
9 the corridor.

10 (4) Therefore, it is the intent of this act to designate the  
11 Puget Sound Gateway project as an eligible toll facility and to  
12 authorize the imposition of tolls on the Puget Sound Gateway  
13 facility. It is further the intent of this act to direct the  
14 department of transportation to develop and operate an express toll  
15 lanes corridor on Interstate 405 from the city of Lynnwood on the  
16 north end to state route number 167 and state route number 512 on the  
17 south end.

18 **Sec. 2.** RCW 47.56.880 and 2011 c 369 s 3 are each amended to  
19 read as follows:

20 (1) The imposition of tolls for express toll lanes on Interstate  
21 405 between ~~((the junctions with))~~ Interstate 5 on the north end  
22 ~~((and NE 6th Street))~~ in the city of ~~((Bellevue))~~ Lynnwood and  
23 Interstate 5 on the south end in the city of Tukwila, and for state  
24 route number 167 from Interstate 405 on the north end and state route  
25 number 512 on the south end is authorized~~((r))~~. Interstate 405 ~~((is))~~  
26 and state route number 167 are designated an eligible toll facility,  
27 and toll revenue generated in the corridor must only be expended as  
28 allowed under RCW 47.56.820.

29 (2) Tolls for the express toll lanes must be set as follows:

30 (a) The schedule of toll rates must be set by the tolling  
31 authority pursuant to RCW 47.56.850. Toll rates may vary in amount by  
32 time of day, level of traffic congestion within the highway facility,  
33 or other criteria, as the tolling authority deems appropriate.

34 (b) In those locations with two express toll lanes in each  
35 direction, the toll rate must be the same in both lanes.

36 (c) Toll charges may not be assessed on transit buses and  
37 vanpools.

38 (d) The department shall establish performance standards for  
39 travel time, speed, and reliability for the express toll lanes

1 project. The department must automatically adjust the toll rate  
2 within the schedule established by the tolling authority, using  
3 dynamic tolling, to ensure (~~(that average vehicle speeds in the lanes~~  
4 ~~remain above forty-five miles per hour at least ninety percent of the~~  
5 ~~time during peak hours)) the most efficient movement of traffic.~~

6 (e) The tolling authority shall periodically review the toll  
7 rates against traffic performance of all lanes to determine if the  
8 toll rates are effectively maintaining travel time, speed, and  
9 reliability on the highway facilities.

10 (3) (~~(The department may construct and operate express toll lanes~~  
11 ~~on Interstate 405 between the city of Bellevue on the south end and~~  
12 ~~Interstate 5 on the north end. Operation of the express toll lanes~~  
13 ~~may not commence until the department has completed capacity~~  
14 ~~improvements necessary to provide a two-lane system from NE 6th~~  
15 ~~Street in the city of Bellevue to state route number 522 and the~~  
16 ~~conversion of the existing high occupancy vehicle lane to an express~~  
17 ~~toll lane between state route number 522 and the city of Lynnwood.~~  
18 ~~Construction of the capacity improvements described in this~~  
19 ~~subsection, including items that enable implementation of express~~  
20 ~~toll lanes such as conduit and other underground features, must begin~~  
21 ~~as soon as practicable. However, any contract term regarding tolling~~  
22 ~~equipment, such as gantries, barriers, or cameras, for Interstate 405~~  
23 ~~may not take effect unless specific appropriation authority is~~  
24 ~~provided in 2012 stating that funding is provided solely for tolling~~  
25 ~~equipment on Interstate 405.)) The department shall work with local~~  
26 ~~jurisdictions to minimize and monitor impacts to local streets and,~~  
27 ~~after consultation with local jurisdictions, recommend mitigation~~  
28 ~~measures to the legislature in those locations where it is~~  
29 ~~appropriate.~~

30 (4) The department shall monitor the express toll lanes  
31 (~~(project))~~) and shall annually report until December 31, 2030, to the  
32 transportation commission and the legislature on the impacts from the  
33 project on the following performance measures:

34 (a) Whether the express toll lanes maintain speeds of forty-five  
35 miles per hour at least ninety percent of the time during peak  
36 periods, or an alternate metric determined by the department in  
37 conjunction with the federal highway administration;

38 (b) Whether the average traffic speed changed in the general  
39 purpose lanes;

40 (c) Whether transit ridership changed;

1 (d) Whether the actual use of the express toll lanes is  
2 consistent with the projected use;

3 (e) Whether the express toll lanes generated sufficient revenue  
4 to pay for all (~~Interstate 405~~) express toll lane-related operating  
5 costs; and

