

SENATE BILL REPORT

HB 2909

AS PASSED SENATE, MARCH 1, 1994

Brief Description: Authorizing bonds for public-private transportation initiatives.

SPONSORS: Representatives R. Fisher, Schmidt, Forner and Wood

HOUSE COMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Vognild, Chairman; Loveland, Vice Chairman; Skratek, Vice Chairman; Drew, Haugen, Morton, Nelson, Oke, Prentice, Prince, M. Rasmussen, Schow, Sheldon and Winsley.

Staff: Eugene Schlatter (786-7316)

Hearing Dates: February 22, 1994

BACKGROUND:

In 1993 the Legislature approved SHB 1006, establishing the public-private initiatives in transportation program. This legislation provides a wide range of opportunities for private entities to undertake all or a portion of the study, planning, design, finance, construction, operation and maintenance of transportation systems and facilities.

The program authorizes the Department of Transportation to enter into agreements with private entities to develop transportation capital improvements and recover some or all the costs with user fees, tolls or other financial conventions. The secretary is charged with administering the program and selecting up to six projects for implementation. All selected projects are subject to approval by the Transportation Commission.

By definition, the state is expected to participate in some manner in the public-private partnership. This participation, in some cases, will be financially related. A financial commitment also improves the state's ability to compete for the federal funds envisioned under the Intermodal Surface Transportation Act of 1991.

SUMMARY:

The issue and sale of \$25 million in general obligation bonds is authorized for the implementation of the public-private initiatives program.

Legislative appropriation is required before any bonds are sold. In making the appropriation, the Legislature must specify what portion of the net proceeds is provided for possible loans and what portion is provided for other forms of cash contributions.

The bond proceeds will be deposited in two places. Those proceeds in support of possible loans are deposited in the transportation revolving loan account created in the transportation fund; proceeds in support of all forms of cash contributions are deposited in the transportation fund.

Principle and interest payments on loans from the transportation revolving loan account will be deposited in that account and available for the payment of principle and interest on the bonds sold.

Principle and interest on the bonds sold for the public-private initiatives program will be payable from revenues generated by the 0.2 percent motor vehicle excise tax for transportation purposes and deposited in the transportation fund.

Appropriation:

Revenue:

Fiscal Note: none requested

TESTIMONY FOR:

The bill is necessary for the implementation of the public-private initiatives program.

TESTIMONY AGAINST: None

TESTIFIED: Jerry Ellis, Director, Economic Development, DOT