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 (RCW 47.56.403);
- Interstate 405 express toll lanes (<u>RCW 47.56.880</u>);
- SR 99 deep bore tunnel (<u>RCW 47.56.862</u>); and
- The bridge portion of the Columbia River Crossing (CRC) project. (RCW 47.56.890).

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 still 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. People with unpaid tolls after 80 days receive a notice of civil penalty from WSDOT and a \$40 fine in addition to the late fee for each toll left unpaid. 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 explain certain mitigating circumstances (RCW 46.63.160). In response, the adjudicator may reduce or dismiss the civil penalty.

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 optimize the balance between general purpose and HOV lanes. In Washington State, the SR 167 HOT lanes were authorized as a pilot project in 2005 (RCW 47.56.403) which will expire on June 30, 2015.

Express toll lanes are HOV lanes in which tolls are charged to regulate the use of the lane to maintain travel speeds and reliability. The 2011 Legislature authorized express toll lanes on Interstate 405. The legislation (RCW 47.56.880) specifies that the operation of the express toll lanes may not commence until WSDOT completes certain capacity improvements in the corridor. After two years of operation, if the express toll lanes do not meet performance measures identified in the legislation, WSDOT must terminate the project. More information on the I-405 Express Toll lanes project can be found at: http://www.wsdot.wa.gov/tolling/eastsidecorridor.

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¹ For the CRC, the authority to toll is conditioned on certain events as set out in Chapter 36, Laws of 2012 (ESSB 6445). Tolling may not begin until certain events have occurred.

For more information on the electronic tolling system, toll rates, toll bills and the administrative penalty process please see: http://www.wsdot.wa.gov/tolling/HowGoodtoGoWorks.htm. For more general information about Washington's tolled facilities please see WSDOT's Toll Division Annual Report for Fiscal Year 2013.

GOVERNANCE

Current Tolling Authority

Under current law, the Legislature is the only entity with the authority to authorize tolls on an eligible toll facility. (RCW 47.56.820) An eligible toll facility is defined as "portions of the state highway system specifically identified by the legislature, including transportation corridors, bridges, crossings, interchanges, on-ramps, off-ramps, approaches, bistate facilities, and interconnections between highways." (RCW 47.56.810)

Certain local jurisdictions may impose tolls on city streets or county roads, including cities (RCW 35.74.050), Regional Transportation Investment Districts (RCWs 47.56.076 and 36.120.050), Transportation Benefit Districts (RCWs 47.56.078 and 36.73.040), and ports (RCW 53.34.010). Tolls 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 (RCW 47.56.850 and 47.46.100). 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; use of toll revenue; setting toll rates; and duration of toll collection. (RCW 47.56.830)

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.

Approval of toll increases

A series of initiatives related to the Legislature's approval of new fees passed from 2007 to 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 further restrict the use of toll revenue only for the following: 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 general statutes limiting the use of toll revenue, the Legislature has enacted specific restrictions on the use of toll revenue unique to each of the six currently authorized toll facilities.

Duration of Toll Collection

Current policy guidelines provide that any proposal for the establishment of an eligible toll facility must consider the duration of toll collection on the facility (RCW 47.56.830). The policy guideline provides 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 to optimize performance of the system. The duration of the tolls may be defined by the Legislature and may vary by toll facility.

The 2002 legislation authorizing 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 (RCW 47.46.110).

18th Amendment to Washington State Constitution

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

Toll revenue is not explicitly mentioned in the 18th Amendment. However, the Legislature has in some instances deposited toll revenues into an account *within* the Motor Vehicle Fund, thus 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;
- 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;
- Tolls from the SR 167 HOT lanes are deposited into the "high occupancy toll lanes operations account," *outside* the Motor Vehicle Fund;
- 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;
- 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 and are deposited into the "Alaskan Way viaduct replacement project account" *outside* the Motor Vehicle Fund; and
- Tolls from the Columbia River Crossing project are deposited into the "Columbia River Crossing project account" *outside* the Motor Vehicle Fund.