6 (f) Whether travel times and volumes have increased or decreased  
7 on adjacent local streets and state highways(~~;~~ and

8 ~~(g) Whether the actual gross revenues are consistent with~~  
9 ~~projected gross revenues as identified in the fiscal note for~~  
10 ~~Engrossed House Bill No. 1382 distributed by the office of financial~~  
11 ~~management on March 15, 2011.~~

12 ~~(5) If after two years of operation of the express toll lanes on~~  
13 ~~Interstate 405 performance measures listed in subsection (4)(a) and~~  
14 ~~(e) of this section are not being met, the express toll lanes project~~  
15 ~~must be terminated as soon as practicable)).~~

16 ~~((6))~~ (5) The department, in consultation with the  
17 transportation commission, shall consider making operational changes  
18 necessary to fix any unintended consequences of implementing the  
19 express toll lanes (~~project~~)).

20 ~~((7))~~ (6) A violation of the lane restrictions applicable to  
21 the express toll lanes established under this section is a traffic  
22 infraction.

23 **Sec. 3.** RCW 47.56.884 and 2011 c 369 s 5 are each amended to  
24 read as follows:

25 The Interstate 405 and state route number 167 express toll lanes  
26 operations account is created in the (~~motor vehicle fund~~) state  
27 treasury. All revenues received by the department as toll charges  
28 collected from Interstate 405 and state route number 167 express toll  
29 lane users must be deposited into the account. Moneys in the account  
30 may be spent only after appropriation(~~;~~) consistent with RCW  
31 47.56.820(~~;~~ ~~expenditures from the account may be used for debt~~  
32 ~~service, planning, administration, construction, maintenance,~~  
33 ~~operation, repair, rebuilding, enforcement, and the expansion of~~  
34 ~~express toll lanes on Interstate 405)).~~

35 NEW SECTION. **Sec. 4.** (1) The Puget Sound Gateway project is  
36 designated an eligible toll facility, tolls are authorized to be  
37 imposed on the Puget Sound Gateway facility, and toll revenue  
38 generated must be expended only as allowed under RCW 47.56.820.

1 (2)(a) In setting toll rates for the Puget Sound Gateway  
2 facility, pursuant to RCW 47.56.850, the tolling authority shall set  
3 a variable schedule of toll rates to maintain travel time, speed, and  
4 reliability on the Puget Sound Gateway facility.

5 (b) The tolling authority may adjust toll rates to reflect  
6 inflation as measured by the consumer price index or as necessary for  
7 those costs that are eligible under RCW 47.56.820 and to meet the  
8 obligations of the tolling authority under RCW 47.56.850.

9 (3) For the purposes of this section and section 5 of this act,  
10 "Puget Sound Gateway facility" means the state route number 167  
11 roadway between north Meridian Avenue in Puyallup and Interstate 5 in  
12 Fife, the state route number 509 spur between Interstate 5 in Fife  
13 and state route number 509 in Tacoma, and the state route number 509  
14 roadway between south 188th street and Interstate 5 in SeaTac.

15 NEW SECTION. **Sec. 5.** A special account to be known as the Puget  
16 Sound Gateway facility account is created in the state treasury.

17 (1) Deposits to the account must include:

18 (a) All proceeds of bonds and loans issued for the Puget Sound  
19 Gateway project, including capitalized interest;

20 (b) All tolls and other revenues received from the operation of  
21 the Puget Sound Gateway facility, to be deposited at least monthly;

22 (c) Any interest that may be earned from the deposit or  
23 investment of those revenues;

24 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any  
25 surplus real property acquired for completing the Puget Sound Gateway  
26 project, including existing state route number 509 right-of-way in  
27 SeaTac and Des Moines; and

28 (e) All damages liquidated or otherwise, collected under any  
29 contract involving the Puget Sound Gateway project.

30 (2) Subject to the covenants made by the state in the bond  
31 proceedings authorizing the issuance and sale of bonds for the  
32 construction of the Puget Sound Gateway project, toll charges, other  
33 revenues, and interest received from the operations of the Puget  
34 Sound Gateway facility may be used to:

35 (a) Pay any required costs allowed under RCW 47.56.820; and

36 (b) Repay amounts to the motor vehicle fund as required.

37 (3) When repaying the motor vehicle fund, the state treasurer  
38 shall transfer funds from the Puget Sound Gateway facility account to  
39 the motor vehicle fund on or before each debt service date for bonds

1 issued for the construction of the Puget Sound Gateway project in an  
2 amount sufficient to repay the motor vehicle fund for amounts  
3 transferred from that fund to the highway bond retirement fund to  
4 provide for any bond principal and interest due on that date. The  
5 state treasurer may establish subaccounts for segregating toll  
6 charges, bond sale proceeds, and other revenues.

