
ENGROSSED SUBSTITUTE SENATE BILL 5825

State of Washington

66th Legislature

2019 Regular Session

By Senate Transportation (originally sponsored by Senators Hobbs and King; by request of Department of Transportation)

READ FIRST TIME 04/09/19.

1 AN ACT Relating to tolling the Interstate 405, state route number
2 167, and state route number 509; amending RCW 47.10.882, 47.10.887,
3 47.10.888, 47.56.880, and 47.56.884; reenacting and amending RCW
4 43.84.092; adding new sections to chapter 47.10 RCW; adding new
5 sections to chapter 47.56 RCW; creating new sections; repealing RCW
6 47.56.403 and 47.66.090; prescribing penalties; providing an
7 effective date; and declaring an emergency.

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

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

18 (2) The legislature recognizes that completion of state route
19 number 167 in Pierce county and completion of state route number 509
20 in King county provide essential connections to the Port of Tacoma
21 and the Port of Seattle and will help ensure people and goods move

1 more reliably through the Puget Sound region. The completion of these
2 corridors, known as the Gateway project, will play an essential role
3 in enhancing the state's economic competitiveness, both nationally
4 and globally.

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

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

20 NEW SECTION. **Sec. 2.** (1) In order to provide funds necessary
21 for the design, right-of-way, and construction of projects as allowed
22 in sections 11 and 14 of this act, there shall be issued and sold
23 upon the request of the department of transportation up to the
24 following amounts of general obligation bonds of the state of
25 Washington first payable from toll revenue and excise taxes on fuel
26 and vehicle-related fees in accordance with section 5 of this act:

27 (a) One billion dollars for the Interstate 405 corridor;

28 (b) One hundred sixty million dollars for the state route number
29 167 corridor; and

30 (c) Three hundred forty million dollars for the Puget Sound
31 Gateway facility.

32 (2) For purposes of chapter . . ., Laws of 2019 (this act),
33 "vehicle-related fees" means vehicle-related fees imposed under Title
34 46 RCW that constitute license fees for motor vehicles to be used for
35 highway purposes.

36 NEW SECTION. **Sec. 3.** Upon the request of the department, the
37 state finance committee shall supervise and provide for the issuance,
38 sale, and retirement of bonds authorized by this act in accordance

1 with chapter 39.42 RCW. Bonds authorized by this act shall be sold in
2 the manner, at time or times, in amounts, and at the price as the
3 state finance committee shall determine. No bonds may be offered for
4 sale without prior legislative appropriation of the net proceeds of
5 the sale of the bonds.

6 NEW SECTION. **Sec. 4.** (1) The proceeds from the sale of bonds
7 authorized by:

8 (a) Section 2(1)(a) of this act shall be deposited in the
9 Interstate 405 express toll lanes account created under RCW
10 47.56.884;

11 (b) Section 2(1)(b) of this act shall be deposited in the state
12 route number 167 express toll lanes account created in section 13 of
13 this act; and

14 (c) Section 2(1)(c) of this act shall be deposited in the Puget
15 Sound Gateway facility account created in section 15 of this act.

16 (2) The bond proceeds shall be available only for the purposes
17 enumerated in section 2, chapter . . . , Laws of 2019 (section 2 of
18 this act), for the payment of bond anticipation notes or other
19 interim financing, if any, capitalizing interest on the bonds,
20 funding a debt service reserve fund, if any, and for the payment of
21 bond issuance costs, including the costs of underwriting.

22 NEW SECTION. **Sec. 5.** Bonds issued under the authority of this
23 section and sections 2, 6, and 7 of this act shall distinctly state
24 that they are a general obligation of the state of Washington, shall
25 pledge the full faith and credit of the state to the payment of the
26 principal thereof and the interest thereon, and shall contain an
27 unconditional promise to pay such principal and interest as the same
28 shall become due. The principal of and interest on the bonds shall be
29 first payable in the manner provided in this section and sections 2,
30 6, and 7 of this act from toll revenue and then from proceeds of
31 excise taxes on fuel and vehicle-related fees to the extent toll
32 revenue is not available for that purpose. Toll revenue and the state
33 excise taxes on fuel imposed by chapter 82.38 RCW and vehicle-related
34 fees are hereby pledged to the payment of any bonds and the interest
35 thereon issued under the authority of this section and sections 2, 6,
36 and 7 of this act, and the legislature agrees to continue to impose
37 these toll charges on the Interstate 405 express toll lanes, the
38 state route number 167 express toll lanes, and on the Puget Sound

