

SENATE BILL REPORT

ESHB 2359

As Reported By Senate Committee On:
Transportation, March 4, 2002

Title: An act relating to authorizing the financing of regional transportation improvements by counties.

Brief Description: Authorizing county financing of regional transportation improvements.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Fisher, Cooper, Kessler, Berkey, Jackley, McIntire, Conway, Wood, Kagi and Ogden).

Brief History:

Committee Activity: Transportation: 3/2/02, 3/4/02 [DPA, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Eide, Finkbeiner, Horn, Jacobsen, Kastama, Keiser, McAuliffe, Prentice, Shin and Swecker.

Minority Report: Do not pass.

Signed by Senator Benton.

Staff: Jennifer Ziegler (786-7316)

Background: The Governor and the Legislature created the Blue Ribbon Commission on Transportation (BRCT) in 1998 to assess the local, regional and state transportation systems; ensure that current and future money is spent wisely; make the system more accountable and predictable; and prepare a 20-year plan for funding and investing in the transportation system. In its final report, the BRCT issued 18 recommendations. Recommendation six stated that regions be provided with the ability to plan, select, fund and implement projects identified to meet the region's transportation and land use goals.

Summary of Amended Bill: A county with a population over 1.5 million and adjoining counties with a population over 500,000 may create Regional Transportation Investment Districts (RTID). The regional projects to be funded with the regionally raised revenues must be a capital improvement or improvements to a highway of statewide significance that adds a lane or new lanes to an existing state or federal highway including associated approaches, HOV lanes, bus pullouts, flyover ramps, park and ride lots, vans for van pools, buses, and signalization, ramp metering and other transportation system management improvements. Local arterials, new highways and other highways are eligible for revenue if certain conditions are met.

Creation of RTID. To create an RTID, the members of the legislative authorities participating in planning the RTID must form a coordinating committee. The Secretary of

Transportation or the appropriate WSDOT regional administrator serves on the committee as a nonvoting member.

The coordinating committee selects the projects, recommends which revenue choices it will use and sends the plan to the county legislative authorities for their approval. The planning committee is governed by a 60 percent weighted majority vote. The coordinating committee may dissolve itself at any time by a two-thirds weighted majority vote of the total membership of the committee.

The county legislative authority can either approve or disapprove the plan; it cannot alter the plan. If it approves the plan, it must put it on the ballot. If it disapproves the plan, the coordinating committee may revamp the plan for resubmission to the legislative authority. If approved by a majority of voters in the affected counties, the district is created and the members of the coordinating committee automatically become members of the governing board of the district. No ballot measure may be presented to the voters more than three times.

Revenue Options. The planning committee may select from the following list of revenue options to fund the projects: a vehicle license fee of up to \$100 per year; a commercial parking tax on gross proceeds or vehicle stalls; sales and use tax of up to 0.5 percent; and tolls on new improvements. The RTID may vary the amount of the vehicle license fee based on the age of the vehicle. In addition, the following local government funding sources may be used for these projects: a local option motor vehicle excise tax; and an employer excise tax of up to \$2 per employee per month. The local option taxes may only be imposed to the extent those taxes are not already imposed by the county. Sales tax paid on construction materials to build the improvements authorized under this bill are credited to the project to defray costs, pay debt service or to lower the costs of tolls.

Regional Transportation Model Grants. Areas of the state outside of King, Snohomish and Pierce counties are eligible for grants from the state of no more than \$200,000 to study and develop regional transportation models.

Joint Ballot with RTA. The participating counties may choose to impose any remaining high capacity transportation taxes that have not otherwise been used by a regional transit authority. The participating counties may submit a common ballot measure to the voters that creates the district, approves the regional transportation investment plan, implements the taxes, and implements any remaining high capacity transportation taxes within the boundaries of the RTID.

Monorail Funding. A city with a population of 500,000 or more may impose an up to 1 percent city-wide motor vehicle excise tax for the purpose of funding monorail systems.

Highways of Statewide Significance. The Transportation Commission or the Legislature designates state highways of statewide significance. State Route 509 is designated as a state highway of statewide significance.

Amended Bill Compared to Original Bill: The provisions of E2SSB 6140 replaced the provisions of the House bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, the bill is null and void if a transportation revenue act is not passed in 2002.

Testimony For: It is important for locals to have flexible funding. It is also important that a regional proposal does not move forward without a statewide revenue package.

Testimony Against: Vehicles should be exempt from sales tax increases. Voters want transportation choices and more local control. Widening highways is not always the most effective way to relieve congestion.

Testified: Jackie White, WAC (pro); Ashley Probart, AWC (pro); Steve Gorcester, TIB (pro); Jim Boldt, Washington Auto Dealers Association (concerns); Charlie Brown, Washington Oil Marketers Association (pro); Bill LaBorde, Transportation Choices (con); Craig Enkelking, Sierra Club (con).