

HOUSE BILL REPORT

SHB 1678

As Passed Legislature

Title: An act relating to advance right-of-way acquisition.

Brief Description: Funding advance right-of-way acquisitions.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Fisher, Mitchell and Poulsen; by request of The Blue Ribbon Commission on Transportation).

Brief History:

Committee Activity:

Transportation: 2/5/01, 2/22/01 [DPS].

Floor Activity:

Passed House: 3/13/01, 93-1.

Senate Amended.

Passed Senate: 4/4/01, 48-0.

House Concurred.

Passed House: 4/13/01, 89-0.

Passed Legislature.

Brief Summary of Substitute Bill

- Creates the City and County Advance Right-of-Way Revolving Fund administered by the Transportation Improvement Board.
- The City and County Advance Right-of-Way Revolving Fund is intended to act as a loan source for approved cities and counties to purchase right-of-way property in advance of a programmed roadway project going to construction.
- The Department of Transportation is directed to develop joint trenching policies to encourage coordination of under-roadway access between multiple utility providers and/or municipalities.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Fisher, Democratic Co-Chair; Mitchell,

Republican Co-Chair; Cooper, Democratic Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Lovick, Democratic Vice Chair; Ahern, Anderson, Armstrong, G. Chandler, Haigh, Hurst, Jackley, Jarrett, Marine, Mielke, Morell, Murray, Rockefeller, Romero, Schindler, Simpson, Skinner, Sump, Wood and Woods.

Minority Report: Without recommendation. Signed by 2 members: Representatives Hatfield and Reardon.

Staff: Reema Griffith (786-7301).

Background:

Within the Blue Ribbon Commission on Transportation's recommendation to "achieve construction and project delivery efficiencies," a specific sub-recommendation was to "use right-of-way banking." Buying right-of-way property well in advance of a project going to construction has been the practice of the Department of Transportation since 1969 through the use of the Advance Right-of-Way Revolving Fund. Cities and counties have typically not been financially able to adopt this type of practice and there has never been a dedicated fund source from which they could draw on to fund the advanced purchase of right-of-way.

Summary of Bill:

The City and County Advance Right-of-Way Revolving Fund is created and establishes the Transportation Improvement Board (TIB) as the administrator of the fund. The TIB and the County Road Administration Board (CRAB), in consultation with the Association of Washington Cities and the Washington Association of Counties, will adopt rules and develop policies to implement this program which will function as a loan program—similar to the Public Works Trust Fund. Through this approach, low interest funding is made available to cities and counties for the purpose of purchasing right-of-way property for projects approved by the TIB or CRAB as part of a city or county six-year plan or program.

Once the approved local jurisdiction has purchased the property, it is their responsibility to manage the property in accordance with sound business practices and provide annual status reports to the TIB. Any funds received by the local jurisdiction during the interim management of the property must be deposited into the revolving fund.

When the local jurisdiction proceeds with the construction of a project that will require the use of any of the property acquired, the local jurisdiction must reimburse the revolving fund for the original cost of the property plus interest. The rate of interest will be determined annually by the TIB and the interest rate set must be disclosed in the TIB's annual report to the transportation committees.

If a local jurisdiction determines that any property acquired through the revolving fund will not be required for a project, or the property has been held for more than six years, the local jurisdiction must either sell the property at fair market value or reimburse the revolving fund at fair market value. All proceeds from a sale must be deposited into the revolving fund.

At the board's discretion, a portion of savings on TIB projects realized through the use of the revolving fund may be deposited back into the revolving fund. Deposits made into the fund may be re-expended without further or additional appropriations. The revolving fund will receive 80% of its proportionate share of interest earnings based on its average daily balance for the period.

The Department of Transportation (DOT) is directed to develop joint trenching policies to encourage coordination of under-roadway access between multiple utility providers and/or municipalities. Persons performing utility trenching on a state highway are responsible for the following: expenses of restoration and inspection; financial impact of not completing trenching within permit period; and compensating for loss of useful pavement life. A city with trenching jurisdiction over a state highway running through its boundaries must require any trenching it permits to meet or exceed restoration standards adopted by DOT.

If funding is not provided by June 30, 2001 this act is null and void.

Appropriation: The sum of \$5 million from the Motor Vehicle Fund.

Fiscal Note: Requested on April 27, 2001. Fiscal note on original bill available.

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

Testimony For: This fund would provide needed funds to help local jurisdictions be more cost-effective in their project delivery.

Testimony Against: None.

Testified: Doug Hurley, Blue Ribbon Commission on Transportation; Jerry Fay, Transportation Improvement Board; Jay Weber, County Road Administration Board; and Paula Hammond, Department of Transportation.