1 Gateway facility, and on any other eligible toll facility designated
2 by the legislature and on which the imposition of tolls is authorized
3 by the legislature in respect of the bonds, and excise taxes on fuel
4 and vehicle-related fees in amounts sufficient to pay, when due, the
5 principal and interest on all bonds issued under the authority of
6 this section and sections 2, 6, and 7 of this act.

7 NEW SECTION. **Sec. 6.** For bonds issued under the authority of
8 this section and sections 2, 5, and 7 of this act, the state
9 treasurer shall first withdraw toll revenue from the appropriate toll
10 account for the facility for which the bonds are issued and sold,
11 and, to the extent toll revenue is not available, excise taxes on
12 fuel and vehicle-related fees and deposit in the toll facility bond
13 retirement account, or a special subaccount in the account, such
14 amounts, and at such times, as are required by the bond proceedings.

15 Any excise taxes on fuel and vehicle-related fees required for
16 bond retirement or interest on the bonds authorized by this section
17 and sections 2, 5, and 7 of this act shall be taken from that portion
18 of the motor vehicle fund that results from the imposition of excise
19 taxes on fuel and vehicle-related fees and which is, or may be,
20 appropriated to the department for state highway purposes. Funds
21 required shall never constitute a charge against any other
22 allocations of fuel tax and vehicle-related fee revenues to the
23 state, counties, cities, and towns unless the amount arising from
24 excise taxes on fuel and vehicle-related fees distributed to the
25 state in the motor vehicle fund proves insufficient to meet the
26 requirements for bond retirement or interest on any such bonds.

27 Any payments for bond retirement or interest on the bonds taken
28 from other revenues from the fuel taxes and vehicle-related fees that
29 are distributable to the state, counties, cities, and towns shall be
30 repaid from available toll revenue in the manner provided in the bond
31 proceedings or, if toll revenue is not available for that purpose,
32 from the first revenues from the excise taxes on fuel and vehicle-
33 related fees distributed to the motor vehicle fund not required for
34 bond retirement or interest on the bonds. Any excise taxes on fuel
35 and vehicle-related fees required for bond retirement or interest on
36 the bonds authorized by this section and sections 2, 5, and 7 of this
37 act shall be reimbursed to the motor vehicle fund from toll revenue
38 in the manner and with the priority specified in the bond
39 proceedings.

1 NEW SECTION. **Sec. 7.** Bonds issued under the authority of
2 sections 2, 5, and 6 of this act and this section and any other
3 general obligation bonds of the state of Washington that have been or
4 that may be authorized and that pledge excise taxes on fuel and
5 vehicle-related fees for the payment of principal and interest
6 thereon shall be an equal charge against the revenues from such
7 excise taxes on fuel and vehicle-related fees.

8 **Sec. 8.** RCW 47.10.882 and 2011 c 377 s 3 are each amended to
9 read as follows:

10 The toll facility bond retirement account is created in the state
11 treasury for the purpose of payment of the principal of and interest
12 and premium on bonds. Both principal of and interest on the bonds
13 issued for the purposes of chapter 498, Laws of 2009 (~~and~~), chapter
14 377, Laws of 2011, and chapter . . . , Laws of 2019 (this act) shall
15 be payable from the toll facility bond retirement account. The state
16 finance committee may provide that special subaccounts be created in
17 the account to facilitate payment of the principal of and interest on
18 the bonds. The state finance committee shall, on or before June 30th
19 of each year, certify to the state treasurer the amount required for
20 principal and interest on the bonds in accordance with the bond
21 proceedings.

