

# SENATE BILL REPORT

## SB 6066

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As of December 1, 1999

**Title:** An act relating to public-private transportation initiatives.

**Brief Description:** Revising the public-private transportation initiative program.

**Sponsors:** Senator Roach.

**Brief History:**

**Committee Activity:** Transportation: 12/2/99.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Lynn Hale (786-7346)

**Background:** The 1993 Legislature created the Public Private Initiatives Program (PPI) within the Department of Transportation. The purpose of the PPI program is to engender opportunities for private entities to undertake all or a portion of the study, design, finance, construction, operation and maintenance of transportation systems and facilities.

A public advisory vote for certain public private facilities, such as bridges and highways, is required before the Department of Transportation can enter into an agreement with a private entity. The public advisory vote is preceded by extensive analysis of the proposed project, including determining the project area, impacts of tolls or user fees to communities in the vicinity, and an analysis of the relationship of the project to the state's transportation needs and benefits.

In addition, a public-private local involvement committee is established that serves in an advisory capacity prior to the advisory vote.

After a public advisory vote on a project, the Department of Transportation may enter into an agreement with the private entity. The agreement is structured to provide the private entity with a reasonable rate of return through user fees or tolls. State oversight of the agreement includes project audits and limiting the user fee or toll rate to not exceed the capital outlay of the project. Capital outlay of the project can include the costs incurred to study, plan, design, finance, acquire, build, install, operate, enforce, and maintain the facility.

**Summary of Bill:** The enabling act that encourages the state to work with the federal government is stricken.

Public-private initiative program agreements must not restrict the public's current use of existing state transportation systems and facilities. Public-private initiative agreements may not impose or increase tolls or user fees on existing bridges, highways, or facilities. Existing bridges, highways, or facilities may not be included in public-private initiative

agreements. Existing bridges, highways, or facilities may not be leased to a private entity as part of a public-private initiative project.

The advisory vote must be on the specific project proposed by the private entity and accepted by resolution of the Transportation Commission.

The project area is defined by identifying the total number of anticipated users of a project, assigning those users to their census tracts of residence, and ranking the tracts by usage. The public vote only includes those voters within the top two-thirds of rank-ordered census tracts.

The Department of Transportation (DOT) must prepare a detailed cost analysis of the proposed public-private initiative project in defining the economic impact of the proposed project. Based on the detailed cost analysis, DOT must prepare a projected toll or user fee rate analysis that provides for payback of all costs. If revenue or funds other than tolls are identified in the cost analysis, the source of the funds together with nonrevocable authorization of those funds must be identified.

The Local Involvement Committee created to serve in an advisory capacity to DOT on all matters related to the advisory vote is eliminated.

The text of the project proposal description, approved by the commission, must appear in a voter's pamphlet for the affected project area along with the toll rate or user fee established in the cost analysis.

The advisory vote process must be completed within five years of the commission resolution approval date or the project is automatically terminated. Approval from the voters must be received before the secretary may complete contract or franchise negotiations with the private entity. The contract or franchise agreement must have final approval by the commission. Final approval may not occur prior to the 30-day public comment period and hearing on the terms and conditions of the final agreement and legislative appropriation.

The membership of the Local Involvement Committee formed to act in an advisory capacity to DOT and the private entity on all issues related to the development and implementation of the public involvement process has been modified. The membership of the committee has been expanded to include the prescriptive process for selection, as well as adds four members of statewide transportation organizations appointed by the Governor, and two representatives from organizations formed to oppose the project.

Private entities that request an increase in a toll or user fee above the amount established and approved by an advisory vote places the public-private project under the control of the Washington Utilities and Transportation Commission.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.