CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6392

Chapter 248, Laws of 2010

(partial veto)

61st Legislature
2010 Regular Session

SR 520 BRIDGE--TOLLS--USE OF REVENUE

EFFECTIVE DATE: 06/10/10

Passed by the Senate March 8, 2010
YEAS 37 NAYS 10

BRAD OWEN
President of the Senate

Passed by the House March 2, 2010
YEAS 78 NAYS 19

FRANK CHOPP
Speaker of the House of Representatives

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE SENATE BILL 6392 as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN
Secretary

Approved March 30, 2010, 12:00 p.m., with the exception of Sections 1 and 3 which are vetoed.

CHRISTINE GREGOIRE
Governor of the State of Washington

FILED
March 31, 2010

Secretary of State
State of Washington
AN ACT Relating to the use of revenue generated from tolling the state route number 520 corridor; amending RCW 47.56.870, 47.01.408, and 47.56.875; reenacting and amending RCW 43.84.092; adding a new section to chapter 47.56 RCW; and creating a new section.

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

*NEW SECTION. Sec. 1. The legislature recognizes that during the 2009 legislative session tolling was authorized on the state route number 520 corridor. As such, it is the intent of the legislature that tolling commences in the spring of 2011 on the existing state route number 520 bridge.

The legislature further recognizes that tolling of the state route number 520 corridor is integrally related to the issuance of a final project design resulting from the supplemental draft environmental impact statement for the state route number 520 bridge replacement and HOV program released in January 2010. It is the intent of the legislature that the department of transportation work with affected neighborhoods and local governments, including the mayor of the city of Seattle and the Seattle city council, to refine the preferred alternative design in the supplemental draft environmental impact
statement so that the final design of the state route number 520 bridge replacement and HOV program will, to the extent required by state and federal law, include reasonable assurance that project impacts will be mitigated as much as practicable to protect against further adverse impacts on neighborhood environmental quality. Within the cost constraints identified in section 1, chapter 472, Laws of 2009, and consistent with an opening date to vehicular traffic of 2014, it is further the intent of the legislature that any final design of the state route number 520 bridge replacement and HOV program accommodate effective connections for transit, including high capacity transit, including, but not limited to, effective connections for transit to the university link light rail line, consistent with the requirements of RCW 47.01.408, and ensure the effective, efficient, and feasible coordination of bus services and light rail services throughout the state route number 520 corridor, consistent with the requirements of RCW 47.01.410. The legislature further intends that any cost savings applicable to the state route number 520 bridge replacement and HOV program stay within the program.

*Sec. 1 was vetoed. See message at end of chapter.*

**Sec. 2.** RCW 47.56.870 and 2009 c 472 s 2 are each amended to read as follows:

1. The initial imposition of tolls on the state route number 520 corridor is authorized, the state route number 520 corridor is designated an eligible toll facility, and toll revenue generated in the corridor must only be expended as allowed under RCW 47.56.820.
2. The state route number 520 corridor consists of that portion of state route number 520 between the junctions of Interstate 5 and state route number 202. The toll imposed by this section shall be charged only for travel on the floating bridge portion of the state route number 520 corridor.
3. (a) In setting the toll rates for the corridor pursuant to RCW 47.56.850, the tolling authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the corridor and generate the necessary revenue as required under (b) of this subsection.

(b) The tolling authority shall initially set the variable schedule of toll rates, which the tolling authority may adjust at least annually.
to reflect inflation as measured by the consumer price index or as necessary to meet the redemption of bonds and interest payments on the bonds, to generate revenue sufficient to provide for:

(i) The issuance of general obligation bonds, authorized in RCW 47.10.879, first payable from toll revenue and then excise taxes on motor vehicle and special fuels pledged for the payment of those bonds in the amount necessary to fund the (replacement state route number 520 floating bridge and necessary landings) state route number 520 bridge replacement and HOV program, subject to subsection (4) of this section; and

(ii) Costs associated with the project designated in subsection (4) of this section that are eligible under RCW 47.56.820.

(4) (a) The proceeds of the bonds designated in subsection (3)(b)(i) of this section (which together with other appropriated and identified state and federal funds is sufficient to pay for the replacement of the floating bridge segment and necessary landings of state route number 520,) must be used only to fund the (construction of the replacement state route number 520 floating bridge and necessary landings) state route number 520 bridge replacement and HOV program; however, two hundred million dollars of bond proceeds, in excess of the proceeds necessary to complete the floating bridge segment and necessary landings, must be used only to fund the state route number 520, Interstate 5 to Medina bridge replacement and HOV project segment of the program, as identified in applicable environmental impact statements, and may be used to fund effective connections for high occupancy vehicles and transit for state route number 520, but only to the extent those connections benefit or improve the operation of state route number 520.