22 **Sec. 9.** RCW 47.10.887 and 2011 c 377 s 5 are each amended to
23 read as follows:

24 The state finance committee may determine and include in any
25 resolution authorizing the issuance of any bonds under chapter 498,
26 Laws of 2009 (~~and~~), chapter 377, Laws of 2011, and chapter . . . ,
27 Laws of 2019 (this act), such terms, provisions, covenants, and
28 conditions as it may deem appropriate in order to assist with the
29 marketing and sale of the bonds, confer rights upon the owners of
30 bonds, and safeguard rights of the owners of bonds including, among
31 other things:

32 (1) Provisions regarding the maintenance and operation of
33 eligible toll facilities;

34 (2) The pledges, uses, and priorities of application of toll
35 revenue;

36 (3) Provisions that bonds shall be payable from and secured
37 solely by toll revenue as provided by RCW 47.10.886, or shall be
38 payable from and secured by both toll revenue and by a pledge of

1 excise taxes on motor vehicle and special fuels and the full faith
2 and credit of the state as provided in RCW 47.10.879 and 47.10.883
3 through 47.10.885;

4 (4) Provisions that bonds shall be payable from and secured by
5 both toll revenue and by a pledge of excise taxes on fuel and
6 vehicle-related fees and the full faith and credit of the state as
7 provided in sections 2 and 5 through 7 of this act;

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

12 ~~((+5))~~ (6) The purposes and conditions that must be satisfied
13 prior to the issuance of any additional bonds that are to be payable
14 from and secured by any toll revenue on an equal basis with
15 previously issued and outstanding bonds payable from and secured by
16 toll revenue;

17 ~~((+6))~~ (7) Provisions that bonds for which any toll revenue are
18 pledged, or for which a pledge of any toll revenue may be reserved,
19 may be structured on a senior, parity, subordinate, or special lien
20 basis in relation to any other bonds for which toll revenue is
21 pledged, with respect to toll revenue only; and

22 ~~((+7))~~ (8) Provisions regarding reserves, credit enhancement,
23 liquidity facilities, and payment agreements with respect to bonds.

24 Notwithstanding the foregoing, covenants and conditions detailing
25 the character of management, maintenance, and operation of eligible
26 toll facilities, insurance for eligible toll facilities, financial
27 management of toll revenue, and disposition of eligible toll
28 facilities must first be approved by the department of
29 transportation.

30 The owner of any bond may by mandamus or other appropriate
31 proceeding require and compel performance of any duties imposed upon
32 the tolling authority and the department of transportation and their
33 respective officials, including any duties imposed upon or undertaken
34 by them or by their respective officers, agents, and employees, in
35 connection with the construction, maintenance, and operation of
36 eligible toll facilities and in connection with the collection,
37 deposit, investment, application, and disbursement of the proceeds of
38 the bonds and toll revenue.

1 **Sec. 10.** RCW 47.10.888 and 2011 c 377 s 6 are each amended to
2 read as follows:

3 (1) For the purposes of chapter 498, Laws of 2009 (~~and~~),
4 chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this
5 act), "toll revenue" means all toll receipts, all interest income
6 derived from the investment of toll receipts, and any gifts, grants,
7 or other funds received for the benefit of transportation facilities
8 in the state, including eligible toll facilities. However, for the
9 purpose of any pledge of toll revenue to the payment of particular
10 bonds issued under chapter 498, Laws of 2009 (~~and~~), chapter 377,
11 Laws of 2011, and chapter . . ., Laws of 2019 (this act), "toll
12 revenue" means and includes only such toll revenue or portion thereof
13 that is pledged to the payment of those bonds in the resolution
14 authorizing the issuance of such bonds. Toll revenue constitutes
15 "fees and revenues derived from the ownership or operation of any
16 undertaking, facility, or project" as that phrase is used in Article
17 VIII, section 1(c)(1) of the state Constitution.

18 (2) For the purposes of chapter 498, Laws of 2009 (~~and~~),
19 chapter 377, Laws of 2011, and chapter . . ., Laws of 2019 (this
20 act), "tolling authority" has the same meaning as in RCW 47.56.810.

