

HOUSE BILL REPORT

HB 1588

As Reported By House Committee On:
Transportation

Title: An act relating to obsolete transportation accounts and funds.

Brief Description: Deleting reference to obsolete transportation accounts.

Sponsors: Representatives Mitchell, Fisher, Hankins, Ericksen, Skinner, Radcliff, Cooper, K. Schmidt and Ogden; by request of Legislative Transportation Committee.

Brief History:

Committee Activity:

Transportation: 2/11/99, 2/16/99 [DPS].

Brief Summary of Substitute Bill

- Deletes obsolete transportation accounts.
- Consolidates similar transportation accounts into accounts with similar purposes.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Edwards, Democratic 2nd Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Ogden; Pflug; Radcliff; Schindler; Schual-Berke; Scott; Skinner and Wood.

Staff: Brad Lovaas (786-7307).

Background:

The Legislative Transportation Committee (LTC) has been assessing and moved toward implementation of performance based budgeting since 1995. During the 1998

interim the LTC Fiscal Working Group had the primary responsibility for overseeing the LTC efforts with respect to performance based budgeting implementation. One of the key tenants of government performance based budgeting is flexibility for executive and legislative decision makers and department managers.

Dedicated accounts have many positive and negative attributes associated with their existence. For example, on the positive side they usually offer a dedicated stream of revenue that can only be used for a specific purpose. Conversely, on the negative side this binds decision makers, in both the executive and legislative branches, as to their ability to make investment decisions using all available resources at their disposal.

During the 1998 session, legislation was introduced as the recommendation of the LTC Budget Working Group, that eliminated and consolidated various transportation accounts following review during the 1997 interim. During the 1998 interim, the LTC Fiscal Working Group continued the review of the over 40 transportation-related funds and accounts for possible elimination or consolidation. The funds and accounts from the 1998 legislation are included and expanded upon in this LTC request legislation.

Summary of Substitute Bill:

The transfer relief account, the gasohol exemption holding account, the highway construction stabilization account, and the economic development account are eliminated (repealed).

The transportation capital facilities account is eliminated (repealed) and the activities are transferred to the motor vehicle fund.

The marine operating account is eliminated (repealed) and the activities and revenue streams currently within the account are consolidated within the Puget Sound ferry operations account.

The small city account and city hardship account are eliminated (repealed) and their activities and revenue streams are consolidated into the urban arterial trust account.

In addition, the central Puget Sound public transportation systems account is eliminated (repealed) and its activities and revenue stream are consolidated into the public transportation systems account. The current distribution into the public transportation systems account is simplified through the setting of a specific rate.

Substitute Bill Compared to Original Bill: This bill is essentially the same as the original bill with technical corrections. The technical corrections deal with the

removal of accounts from the interest earning statutes; effective dates; ensuring the small city and city hardship programs continue within the Transportation Improvement Board; and clarifies the statute dealing with Community Economic Revitalization Board's selection of economic development projects only.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause, and sections take effect on various dates as shown in the substitute bill. However, this bill is null and void if HB 1503, or similar legislation ending distribution of revenue to the small city account and the city hardship assistance account, does not become law by July 1, 1999.

Testimony For: (original bill) Helps implement performance-based budgeting. Will help in explaining the uses and purposes of remaining transportation funds and accounts.

Testimony Against: None.

Testified: Amy Arnis, Department of Transportation; Diane Carlson, Association of Washington Cities; and Dan Rude, Transportation Improvement Board.