

Multiple Agency Fiscal Note Summary

Bill Number: 1719 HB	Title: I-405 express & HOV lanes
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Transportation	0	0	(4,348,000)	0	0	0	0	0	0
Total \$	0	0	(4,348,000)	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Transportation	.0	0	0	(560,000)	.0	0	0	0	.0	0	0	0
Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	(560,000)	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Maria Thomas, OFM	Phone: (360) 229-4717	Date Published: Final 2/14/2023
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Individual State Agency Fiscal Note

Bill Number: 1719 HB	Title: I-405 express & HOV lanes	Agency: 405-Department of Transportation
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Interstate 405 and State Route Number 167 Express Toll Lanes Account-State 595-1	(4,348,000)		(4,348,000)		
Total \$	(4,348,000)		(4,348,000)		

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
State Route Number 520 Corridor Account-State 16J-1	348,000	0	348,000	0	0
State Route Number 520 Civil Penalties Account-State 17P-1	31,000	0	31,000	0	0
Tacoma Narrows Toll Bridge Account-State 511-1	193,000	0	193,000	0	0
Alaskan Way Viaduct Replacement Project Account-State 535-1	211,000	0	211,000	0	0
Interstate 405 and State Route Number 167 Express Toll Lanes Account-State 595-1	(1,343,000)	0	(1,343,000)	0	0
Total \$	(560,000)	0	(560,000)	0	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Christine Thomas	Phone: 360-786-7142	Date: 02/03/2023
Agency Preparation: Jeff Hall	Phone: 206-464-1220	Date: 02/13/2023
Agency Approval: Ed Barry	Phone: 206-464-1217	Date: 02/13/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/14/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached WSDOT fiscal note.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
16J-1	State Route Number 520 Corridor Account	State	348,000	0	348,000	0	0
17P-1	State Route Number 520 Civil Penalties Account	State	31,000	0	31,000	0	0
511-1	Tacoma Narrows Toll Bridge Account	State	193,000	0	193,000	0	0
535-1	Alaskan Way Viaduct Replacement Project Account	State	211,000	0	211,000	0	0
595-1	Interstate 405 and State Route Number 167 Express Toll Lanes Account	State	(1,343,000)	0	(1,343,000)	0	0
Total \$			(560,000)	0	(560,000)	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	(560,000)		(560,000)		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	(560,000)	0	(560,000)	0	0

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.
NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*
NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: HB 1719	Title: I-405 ETL/HOV Lane Operation Hours	Agency: 405-Department of Transportation
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Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object.

☐ No Fiscal Impact (Explain in section II. A)

If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.

☐ Indeterminate Cash Receipts Impact (Explain in section II. B)

☐ Indeterminate Expenditure Impact (Explain in section II. C)

☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**

☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**

☐ Capital budget impact, **complete Part IV**

☐ Requires new rule making, **complete Part V**

☐ Revised

Dollars in Thousands

	2023-25 Biennium		2025-27 Biennium		202-297 Biennium	
Expenditures	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
511-1-TACOMA NARROWS TOLL BRIDGE	\$193					
595-1-I405/SR167 EXPRESS TOLL LANES	(\$1,343)					
16J-1-SR 520 CORRIDOR	\$348					
17P-1-SR 520 CIVIL PENALTIES	\$31					
535-1-AWV REPLACEMENT PROJECT	\$211					
Total Expenditures	(\$560)	\$0	\$0	\$0	\$0	\$0
Biennial Totals	(\$560)		\$0		\$0	
Objects of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
E - GOODS AND SERVICES	(\$560)					
Revenue	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
595-1-I405/SR167 EXPRESS TOLL LANES	(\$4,348)					
Total Revenue	(\$4,348)	\$0	\$0	\$0	\$0	\$0
Biennial Totals	(\$4,348)		\$0		\$0	

The cash receipts and expenditure estimates on this fiscal template represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Agency Assumptions

- Reducing operational hours on I-405 ETL will have the following impacts:
 - Reduce toll revenues on I-405 ETL
 - Reduce shared expenditures on I-405 ETL
 - Increase shared costs on other toll facilities
 - Require some implementation costs
 - Cash receipts impact

Agency Contacts:

Preparer: Jeff Hall	Phone: 206-464-1228	Date: 02-09-2023
Approval: Ed Barry	Phone: 206-556-0493	Date: 02-09-2023
Budget Manager: Stacey Halverstadt	Phone: 360-705-7544	Date: 02-08-2023
Economic Analysis: Kasandre Reeves	Phone: 360-705-7935	Date: 02-09-2023

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency.