21 **Sec. 11.** RCW 47.56.880 and 2011 c 369 s 3 are each amended to
22 read as follows:

23 (1) The imposition of tolls for express toll lanes on Interstate
24 405 between (~~the junctions with~~) Interstate 5 on the north end
25 (~~and NE 6th Street~~) in the city of (~~Bellevue~~) Lynnwood and
26 Interstate 5 on the south end in the city of Tukwila, and for express
27 toll lanes on state route number 167 between Interstate 405 on the
28 north end and state route number 512 on the south end is
29 authorized(~~is~~). Interstate 405 (~~is~~) and state route number 167 are
30 designated (~~an~~) eligible toll (~~facility~~) facilities, and toll
31 revenue generated in the respective corridors must only be expended
32 on the Interstate 405 and state route number 167 projects as
33 identified in each corridor's master plan and as allowed under RCW
34 47.56.820.

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

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

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

3 (c) Toll charges may not be assessed on transit buses and
4 vanpools.

5 (d) The department shall establish performance standards for
6 travel time, speed, and reliability for the express toll lanes
7 project. The department must automatically adjust the toll rate
8 within the schedule established by the tolling authority, using
9 dynamic tolling, to ((ensure)) maintain the goal that average vehicle
10 speeds in the lanes remain above forty-five miles per hour at least
11 ninety percent of the time during peak hours.

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

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

36 (4) The department shall monitor the express toll lanes
37 ((project)) and shall annually report to the transportation
38 commission and the legislature on the impacts from the project on the
39 following performance measures:

1 (a) Whether the express toll lanes maintain speeds of forty-five
2 miles per hour at least ninety percent of the time during peak
3 periods, and any alternate metric determined by the department in
4 conjunction with the federal highway administration;

5 (b) Whether the average traffic speed changed in the general
6 purpose lanes;

7 (c) Whether transit ridership changed;

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

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

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

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

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

23 ~~((6))~~ (5) The department, in consultation with the
24 transportation commission, shall consider making operational changes
25 necessary to fix any unintended consequences of implementing the
26 express toll lanes (~~project~~).

27 ~~((7))~~ (6) A violation of the lane restrictions applicable to
28 the express toll lanes established under this section is a traffic
29 infraction.

30 **Sec. 12.** RCW 47.56.884 and 2011 c 369 s 5 are each amended to
31 read as follows:

32 (1) The Interstate 405 express toll lanes (~~operations~~) account
33 is created in the motor vehicle fund. (~~All revenues received by the~~
34 ~~department as toll charges collected from Interstate 405 express toll~~
35 ~~lane users must be deposited into the account)~~)

36 (2) Deposits to the account must include:

37 (a) All proceeds of bonds authorized in section 2(1)(a) of this
38 act and loans for the Interstate 405 projects, including capitalized
39 interest;

1 (b) All tolls and other revenues received from the operation of
2 the Interstate 405 express toll lanes facility, to be deposited at
3 least monthly;

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

6 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any
7 surplus real property acquired for completing the Interstate 405
8 express toll lanes facility; and

9 (e) All damages liquidated or otherwise, collected under any
10 contract involving Interstate 405 projects.

11 (3) Moneys in the account may be spent only after
12 appropriation((-)), consistent with RCW 47.56.820((, —expenditures
13 from the account may be used for debt service, planning,
14 administration, — construction, — maintenance, — operation, — repair,
15 rebuilding, enforcement, and the expansion of express toll lanes on
16 Interstate 405)) .

17 (4) The proceeds of the general obligation bonds authorized in
18 section 2(1)(a) of this act shall be used to make progress toward
19 completion of the Interstate 405 master plan. It is the intent of the
20 legislature to first use the bond proceeds for the following
21 projects, in priority order:

22 (a) Up to six hundred million dollars to design and construct
23 capacity improvements on Interstate 405 between state route number
24 522 and state route number 527. This project would widen Interstate
25 405 through the state route number 522 interchange, build direct
26 access ramps to the express toll lanes at state route number 522,
27 build one new lane in each direction to be used as a second express
28 toll lane, and build a partial direct access ramp at state route
29 number 527 to the east, north, and south, to provide connections to
30 the Canyon Park park and ride;

31 (b) Up to two hundred fifteen million dollars toward completion
32 of the I-405/Renton to Bellevue - Corridor Widening project
33 (M00900R); and

34 (c) Up to twenty million dollars to design the Interstate 405/
35 North 8th Street Direct Access Ramp project in the city of Renton. It
36 is the intent of the legislature to provide construction funding for
37 this project at a later date.