(b) The program must include the following elements within the cost constraints identified in section 1, chapter 472, Laws of 2009, consistent with the legislature's intent that cost savings applicable to the program stay within the program and that the bridge open to vehicular traffic in 2014:

(i) A project design, consistent with RCW 47.01.408, that includes high occupancy vehicle lanes with a minimum carpool occupancy requirement of three-plus persons on state route number 520;

(ii) High occupancy vehicle lane performance standards for the state route number 520 corridor established by the department. The
department shall report to the transportation committees of the legislature when average transit speeds in the two lanes that are for high occupancy vehicle travel fall below forty-five miles per hour at least ten percent of the time during peak hours;

(iii) A work group convened by the mayor and city council of the city of Seattle to include Sound Transit, King County Metro, the Seattle Department of Transportation, the department, the University of Washington, and other persons or organizations as designated by the mayor or city council to study and make recommendations of alternative connections for transit, including bus routes and high capacity transit, to the University Link light rail line. The work group must consider such techniques as grade separation, additional stations, and pedestrian lids to effect these connections. The recommendations must be alternatives to the transit connections identified in the supplemental draft environmental impact statement for the State Route number 520 bridge replacement and HOV program released in January 2010, and must meet the requirements under RCW 47.01.408, including accommodating effective connections for transit. The recommendations must be within the scope of the supplemental draft environmental impact statement. For the purposes of this section, "effective connections for transit" means a connection that connects transit stops, including high capacity transit stops, that serve the State Route number 520/Montlake interchange vicinity to the University Link light rail line, with a connection distance of less than one thousand two hundred feet between the stops and the light rail station. The city of Seattle shall submit the recommendations by October 1, 2010, to the governor and the transportation committees of the legislature. However, if the city of Seattle does not convene the work group required under this subsection before July 1, 2010, or does not submit recommendations to the governor and the transportation committees of the legislature by October 1, 2010, the department must convene the work group required under this subsection and meet all the requirements of this subsection that are described as requirements of the city of Seattle by November 30, 2010;

(iv) A work group convened by the department to include Sound Transit and King County Metro to study and make recommendations regarding options for planning and financing high capacity transit
through the state route number 520 corridor. The department shall submit the recommendations by January 1, 2011, to the governor and the transportation committees of the legislature;

(v) A plan to address mitigation as a result of the state route number 520 bridge replacement and HOV program at the Washington park arboretum. As part of its process, the department shall consult with the governing board of the Washington park arboretum, the Seattle city council and mayor, and the University of Washington to identify all mitigation required by state and federal law resulting from the state route number 520 bridge replacement and HOV program's impact on the arboretum, and to develop a project mitigation plan to address these impacts. The department shall submit the mitigation plan by December 31, 2010, to the governor and the transportation committees of the legislature. Wetland mitigation required by state and federal law as a result of the state route number 520 bridge replacement and HOV program's impacts on the arboretum must, to the greatest extent practicable, include on-site wetland mitigation at the Washington park arboretum, and must enhance the Washington park arboretum. This subsection (4)(b)(v) does not preclude any other mitigation planned for the Washington park arboretum as a result of the state route number 520 bridge replacement and HOV program;

(vi) A work group convened by the department to include the mayor of the city of Seattle, the Seattle city council, the Seattle department of transportation, and other persons or organizations as designated by the Seattle city council and mayor to study and make recommendations regarding design refinements to the preferred alternative selected by the department in the supplemental draft environmental impact statement process for the state route number 520 bridge replacement and HOV program. To accommodate a timely progression of the state route number 520 bridge replacement and HOV program, the design refinements recommended by the work group must be consistent with the current environmental documents prepared by the department for the supplemental draft environmental impact statement. The department shall submit the recommendations to the legislature and governor by December 31, 2010, and the recommendations must inform the final environmental impact statement prepared by the department; and

(vii) An account, created in section 5 of this act, into which civil penalties generated from the nonpayment of tolls on the state
route number 520 corridor are deposited to be used to fund any project within the program, including mitigation. However, this subsection (4)(b)(vii) is contingent on the enactment by June 30, 2010, of either chapter . . . (Engrossed Substitute Senate Bill No. 6499), Laws of 2010 or chapter . . . (Substitute House Bill No. 2897), Laws of 2010, but if the enacted bill does not designate the department as the toll penalty adjudicating agency, this subsection (4)(b)(vii) is null and void.

(5) The department may carry out the ((construction and)) improvements designated in subsection (4) of this section and administer the tolling program on the state route number 520 corridor.

*Sec. 3. RCW 47.01.408 and 2008 c 270 s 2 are each amended to read as follows:

(1) The state route number 520 bridge replacement and HOV project shall be designed to provide six total lanes, with two lanes that are for transit and high-occupancy vehicle travel, and four general purpose lanes.

(2) The state route number 520 bridge replacement and HOV project shall be designed to accommodate effective connections for transit, including high capacity transit, to the light rail station at the University of Washington.

(3) The state route number 520 bridge replacement and HOV project shall be designed to provide a total height from the water to the top of the bridge rail on the floating bridge portion of the project of no more than twenty feet if any portion of the project is funded by revenue generated from tolling the state route number 520 corridor.

*Sec. 3 was vetoed. See message at end of chapter.

Sec. 4. RCW 47.56.875 and 2009 c 472 s 4 are each amended to read as follows:

A special account to be known as the state route number 520 corridor account is created in the state treasury.