This proposal modifies hours of operation for the I-405 express toll lanes and high occupancy vehicle lanes and requires the department to:

Section 1 – Update RCW 47.52.025

1 (b) (i): From June 1, 2023, until December 1, 2023, the department may not reserve any lane of Interstate 405 pursuant to (a) of this subsection, except between the hours of 5:00 a.m. and 9:00 a.m. and 3:00 p.m. and 7:00 p.m., Monday through Friday.

1 (b) (ii): The department must provide a report to the transportation committees of the legislature by January 1, 2024, regarding limiting the hours of operation of the high occupancy vehicle lanes as required in this subsection (1)(b). The report must include, but is not limited to, the effect of this limitation on Interstate 405 on:

- (A) The high occupancy vehicle lanes maintaining speeds of 45 miles per hour at least 90 percent of the time during peak periods.
- (B) The average traffic speed in the general-purpose lanes.
- (C) Transit ridership.
- (D) Travel times and volumes on adjacent local streets and state highways.

Section 2 – Update RCW 47.56.880

2 (a) (ii) (A): From June 1, 2023, until December 1, 2023, toll charges may not be assessed in the express toll lanes except between the hours of 5:00 a.m. and 9:00 a.m. and 3:00 p.m. and 7:00 p.m., Monday through Friday.

2 (a) (ii) (B): The department must provide a report to the transportation committees of the legislature by January 1, 2024, regarding limiting the hours of operation of the express toll lanes as required in (a)(ii)(A) of this subsection. The report must include, but is not limited to, the effect of this limitation on Interstate 405 on:

- (I) The express toll lanes maintaining speeds of 45 miles per hour at least 90 percent of the time during peak periods.
- (II) The average traffic speed in the general-purpose lanes.
- (III) Transit ridership.
- (IV) The express toll lanes generating sufficient revenue to pay for all express toll lane-related operating costs; and
- (V) Travel times and volumes on adjacent local streets and state highways.

These changes will result in reduced toll revenues on I-405 ETL, reduced shared costs on I-405 ETL, increased shared costs on the other toll facilities (SR16 TNB, SR167 HOT, SR520 Bridge, and SR99 Tunnel).

Individual State Agency Fiscal Note

II. B – Cash Receipts Impact

Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

Assumptions:

To estimate the revenue impact of not operating the HOV lanes and tolling the express lanes between the hours of 5:00 AM to 9:00 AM and between the hours of 3:00 PM and 7:00 PM, between June 1, 2023, and December 1, 2023, the following assumptions are made:

- 1) The percentage impact of reducing the operating hours on I-405 ETL was calculated based on average hourly traffic results from June – December 2022. These average hourly results covered the hours of 5:00 AM to 7:00 PM, Monday – Friday.
- 2) The percentage reduction was calculated by removing the hours proposed in this bill from toll collections, leaving the times between 9:00 AM to 3:00 PM, Monday – Friday as times to collect tolls and operate the HOV lanes. This reflects a 42.9% reduction.
- 3) These average hourly traffic results are also tracked by toll payment type which allows for a highly accurate analysis of the toll revenue impact due to reducing the operating hours on I-405 ETL. This data allowed the department to calculate the expected toll revenue reduction rate for each toll payment type.
- 4) The percentage reduction expected in each payment type is:
 - a. Pass trips = -37.2%
 - b. Pay by Plate trips = -40.6%
 - c. Pay by Mail trips = -40.6%
 - d. HOV/exempt trips = -42.6%
- 5) These percentage trip reductions were used to reduce the November 2022 Traffic and Revenue Forecast Council's (TRFC) November 2022 I-405 ETL forecast. The November 2022 TRFC update is the most recent traffic and revenue study.