38 NEW SECTION. Sec. 13. (1) The state route number 167 express
39 toll lanes account is created in the motor vehicle fund.

1 (2) Deposits to the account must include:

2 (a) All proceeds of bonds authorized in section 2(1)(b) of this
3 act and loans for state route number 167 projects, including
4 capitalized interest;

5 (b) All tolls and other revenues received from the operation of
6 the state route number 167 express toll lanes facility, to be
7 deposited at least monthly;

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

10 (d) Notwithstanding RCW 47.12.063, proceeds from the sale of any
11 surplus real property acquired for completing the state route number
12 167 express toll lanes facility; and

13 (e) All damages liquidated or otherwise, collected under any
14 contract involving state route number 167 projects.

15 (3) Moneys in the account may be spent only after appropriation,
16 consistent with RCW 47.56.820.

17 (4) The proceeds of the general obligation bonds authorized in
18 section 2(1)(b) of this act shall be used to make progress toward
19 completion of the state route number 167 master plan. It is the
20 intent of the legislature to use the bond proceeds for the following
21 priority projects:

22 (a) Up to three million dollars to update the state route 167
23 master plan; and

24 (b) Up to one hundred million dollars to construct both the
25 northbound and southbound state route number 167 stage 6 extension
26 projects. This project would extend the express toll lanes south to
27 the state route number 410 and state route number 512 interchange to
28 help mitigate traffic congestion.

29 NEW SECTION. **Sec. 14.** (1) The Puget Sound Gateway facility is
30 designated an eligible toll facility, tolls are authorized to be
31 imposed on the Puget Sound Gateway facility, and toll revenue
32 generated must be expended only as allowed under RCW 47.56.820.

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

37 (b) The tolling authority may adjust toll rates to reflect
38 inflation as measured by the consumer price index or as necessary for

1 those costs that are eligible under RCW 47.56.820 and to meet the
2 obligations of the tolling authority under RCW 47.56.850.

3 (3) For the purposes of this section and section 15 of this act,
4 "Puget Sound Gateway facility" means the state route number 167
5 roadway between north Meridian Avenue in Puyallup and Interstate 5 in
6 Fife, the state route number 509 spur between Interstate 5 in Fife
7 and state route number 509 in Tacoma, and the state route number 509
8 roadway between south 188th street and Interstate 5 in SeaTac.

9 (4) Prior to setting the schedule of toll rates on the portion of
10 state route number 509 between South 188th Street and Interstate 5 in
11 SeaTac, the department, in collaboration with the transportation
12 commission, must analyze and present to the transportation commission
13 at least one schedule of toll rates that exempts, discounts, or
14 provides other toll relief for low-income drivers during all hours of
15 operation on state route number 509 between South 188th Street and
16 Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the
17 department shall consider implementing an exemption, discount, or
18 other toll relief policy for drivers that reside in close proximity
19 to the corridor.

20 NEW SECTION. **Sec. 15.** (1) A special account to be known as the
21 Puget Sound Gateway facility account is created in the motor vehicle
22 fund.

23 (2) Deposits to the account must include:

24 (a) All proceeds of bonds authorized in section 2(1)(c) of this
25 act and loans for the Puget Sound Gateway project, including
26 capitalized interest;

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

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

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

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

37 (3) Moneys in the account may be spent only after appropriation,
38 consistent with RCW 47.56.820.

1 (4) The proceeds of the general obligation bonds authorized in
2 section 2(1)(c) of this act shall be used to make progress toward
3 completion of the Puget Sound Gateway facility. It is the intent of
4 the legislature to use the bond proceeds to advance the Puget Sound
5 Gateway facility in order to maximize net mobility benefits for both
6 freight and the traveling public. It is the intent of the legislature
7 for tolling to begin on stage one of the project as soon as
8 practicable in order to leverage toll funds, use bond proceeds to
9 advance one hundred twenty-nine million dollars of connecting
10 Washington state appropriations by two biennia to the 2023-2025
11 biennium, and advance local and federal contributions. This will
12 allow the department of transportation to deliver and open to the
13 public stage two of the project in fiscal year 2028, three years
14 earlier than originally planned, and to realize twenty million
15 dollars in cost savings in connecting Washington state
16 appropriations.

