

HOUSE BILL REPORT

HB 1010

As Reported By House Committee On:

Transportation Policy & Budget

Title: An act relating to reimbursable transportation expenditures.

Brief Description: Establishing procedures for federal transportation pass-through moneys.

Sponsors: Representatives Mitchell, Hankins, Cairnes, Skinner and Mielke.

Brief History:

Committee Activity:

Transportation Policy & Budget: 1/13/97, 1/16/97 [DPS].

HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Fisher, Ranking Minority Member; Blalock, Assistant Ranking Minority Member; Cooper, Assistant Ranking Minority Member; Backlund; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; Murray; O'Brien; Ogden; Radcliff; Robertson; Romero; Scott; Skinner; Sterk; Wood and Zellinsky.

Staff: Roger Horn (786-7839).

Background: *The Department of Transportation (DOT) serves as the conduit for federal transportation funds distributed to counties, cities, metropolitan planning organizations, and transit agencies. The DOT also provides 100 percent reimbursable transportation services for local jurisdictions and private entities. Both federal pass-through and local reimbursable expenditures must be appropriated in the DOT's biennial budget. In the 1997-99 biennium, the DOT will pass through about \$220 million of federal funding and provide \$20 million in 100 percent reimbursable services to others.*

Summary of Substitute Bill: Federal funds that are administered by the DOT and are passed through to municipal corporations or political subdivisions of the state, and moneys that are received as total reimbursement for services provided by the DOT to other entities, are removed from the transportation budget. To process and account

for these expenditures, a new nonappropriated treasury account, named the miscellaneous transportation program account, is created. The DOT is required to provide an annual report to the Legislative Transportation Committee and the Office of Financial Management on expenditures and full-time equivalents processed through this account.

Substitute Bill Compared to Original Bill: The miscellaneous transportation programs account would receive 80 percent of the interest accrued on account balances under the substitute bill compared to 100 percent under the original bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: Creating a nonappropriated treasury account for processing 100 percent reimbursable federal and local projects off the state system would significantly reduce staff time and costs at the Department of Transportation by simplifying the processing of these revenues.

Testimony Against: None.

Testified: Bob Benson, Department of Transportation.