(1) Deposits to the account must include:

(a) All proceeds of bonds issued for ((construction of the replacement state route number 520 floating bridge and necessary landings)) the state route number 520 bridge replacement and HOV program, including any capitalized interest;

(b) Except as provided in RCW 47.56.870(4)(b)(vii), all of the
tolls and other revenues received from the operation of the state route number 520 corridor as a toll facility, to be deposited at least monthly;

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

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for the state route number 520 bridge replacement and HOV program;

(e) All damages, liquidated or otherwise, collected under any contract involving the state route number 520 bridge replacement and HOV program.

(2) Subject to the covenants made by the state in the bond proceedings authorizing the issuance and sale of bonds for the state route number 520 bridge replacement and HOV program, toll charges, other revenues, and interest received from the operation of the state route number 520 corridor as a toll facility may be used to:

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

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

(3) When repaying the motor vehicle fund, the state treasurer shall transfer funds from the state route number 520 corridor account to the motor vehicle fund on or before each debt service date for bonds issued for the state route number 520 bridge replacement and HOV program in an amount sufficient to repay the motor vehicle fund for amounts transferred from that fund to the highway bond retirement fund to provide for any bond principal and interest due on that date. The state treasurer may establish subaccounts for the purpose of segregating toll charges, bond sale proceeds, and other revenues.

NEW SECTION. Sec. 5. A new section is added to chapter 47.56 RCW to read as follows:

(1) A special account to be known as the state route number 520 civil penalties account is created in the state treasury. All state
route number 520 bridge replacement and HOV program civil penalties generated from the nonpayment of tolls on the state route number 520 corridor must be deposited into the account, as provided under RCW 47.56.870(4)(b)(vii). Moneys in the account may be spent only after appropriation. Expenditures from the account may be used to fund any project within the state route number 520 bridge replacement and HOV program, including mitigation.

(2) This section is contingent on the enactment by June 30, 2010, of either chapter . . . (Engrossed Substitute Senate Bill No. 6499), Laws of 2010 or chapter . . . (Substitute House Bill No. 2897), Laws of 2010, but if the enacted bill does not designate the department as the toll penalty adjudicating agency, this section is null and void.

Sec. 6. RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and 2009 c 451 s 8 are each reenacted and amended to read as follows:

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

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

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

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

The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the budget stabilization account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the health system capacity account, the personal health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy
toll lanes operations account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural Washington loan fund, the site closure account, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University
of Washington building account, the urban arterial trust account, the
volunteer firefighters' and reserve officers' relief and pension
principal fund, the volunteer firefighters' and reserve officers'
administrative fund, the Washington fruit express account, the
Washington judicial retirement system account, the Washington law
enforcement officers' and firefighters' system plan 1 retirement
account, the Washington law enforcement officers' and firefighters'
system plan 2 retirement account, the Washington public safety
employees' plan 2 retirement account, the Washington school employees'
retirement system combined plan 2 and 3 account, the Washington state
health insurance pool account, the Washington state patrol retirement
account, the Washington State University building account, the
Washington State University bond retirement fund, the water pollution
control revolving fund, and the Western Washington University capital
projects account. Earnings derived from investing balances of the
agricultural permanent fund, the normal school permanent fund, the
permanent common school fund, the scientific permanent fund, and the
state university permanent fund shall be allocated to their respective
beneficiary accounts. All earnings to be distributed under this
subsection (4) shall first be reduced by the allocation to the state
treasurer's service fund pursuant to RCW 43.08.190.

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

Passed by the Senate March 8, 2010.
Passed by the House March 2, 2010.
Approved by the Governor March 30, 2010, with the exception of
certain items that were vetoed.
Filed in Office of Secretary of State March 31, 2010.

Note: Governor's explanation of partial veto is as follows:
"I am returning herewith, without my approval as to Sections 1 and 3,
Engrossed Substitute Senate Bill 6392 entitled:

"AN ACT Relating to the use of revenue generated from tolling the
state route number 520 corridor."

Section 1 outlines legislative intent for the bill. I believe the
legislation itself states clearly that improvements throughout the SR
520 corridor need to move forward, with the proper input from
appropriate parties. However, Section 1 is vague and susceptible to
conflicting interpretations, which I believe could hinder our ability
to make progress on a project that is important to public safety and
economic vitality.

Section 3 requires that the SR 520 bridge be no higher than 20 feet.
I recognize it is important to local communities that the bridge have
as low a profile as possible. Decisions regarding the dimensions of a
transportation facility must also be based on engineering standards,
safety considerations, permitting requirements, and state and federal law. Section 3 potentially prevents the Department of Transportation from complying with Coast Guard requirements and eliminates any possibility of adjusting the size of the facility based upon design or permitting needs. As a result, I am vetoing this section and directing the Department to continue to work with neighborhoods and local governments to refine the preferred alternative design.

For these reasons, I have vetoed Sections 1 and 3 of Engrossed Substitute Senate Bill 6392.

With the exception of Sections 1 and 3, Engrossed Substitute Senate Bill 6392 is approved."