17 (5) It is also the intent of the legislature to use the bond
18 proceeds for up to five million dollars to provide noise mitigation
19 on state route number 509 between south 188th street and Interstate
20 5.

21 **Sec. 16.** RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and
22 2018 c 203 s 14 are each reenacted and amended to read as follows:

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

26 (2) The treasury income account shall be utilized to pay or
27 receive funds associated with federal programs as required by the
28 federal cash management improvement act of 1990. The treasury income
29 account is subject in all respects to chapter 43.88 RCW, but no
30 appropriation is required for refunds or allocations of interest
31 earnings required by the cash management improvement act. Refunds of
32 interest to the federal treasury required under the cash management
33 improvement act fall under RCW 43.88.180 and shall not require
34 appropriation. The office of financial management shall determine the
35 amounts due to or from the federal government pursuant to the cash
36 management improvement act. The office of financial management may
37 direct transfers of funds between accounts as deemed necessary to
38 implement the provisions of the cash management improvement act, and
39 this subsection. Refunds or allocations shall occur prior to the

1 distributions of earnings set forth in subsection (4) of this
2 section.

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

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the
15 treasury income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The abandoned recreational
19 vehicle disposal account, the aeronautics account, the aircraft
20 search and rescue account, the Alaskan Way viaduct replacement
21 project account, the brownfield redevelopment trust fund account, the
22 budget stabilization account, the capital vessel replacement account,
23 the capitol building construction account, the Cedar River channel
24 construction and operation account, the Central Washington University
25 capital projects account, the charitable, educational, penal and
26 reformatory institutions account, the Chehalis basin account, the
27 cleanup settlement account, the Columbia river basin water supply
28 development account, the Columbia river basin taxable bond water
29 supply development account, the Columbia river basin water supply
30 revenue recovery account, the common school construction fund, the
31 community forest trust account, the connecting Washington account,
32 the county arterial preservation account, the county criminal justice
33 assistance account, the deferred compensation administrative account,
34 the deferred compensation principal account, the department of
35 licensing services account, the department of licensing tuition
36 recovery trust fund, the department of retirement systems expense
37 account, the developmental disabilities community trust account, the
38 diesel idle reduction account, the drinking water assistance account,
39 the drinking water assistance administrative account, the early
40 learning facilities development account, the early learning

1 facilities revolving account, the Eastern Washington University
2 capital projects account, (~~the Interstate 405 express toll lanes~~
3 ~~operations account,~~) the education construction fund, the education
4 legacy trust account, the election account, the electric vehicle
5 charging infrastructure account, the energy freedom account, the
6 energy recovery act account, the essential rail assistance account,
7 The Evergreen State College capital projects account, the federal
8 forest revolving account, the ferry bond retirement fund, the freight
9 mobility investment account, the freight mobility multimodal account,
10 the grade crossing protective fund, the public health services
11 account, the high capacity transportation account, the state higher
12 education construction account, the higher education construction
13 account, the highway bond retirement fund, the highway infrastructure
14 account, the highway safety fund, (~~the high occupancy toll lanes~~
15 ~~operations account,~~) the hospital safety net assessment fund, the
16 industrial insurance premium refund account, the Interstate 405
17 express toll lanes account, the judges' retirement account, the
18 judicial retirement administrative account, the judicial retirement
19 principal account, the local leasehold excise tax account, the local
20 real estate excise tax account, the local sales and use tax account,
21 the marine resources stewardship trust account, the medical aid
22 account, the mobile home park relocation fund, the money-purchase
23 retirement savings administrative account, the money-purchase
24 retirement savings principal account, the motor vehicle fund, the
25 motorcycle safety education account, the multimodal transportation
26 account, the multiuse roadway safety account, the municipal criminal
27 justice assistance account, the natural resources deposit account,
28 the oyster reserve land account, the pension funding stabilization
29 account, the perpetual surveillance and maintenance account, the
30 pollution liability insurance agency underground storage tank
31 revolving account, the public employees' retirement system plan 1
32 account, the public employees' retirement system combined plan 2 and
33 plan 3 account, the public facilities construction loan revolving
34 account beginning July 1, 2004, the public health supplemental
35 account, the public works assistance account, the Puget Sound capital
36 construction account, the Puget Sound ferry operations account, the
37 Puget Sound Gateway facility account, the Puget Sound taxpayer
38 accountability account, the real estate appraiser commission account,
39 the recreational vehicle account, the regional mobility grant program
40 account, the resource management cost account, the rural arterial

