Tolling

BACKGROUND

The Legislature has authorized collection of tolls on the following facilities:

- Tacoma Narrows Bridge (<u>RCW 47.46.100</u>);
- SR 520 floating bridge (<u>RCW 47.56.870</u>);
- SR 167 high-occupancy toll ("HOT") lanes (<u>RCW 47.56.403</u>);
- Interstate 405 express toll lanes (<u>RCW 47.56.880</u>);
- SR 99 deep bore tunnel (<u>RCW 47.56.862</u>); and
- The authorization to toll the bridge portion of the Columbia River Crossing (CRC) project failed to become law. (<u>RCW 47.56.890</u>).¹

Washington uses an electronic photo tolling system (<u>RCW 47.56.795</u> and <u>47.46.105</u>). An electronic pass is mounted on the vehicle and read at highway speeds, and a camera takes a photograph of the vehicle's license plate. When driving on a tolled facility, tolls are deducted from a pre-paid toll account linked to the individual's electronic pass or license plate. (The Tacoma Narrows Bridge has toll booths available for individuals who want to stop and pay the toll, but is the only tolled facility that still has this toll payment option.)

If a vehicle does not have a pre-paid account, the registered owner of the vehicle will receive a toll bill in the mail within 14 days. Those who do not pay within 15 days of receiving their bill will get a second bill with a \$5 reprocessing fee.

Registered vehicle owners with unpaid tolls after 80 days receive a notice of civil penalty from WSDOT and a \$40 fine for each unpaid toll transaction, in addition to all accumulated tolls and fees (<u>RCW 46.63.160</u>). At least ten days prior to issuing a notice of civil penalty being issued to a vehicle owner with an active prepaid toll account, WSDOT must provide email and telephone notification of unpaid pay-by-mail tolls to all vehicle owners with accounts who have elected to provide email and/or telephone contact information. WSDOT may offer first-time toll violators forgiveness of penalties. A hold on a person's annual vehicle registration may occur if the civil penalty is not paid.

WSDOT has established an administrative adjudication process, allowing people to appeal a civil penalty imposed when a toll bill is unpaid. During the adjudication process, the alleged violator has the opportunity to present evidence of certain mitigating circumstances (<u>RCW 46.63.160</u>). In response, the adjudicator may reduce or dismiss the civil penalty and associated administrative fees.

Express toll lanes and High Occupancy Toll (HOT) lanes are a road pricing mechanism that gives motorists in single occupant vehicles access to High Occupancy Vehicle (HOV) lanes. As a congestion management tool, HOT lanes may be used to adjust the traffic balance between general purpose and HOV lanes to maximize the vehicle throughput (number of vehicles traveling) in HOT lanes. To learn more about the types of payment options, hours of operation, and other information about the Express Toll Lanes and HOT Lanes in Washington please visit: http://www.wsdot.wa.gov/GoodToGo/default.htm.

¹ For the CRC, the authority to toll was conditioned on certain events occurring by December 31, 2015, as set out in Chapter 36, Laws of 2012 (ESSB 6445).

The SR 167 HOT lanes were authorized as a pilot project in 2005 ($\underline{\text{RCW} 47.56.403}$) with an original expiration date four years after tolling began. This expiration date has been extended in the transportation budget, with the authorization currently set to expire on June 30, 2017.

The 2011 Legislature authorized express toll lanes on Interstate 405 (<u>RCW 47.56.880</u>). WSDOT launched 17 miles of express toll lanes on I-405 between the cities of Bellevue and Lynnwood on September 27, 2015. After two years of operation, if the express toll lanes do not meet performance measures identified in statute, WSDOT must terminate the project. Performance and financial reporting on the I-405 express toll lanes is provided and periodically updated on WSDOT's I-405 Express Toll Lanes Library and Publications website, available at http://www.wsdot.wa.gov/Tolling/405/library.htm.

More information on the I-405 and SR 167 Eastside Corridor Tolling project can be found at <u>http://www.wsdot.wa.gov/tolling/eastsidecorridor</u>.

For additional information on the electronic tolling system, toll rates, toll bills, and the administrative penalty process, please see WSDOT's Good to Go! Toll Bill Guide, available at https://www.wsdot.wa.gov/GoodToGo/billguide.htm.

For more detailed information about all of Washington's tolled facilities please see WSDOT's Tolling Library and Resources website, available at: <u>http://www.wsdot.wa.gov/Tolling/publications.htm</u>.

GOVERNANCE

Current Tolling Authority

Under current law, the Legislature is the only entity with the authority to authorize tolls on an eligible toll facility (<u>RCW 47.56.820</u>). An eligible toll facility is defined as "portions of the state highway system specifically identified by the legislature, including, but not limited to, transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bi-state facilities, and interconnections between highways" (<u>RCW 47.56.810</u>).

Certain local jurisdictions may impose tolls on city streets or county roads, including cities ($\underline{\text{RCW}}$ <u>35.74.050</u>), Regional Transportation Investment Districts (RCWs <u>47.56.076</u> and <u>36.120.050</u>), Transportation Benefit Districts (RCWs <u>47.56.078</u> and <u>36.73.040</u>), and ports ($\underline{\text{RCW}}$ <u>53.34.010</u>). Toll rates set by these entities are subject to review and approval by the Transportation Commission. The Commission must consider the impact of tolls, or changes in toll rates, on the operation of any state facility.