7 (4) Moneys in the account may be spent only after appropriation.

8 **Sec. 6.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and  
9 2018 c 203 s 14 are each reenacted and amended to read as follows:

10 (1) All earnings of investments of surplus balances in the state  
11 treasury shall be deposited to the treasury income account, which  
12 account is hereby established in the state treasury.

13 (2) The treasury income account shall be utilized to pay or  
14 receive funds associated with federal programs as required by the  
15 federal cash management improvement act of 1990. The treasury income  
16 account is subject in all respects to chapter 43.88 RCW, but no  
17 appropriation is required for refunds or allocations of interest  
18 earnings required by the cash management improvement act. Refunds of  
19 interest to the federal treasury required under the cash management  
20 improvement act fall under RCW 43.88.180 and shall not require  
21 appropriation. The office of financial management shall determine the  
22 amounts due to or from the federal government pursuant to the cash  
23 management improvement act. The office of financial management may  
24 direct transfers of funds between accounts as deemed necessary to  
25 implement the provisions of the cash management improvement act, and  
26 this subsection. Refunds or allocations shall occur prior to the  
27 distributions of earnings set forth in subsection (4) of this  
28 section.

29 (3) Except for the provisions of RCW 43.84.160, the treasury  
30 income account may be utilized for the payment of purchased banking  
31 services on behalf of treasury funds including, but not limited to,  
32 depository, safekeeping, and disbursement functions for the state  
33 treasury and affected state agencies. The treasury income account is  
34 subject in all respects to chapter 43.88 RCW, but no appropriation is  
35 required for payments to financial institutions. Payments shall occur  
36 prior to distribution of earnings set forth in subsection (4) of this  
37 section.

38 (4) Monthly, the state treasurer shall distribute the earnings  
39 credited to the treasury income account. The state treasurer shall

1 credit the general fund with all the earnings credited to the  
2 treasury income account except:

3 (a) The following accounts and funds shall receive their  
4 proportionate share of earnings based upon each account's and fund's  
5 average daily balance for the period: The abandoned recreational  
6 vehicle disposal account, the aeronautics account, the aircraft  
7 search and rescue account, the Alaskan Way viaduct replacement  
8 project account, the brownfield redevelopment trust fund account, the  
9 budget stabilization account, the capital vessel replacement account,  
10 the capitol building construction account, the Cedar River channel  
11 construction and operation account, the Central Washington University  
12 capital projects account, the charitable, educational, penal and  
13 reformatory institutions account, the Chehalis basin account, the  
14 cleanup settlement account, the Columbia river basin water supply  
15 development account, the Columbia river basin taxable bond water  
16 supply development account, the Columbia river basin water supply  
17 revenue recovery account, the common school construction fund, the  
18 community forest trust account, the connecting Washington account,  
19 the county arterial preservation account, the county criminal justice  
20 assistance account, the deferred compensation administrative account,  
21 the deferred compensation principal account, the department of  
22 licensing services account, the department of licensing tuition  
23 recovery trust fund, the department of retirement systems expense  
24 account, the developmental disabilities community trust account, the  
25 diesel idle reduction account, the drinking water assistance account,  
26 the drinking water assistance administrative account, the early  
27 learning facilities development account, the early learning  
28 facilities revolving account, the Eastern Washington University  
29 capital projects account, the Interstate 405 and state route number  
30 167 express toll lanes operations account, the education construction  
31 fund, the education legacy trust account, the election account, the  
32 electric vehicle charging infrastructure account, the energy freedom  
33 account, the energy recovery act account, the essential rail  
34 assistance account, The Evergreen State College capital projects  
35 account, the federal forest revolving account, the ferry bond  
36 retirement fund, the freight mobility investment account, the freight  
37 mobility multimodal account, the grade crossing protective fund, the  
38 public health services account, the high capacity transportation  
39 account, the state higher education construction account, the higher  
40 education construction account, the highway bond retirement fund, the