1 trust account, the rural mobility grant program account, the rural
2 Washington loan fund, the sexual assault prevention and response
3 account, the site closure account, the skilled nursing facility
4 safety net trust fund, the small city pavement and sidewalk account,
5 the special category C account, the special wildlife account, the
6 state employees' insurance account, the state employees' insurance
7 reserve account, the state investment board expense account, the
8 state investment board commingled trust fund accounts, the state
9 patrol highway account, the state route number 167 express toll lanes
10 account, the state route number 520 civil penalties account, the
11 state route number 520 corridor account, the state wildlife account,
12 the statewide tourism marketing account, the student achievement
13 council tuition recovery trust fund, the supplemental pension
14 account, the Tacoma Narrows toll bridge account, the teachers'
15 retirement system plan 1 account, the teachers' retirement system
16 combined plan 2 and plan 3 account, the tobacco prevention and
17 control account, the tobacco settlement account, the toll facility
18 bond retirement account, the transportation 2003 account (nickel
19 account), the transportation equipment fund, the transportation
20 future funding program account, the transportation improvement
21 account, the transportation improvement board bond retirement
22 account, the transportation infrastructure account, the
23 transportation partnership account, the traumatic brain injury
24 account, the tuition recovery trust fund, the University of
25 Washington bond retirement fund, the University of Washington
26 building account, the volunteer firefighters' and reserve officers'
27 relief and pension principal fund, the volunteer firefighters' and
28 reserve officers' administrative fund, the Washington judicial
29 retirement system account, the Washington law enforcement officers'
30 and firefighters' system plan 1 retirement account, the Washington
31 law enforcement officers' and firefighters' system plan 2 retirement
32 account, the Washington public safety employees' plan 2 retirement
33 account, the Washington school employees' retirement system combined
34 plan 2 and 3 account, the Washington state health insurance pool
35 account, the Washington state patrol retirement account, the
36 Washington State University building account, the Washington State
37 University bond retirement fund, the water pollution control
38 revolving administration account, the water pollution control
39 revolving fund, the Western Washington University capital projects
40 account, the Yakima integrated plan implementation account, the

1 Yakima integrated plan implementation revenue recovery account, and
2 the Yakima integrated plan implementation taxable bond account.
3 Earnings derived from investing balances of the agricultural
4 permanent fund, the normal school permanent fund, the permanent
5 common school fund, the scientific permanent fund, the state
6 university permanent fund, and the state reclamation revolving
7 account shall be allocated to their respective beneficiary accounts.

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

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

17 NEW SECTION. **Sec. 17.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 47.56.403 (High occupancy toll lane pilot project) and
20 2017 c 313 s 712, 2015 1st sp.s. c 10 s 705, 2013 c 306 s 709, 2011 c
21 367 s 709, & 2005 c 312 s 3; and

22 (2) RCW 47.66.090 (High occupancy toll lanes operations account)
23 and 2005 c 312 s 4.

24 NEW SECTION. **Sec. 18.** Any residual balance of funds remaining
25 in the high occupancy toll lanes operations account repealed by
26 section 17 of this act on the effective date of this section, and any
27 year-end accruals accounted for after the effective date of this
28 section from the state route number 167 high occupancy toll lanes
29 pilot project, shall be transferred to the state route number 167
30 express toll lanes account created in section 13 of this act.

31 NEW SECTION. **Sec. 19.** Sections 2 through 7 of this act are each
32 added to chapter 47.10 RCW.

33 NEW SECTION. **Sec. 20.** Sections 13 through 15 of this act are
34 each added to chapter 47.56 RCW and codified with the subchapter
35 heading of "toll facilities created after July 1, 2008."

1 NEW SECTION. **Sec. 21.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect June 30, 2019.

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