

# HOUSE BILL REPORT

## HB 2593

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As Amended by Senate

**Title:** An act relating to funding for highway improvements necessitated by planned economic development.

**Brief Description:** Funding highway improvements.

**Sponsors:** Representatives R. Fisher and Springer; by request of Department of Transportation.

**Brief History:**

Reported by House Committee on:  
Transportation, January 27, 1994, DP;  
Passed House, February 9, 1994, 96-0;  
Amended by Senate.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 24 members:  
Representatives R. Fisher, Chair; Brown, Vice Chair; Jones, Vice Chair; Schmidt, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Backlund; Brough; Brumsickle; Cothorn; Eide; Finkbeiner; Forner; Fuhrman; Hansen; Heavey; Johanson; J. Kohl; Patterson; Quall; Romero; Sheldon; Shin; Wood; and Zellinsky.

**Staff:** Eugene Schlatter (786-7316).

**Background:** In 1985 \$10 million of bonds were authorized for state highway improvements necessitated by planned economic development, with the debt service to be paid from the motor vehicle fund. Application for improvements to state highways are submitted to the Community Economic Revitalization Board (CERB) and are subject to final approval by the Transportation Commission.

Expenditures for approved projects are so small that issuing a bond for each project becomes unfeasible. In addition, federal tax laws have imposed restrictions on tax exempt bond financing to prevent arbitrage.

**Summary of Bill:** The \$10 million CERB bond authorization is amended to allow the shift of the remaining bond sales authority from the economic development account to the motor vehicle fund. In turn, the motor vehicle fund will, upon appropriation authority, deposit a like amount of cash into

the economic development account. CERB projects will be funded from the cash balance, and the CERB bonds will become part of the Department of Transportation highway bond authorization.

**EFFECT OF SENATE AMENDMENT(S):** The Senate amendment incorporates the provisions of SB 6232 to allow signs to be visible from the highway in areas zoned for general use that previously qualified as commercial or industrial areas under the Highway Advertising Control Act. To qualify for signage, the act provides that at least three businesses, located within five hundred feet of each other, be operating within the general use zone. An exception is made to the "three-business rule" in areas that have experienced business closures due to the timber crisis.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This transfer of the bond authorization to DOT highway construction and the transfer of a like amount of cash to CERB will enable CERB projects to be funded.

**Testimony Against:** None.

**Witnesses:** Helga Morgenstern, Department of Transportation.

**VOTE ON FINAL PASSAGE:**

Yeas 96; Excused 2

Excused: Representatives Dorn, Edmondson