The Legislature has designated the Transportation Commission as the state tolling authority with responsibility for setting toll rates, including variable pricing, and reviewing toll operations (<u>RCW</u><u>47.56.850</u> and <u>47.46.100</u>). Prior to the convening of each regular session of the Legislature, the Commission must report to the transportation committees of the Legislature on any increase or decrease in toll rates approved by the Commission. Any proposal for the establishment of eligible toll facilities must consider specified policy guidelines which include: overall direction (purpose for toll); when to use tolling; appropriate use of toll revenue; setting toll rates; and the duration of toll collection. (<u>RCW 47.56.830</u>)

In general, Federal law prohibits tolling on Federal-aid highways. If federal funds have been used or will be used on a highway, the public authority responsible for the facility must qualify for toll authority under one of four federal tolling programs. More information about federal tolling programs can be found on the FHWA website dedicated to this topic.

Approval of toll increases

A series of initiatives related to the Legislature's approval of new fees passed between 2007 and 2012. During this time period, the Legislature, typically in the transportation budget, reaffirmed the Transportation Commission's authority to set toll rates. In 2014, the Attorney General provided advice to the Legislature which indicated that the Legislature did not need to continue to reaffirm the delegation of fee-setting authority to the Transportation Commission. (For more information on the Attorney General Opinion see page 23.)

Limitations on Use of Toll Revenue

Generally, current law requires that all revenue from an eligible toll facility be used only to "construct, improve, preserve, maintain, manage, or operate the eligible toll facility on or in which the revenue is collected" (RCW 47.56.820 and 47.46.110). The current statutes confine permissible uses of toll revenue to the following purposes: to cover operating costs, including maintenance, preservation, administration, and toll enforcement by public law enforcement; to meet obligations for the repayment of debt; to meet any other funding obligations for projects or operations on the eligible toll facility; to provide for the operation of conveyances of people or goods; and to fund improvements to the eligible toll facility.

In addition to the statutes of general applicability that limit the use of toll revenue, the Legislature has enacted specific restrictions on the use of toll revenue for each of the five currently authorized toll facilities.

Duration of Toll Collection

As noted above, current policy guidelines provide that any proposal for the establishment of an eligible toll facility must include consideration of the duration of toll collection on the facility (<u>RCW</u> <u>47.56.830</u>). The applicable guideline notes that, because transportation infrastructure projects have costs and benefits that extend well beyond those paid for by initial construction funding, tolls may remain in place to fund additional capacity; capital rehabilitation, maintenance, management, and operations; and optimization of system performance. The duration of the tolls may be determined by the Legislature and may vary by toll facility.

The 2002 legislation that authorized the Transportation Commission to impose tolls on the Tacoma Narrows Bridge required that the bridge be operated as a toll-free facility after satisfying debt requirements of the financing ($\underline{RCW 47.46.110}$).

18th Amendment to Washington State Constitution

In 1944, statewide voters approved the 18th Amendment to the Washington Constitution, which restricts the use of certain transportation revenues exclusively to "highway purposes." See a complete description of restrictions put in place by the *18th Amendment* on page 25.

Toll revenue is not explicitly included in the 18th Amendment. However, the Legislature has in some instances deposited toll revenues into an account *within* the Motor Vehicle Fund, which has resulted in limiting the use of those toll revenues to "highway purposes." In other instances, the Legislature has deposited toll revenue in an account *outside* the Motor Vehicle Fund, which does not limit use of that revenue to "highway purposes." Account information regarding the six currently authorized toll facilities is as follows:

• Tolls from the Tacoma Narrows Bridge are deposited into a special account, the "Tacoma Narrows toll bridge account," *within* the Motor Vehicle Fund (<u>RCW 47.56.165</u>);

- Tolls from the SR 520 corridor will be deposited into a special account, the "state route number 520 corridor account," *outside* the Motor Vehicle Fund (<u>RCW 47.56.875</u>);
- Tolls from the SR 167 HOT lanes are deposited into the "high occupancy toll lanes operations account," *outside* the Motor Vehicle Fund (<u>RCW 47.66.090</u>);
- Tolls from the I-405 express toll lanes will be deposited into the "Interstate 405 express toll lanes operations account," *within* the Motor Vehicle Fund (<u>RCW 47.56.884</u>);
- Tolls from the portion of state route number 99 that is the deep bore tunnel under First Avenue from the vicinity of the sports stadiums in Seattle to Aurora Avenue north of the Battery Street tunnel are deposited into the "Alaskan Way viaduct replacement project account" *outside* the Motor Vehicle Fund (RCW 47.56.864); and
- Tolls from the Columbia River Crossing project are deposited into the "Columbia River Crossing project account" *outside* the Motor Vehicle Fund (uncodified, in Chapter 36, Laws of 2012 (ESSB 6445), failed to become law).