

SENATE BILL REPORT

E2SHB 1773

As Reported By Senate Committee On:
Transportation, March 03, 2008

Title: An act relating to the imposition of tolls.

Brief Description: Concerning the imposition of tolls.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Clibborn and Jarrett).

Brief History: Passed House: 2/15/08, 59-35.

Committee Activity: Transportation: 2/21/08, 3/03/08 [DPA, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Berkey, Eide, Jacobsen, Kauffman, Kilmer, Sheldon and Spanel.

Minority Report: Do not pass.

Signed by Senators Swecker, Ranking Minority Member; Delvin, Kastama, King and Pflug.

Staff: Kelly Simpson (786-7403)

Background: Various tolling statutes exist under current law relative to both state and local toll facilities. However, no consistent statewide toll policies and guidelines exist that harmonize the numerous tolling statutes. In 2006 the Washington Transportation Commission (Commission) issued a report that made various recommendations concerning the adoption of statewide tolling policies.

Summary of Bill (Recommended Amendments): General statewide tolling policies are placed into law, applicable to all state toll bridges and other state toll facilities first authorized after July 1, 2008. However, these policies do not apply to the state ferry system.

Imposition of Tolls. Tolls may not be imposed on any state transportation facility unless first authorized by the Legislature. In addition to traditional bridges and highways, state toll facilities may include transportation corridors, approaches, and bi-state facilities. Certain local governments may impose tolls on local facilities. However, if the local tolls have a significant impact on the operation of any state facility, the Commission must first approve the tolls.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Tolling Proposals. Any proposal for state toll facilities must consider the following policy guidelines:

- overall direction: to encourage the effective use of the transportation system and to provide a source of transportation funding;
- when to use tolling: to contribute a significant portion of project costs or to optimize system performance;
- use of toll revenue: to improve, preserve, manage, or operate a toll facility;
- setting toll rates: to meet funding obligations and to optimize system performance (to the extent possible after generating revenue); and
- duration of toll collection: to fund additional capacity, capital rehabilitation, maintenance, management, and operations, and to optimize system performance.

Use of Toll Revenue. Toll revenue must only be used to construct, improve, preserve, maintain, manage, or operate the toll facility. Toll revenue may only be used for the following purposes:

- to cover operating costs, including maintenance, preservation, administration, and toll enforcement;
- to satisfy debt payments and financing costs;
- to meet any other obligations to provide funding contributions for any projects or operations on the toll facility;
- to provide for the operations of conveyances of people or goods; and
- for any other improvements to the toll facility.

State Tolling Authority. The Commission serves as the state tolling authority, with the following responsibilities:

- set toll rates and exemptions (if any), using the tolling policy guidelines in the bill;
- review toll collection and operations' policies, and toll expenditures, and annually report to the Legislature;
- ensure that toll rates cover operating costs, maintenance, preservation, administration, toll enforcement, debt payments and financing costs, and any other obligations to provide funding contributions for any projects or operations on the toll facility; and
- may set variable tolls to optimize system performance (subject to generating sufficient revenue to first satisfy minimum requirements).

Tolling Advisory Committees. Tolling Advisory Committees (Committees) may be created by the Commission for any state toll facility. The Committees serve in an advisory capacity to the Commission on all matters related to the imposition of tolls. In setting toll rates, the Commission must consider a Committee's recommendations.

New Account. A new account is created, the Toll Collection Account, to receive prepaid customer tolls. The account does not require an appropriation, and monies in the account may be used only to refund customers' prepaid tolls or for distributions into the appropriate toll facility account.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Redesignates the new Toll Collection Account as a

nonappropriated account. Adds an emergency clause only to the two sections applicable to the new account.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed; except for sections 23 and 24 which take effect immediately.

Staff Summary of Public Testimony on Engrossed Second Substitute Bill: PRO: Tolls should be available to be used on projects or corridors even after construction in order to maintain and operate the facility. Toll payers should know where their tolls are spent. The bill sets good state policy, and a broad framework, and provides necessary flexibility for corridors. The bill anticipates tolling as a good new source of revenue and as a good traffic management tool. Creating a new account to manage prepaid tolls provides fiscal integrity and administrative convenience. However, the account probably doesn't need to be an appropriated account, and it should have an emergency clause attached to it to allow for the management of prepaid tolls as soon as possible.

OTHER: Tolling existing facilities and the use of variable tolling are of concern. Tolls should only be placed on new facilities. Drivers should have a non-tolling option. Toll revenues should be limited to "highway purposes" as described in the 18th Amendment motor vehicle account.

Persons Testifying: PRO: Duke Schaub, AGC WA; Dave Overstreet, AAA Washington; Craig Engelking, Sierra Club; Genesee Adkins, Transportation Choices Coalition; Craig Stone, WSDOT.

OTHER: Michael Ennis, Washington Policy Center.