1 highway infrastructure account, the highway safety fund, the high  
2 occupancy toll lanes operations account, the hospital safety net  
3 assessment fund, the industrial insurance premium refund account, the  
4 judges' retirement account, the judicial retirement administrative  
5 account, the judicial retirement principal account, the local  
6 leasehold excise tax account, the local real estate excise tax  
7 account, the local sales and use tax account, the marine resources  
8 stewardship trust account, the medical aid account, the mobile home  
9 park relocation fund, the money-purchase retirement savings  
10 administrative account, the money-purchase retirement savings  
11 principal account, the motor vehicle fund, the motorcycle safety  
12 education account, the multimodal transportation account, the  
13 multiuse roadway safety account, the municipal criminal justice  
14 assistance account, the natural resources deposit account, the oyster  
15 reserve land account, the pension funding stabilization account, the  
16 perpetual surveillance and maintenance account, the pollution  
17 liability insurance agency underground storage tank revolving  
18 account, the public employees' retirement system plan 1 account, the  
19 public employees' retirement system combined plan 2 and plan 3  
20 account, the public facilities construction loan revolving account  
21 beginning July 1, 2004, the public health supplemental account, the  
22 public works assistance account, the Puget Sound capital construction  
23 account, the Puget Sound ferry operations account, the Puget Sound  
24 Gateway facility account, the Puget Sound taxpayer accountability  
25 account, the real estate appraiser commission account, the  
26 recreational vehicle account, the regional mobility grant program  
27 account, the resource management cost account, the rural arterial  
28 trust account, the rural mobility grant program account, the rural  
29 Washington loan fund, the sexual assault prevention and response  
30 account, the site closure account, the skilled nursing facility  
31 safety net trust fund, the small city pavement and sidewalk account,  
32 the special category C account, the special wildlife account, the  
33 state employees' insurance account, the state employees' insurance  
34 reserve account, the state investment board expense account, the  
35 state investment board commingled trust fund accounts, the state  
36 patrol highway account, the state route number 520 civil penalties  
37 account, the state route number 520 corridor account, the state  
38 wildlife account, the statewide tourism marketing account, the  
39 student achievement council tuition recovery trust fund, the  
40 supplemental pension account, the Tacoma Narrows toll bridge account,



1 the teachers' retirement system plan 1 account, the teachers'  
2 retirement system combined plan 2 and plan 3 account, the tobacco  
3 prevention and control account, the tobacco settlement account, the  
4 toll facility bond retirement account, the transportation 2003  
5 account (nickel account), the transportation equipment fund, the  
6 transportation future funding program account, the transportation  
7 improvement account, the transportation improvement board bond  
8 retirement account, the transportation infrastructure account, the  
9 transportation partnership account, the traumatic brain injury  
10 account, the tuition recovery trust fund, the University of  
11 Washington bond retirement fund, the University of Washington  
12 building account, the volunteer firefighters' and reserve officers'  
13 relief and pension principal fund, the volunteer firefighters' and  
14 reserve officers' administrative fund, the Washington judicial  
15 retirement system account, the Washington law enforcement officers'  
16 and firefighters' system plan 1 retirement account, the Washington  
17 law enforcement officers' and firefighters' system plan 2 retirement  
18 account, the Washington public safety employees' plan 2 retirement  
19 account, the Washington school employees' retirement system combined  
20 plan 2 and 3 account, the Washington state health insurance pool  
21 account, the Washington state patrol retirement account, the  
22 Washington State University building account, the Washington State  
23 University bond retirement fund, the water pollution control  
24 revolving administration account, the water pollution control  
25 revolving fund, the Western Washington University capital projects  
26 account, the Yakima integrated plan implementation account, the  
27 Yakima integrated plan implementation revenue recovery account, and  
28 the Yakima integrated plan implementation taxable bond account.  
29 Earnings derived from investing balances of the agricultural  
30 permanent fund, the normal school permanent fund, the permanent  
31 common school fund, the scientific permanent fund, the state  
32 university permanent fund, and the state reclamation revolving  
33 account shall be allocated to their respective beneficiary accounts.

34 (b) Any state agency that has independent authority over accounts  
35 or funds not statutorily required to be held in the state treasury  
36 that deposits funds into a fund or account in the state treasury  
37 pursuant to an agreement with the office of the state treasurer shall  
38 receive its proportionate share of earnings based upon each account's  
39 or fund's average daily balance for the period.

1           (5) In conformance with Article II, section 37 of the state  
2 Constitution, no treasury accounts or funds shall be allocated  
3 earnings without the specific affirmative directive of this section.

4           NEW SECTION.   **Sec. 7.**   RCW 47.56.403 (High occupancy toll lane  
5 pilot project) and 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013  
6 c 306 s 709, 2011 c 367 s 709, & 2005 c 312 s 3 are each repealed.

7           NEW SECTION.   **Sec. 8.**   Sections 4 and 5 of this act are each  
8 added to chapter 47.56 RCW and codified with the subchapter heading  
9 of "toll facilities created after July 1, 2008."

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