The table below shows the expected toll revenue impact based on the reduced operating hours proposed in this bill.

Toll Revenue Impacts	June 2023 - Dec 2023	June 2023 - Dec 2023	Change Due to HB	
	(Nov 2022 TRFC)	(HB 1719)	1719	Percentage Change
Paid Toll Trips	4,753,000	2,915,000	(1,838,000)	-38.7%
HOV/Exempt Trips	2,547,000	1,461,000	(1,086,000)	-42.6%
Toll Revenue	\$ 13,391,000	\$ 8,172,000	\$ (5,219,000)	-39.0%

\$871,000 of this expected toll revenue reduction will be incurred in June 2023 (Fiscal Year 2023) and \$4,348,000 will be incurred from July – December 2023 (Fiscal Year 2024).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill reduces the hours of operation on I-405 ETL. This reduction in hours of operation will reduce the number of toll trips and the amount of toll revenues associated with I-405 ETL. These reduced toll trips and reduced toll revenues on I-405 ETL will reduce the overall common costs pool from June – December 2023. In addition, the reduced toll trips, and toll revenues on I-405 ETL will reduce its share of the common costs pool and increase the percentage share of common costs pool charged to the other toll facilities.

This bill requires the department to implement the reduced operating hours on I-405 ETL starting on June 01, 2023. This first month of reduced operating hours will be at the end of fiscal year 2023. The department does not anticipate a need to adjust current biennium appropriations.

Individual State Agency Fiscal Note

For June – December 2023, reducing the toll trips and toll revenue on I-405 ETL is forecasted to reduce the shared common costs pool in the following areas:

- Transponder expenses: I-405 ETL's toll trips collected by Pass (transponder) are forecasted to reduce by 37.2% which will result in a reduction in total transponder expenditures of \$72,000.
- Pay by Mail expenses: I-405 ETL's toll trips collected by pay by mail are forecasted to reduce by 40.6% which will result in a reduction in total pay by mail expenditures of \$186,000
- Credit Card Fees: I-405 ETL's toll revenues are forecasted to reduce by 39.0% which will result in a reduction of total credit card fees of \$130,000.
- Civil Penalty expenses: I-405 ETL's toll trips collected by pay by mail are forecasted to reduce by 40.6% which will result in a reduction in total civil penalty expenditures of \$27,000.
- Washington State Patrol expenses: I-405 ETL's hours of operation will be reduced by 42.9% based on this bill which will result in a reduction in WSP expenditures of \$257,000.
- Combined reduction in shared common costs pool: **\$672,000**
- **\$112,000** of this reduction will occur in June 2023 (Fiscal Year 2023) and **\$560,000** will occur in Jul – Dec 2023 (Fiscal Year 2024).

Common Cost Pool - Impacted Expense Items	Forecast Prior to HB 1719	Forecast Including HB 1719	Variance Due to HB 1719
Transponder Expenses	\$ 1,406,000	\$ 1,334,000	\$ (72,000)
Pay by Mail	\$ 2,466,000	\$ 2,280,000	\$ (186,000)
CC Fees	\$ 2,956,000	\$ 2,826,000	\$ (130,000)
Civil Penalty expenses	\$ 1,552,000	\$ 1,525,000	\$ (27,000)
Washington State Patrol	\$ 829,000	\$ 572,000	\$ (257,000)
Totals	\$ 9,209,000	\$ 8,537,000	\$ (672,000)

For June – December 2023, reducing the toll trips and toll revenue on I-405 ETL will reduce its share of common costs and increase the share of common costs for each of the other toll facilities:

- SR16 TNB's share of common costs will increase by 1.5% (increasing from 21.49% to 22.99%). This will result in an increase in SR16 TNB's share of common costs of \$231,000. \$38,000 of this increase will be incurred in June 2023 (Fiscal Year 2023) and \$193,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- I-405 ETL's share of common costs will be reduced by 6.24% (decreasing from 17.90% to 11.66%). This will result in a reduction of I-405 ETL's share of common costs of \$(1,687,000). \$269,000 of this reduction will be incurred in June 2023 (Fiscal Year 2023) and \$1,406,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- SR167 HOT's share of common costs will be increase by 0.31% (increasing from 3.56% to 3.87%). This will result in an increase in SR167 HOT's share of common costs of \$76,000. \$13,000 of this increase will be incurred in June 2023 (Fiscal Year 2023) and \$63,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- SR520 Bridge's share of common costs will be increase by 2.85% (increasing from 36.64% to 39.49%). This will result in an increase in SR520 Bridge's share of common costs of \$418,000. \$70,000 of this increase will be incurred in June 2023 (Fiscal Year 2023) and \$348,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- SR520 Bridge Civil Penalty's share of common costs will be increase by 2.90% (increasing from 29.85% to 32.75%). This will result in an increase in SR520 Bridge Civil Penalty's share of common costs of \$37,000. \$6,000 of this increase will be incurred in June 2023 (Fiscal Year 2023) and \$31,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- SR99 Tunnel's share of common costs will be increase by 1.57% (increasing from 21.38% to 22.95%). This will result in an increase in SR99 Tunnel's share of common costs of \$253,000. \$42,000 of this increase will be incurred in June 2023 (Fiscal Year 2023) and \$211,000 will be incurred from Jul – Dec 2023 (Fiscal Year 2024).
- Total shared costs reduction by toll facility: **\$672,000**.
- **\$112,000** of this change will occur in June 2023 (Fiscal Year 2023) and **\$560,000** will occur in Jul – Dec 2023 (Fiscal Year 2024).

Individual State Agency Fiscal Note

Share of Total Cost Pool	Forecast Prior to HB 1719	Forecast Including HB 1719	Variance Due to HB 1719)
SR16 TNB	\$ 7,980,000	\$ 8,211,000	\$ 231,000
I-405 ETL	\$ 6,203,000	\$ 4,516,000	\$ (1,687,000)
SR167 HOT	\$ 1,952,000	\$ 2,028,000	\$ 76,000
SR520 Bridge	\$ 12,279,000	\$ 12,697,000	\$ 418,000
SR520 Bridge Civil Penalty	\$ 463,000	\$ 500,000	\$ 37,000
SR99 Tunnel	\$ 6,926,000	\$ 7,179,000	\$ 253,000
Totals	\$ 35,803,000	\$ 35,131,000	\$ (672,000)

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

N/A

Individual State Agency Fiscal Note

Bill Number: 1719 HB	Title: I-405 express & HOV lanes	Agency: 410-Transportation Commission
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Christine Thomas	Phone: 360-786-7142	Date: 02/03/2023
Agency Preparation: Aaron Halbert	Phone: 360-705-7118	Date: 02/07/2023
Agency Approval: Reema Griffith	Phone: 360-705-7070	Date: 02/07/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/07/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

HB 1719 amends RCW 47.52.025 and RCW 47.56.880 in order to modify the hours of operation for the Interstate 405 (I-405) express toll lanes (ETLs) and high occupancy vehicle lanes. Under this legislation, toll charges may not be assessed on the I-405 ETLs except between the hours of 5:00 a.m. and 9:00 a.m. and 3:00 p.m. and 7:00 p.m., Monday through Friday. A report is also due from the Washington State Department of Transportation to the transportation committees of the legislature by January 1, 2024, regarding limiting the hours of operation of the express toll lanes.

The Transportation Commission anticipates the need for a rate-setting process in order to carry out the modified rate schedule. Because this would be legislatively directed, the Commission expects to be able to implement the change through the CR-105 expedited rulemaking process. Given this, it is expected that there will be minimal or no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.