

HOUSE BILL REPORT

ESHB 1163

As Amended by the Senate

Title: An act relating to transportation funding and appropriations.

Brief Description: Making 2001-03 and 2003-05 transportation appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by Representative Murray; by request of Governor Locke).

Brief History:

Committee Activity:

Transportation: 2/17/03, 3/28/03 [DPS].

Floor Activity:

Passed House: 4/8/03, 57-40.

Senate Amended.

Passed Senate: 4/17/03, 41-8.

<p style="text-align: center;">Brief Summary of Engrossed Substitute Bill</p> <ul style="list-style-type: none">· Provides 2003-05 biennial transportation appropriations to agencies with transportation related activities.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Campbell, Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Lovick, Morris, Romero, Sullivan, Wallace, Wood and Woods.

Minority Report: Do not pass. Signed by 7 members: Representatives Ericksen, Ranking Minority Member; Anderson, Armstrong, Bailey, Kristiansen, Nixon and Shabro.

Staff: Gary Lebow (786-7304).

Background:

The transportation budget provides appropriations to the major transportation agencies including: the Department of Transportation (DOT); the Washington State Patrol (WSP); the Department of Licensing (DOL); the Traffic Safety Commission; and the Local Transportation Grant Board. The budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary of Engrossed Substitute Bill:

Provides appropriations for the 2003 transportation supplemental budget and the 2003-05 biennial transportation budget.

2003 Supplemental Transportation Budget.

Department of Transportation	\$ 5.869 Million
Washington State Patrol	\$ (734 Thousand)
Department of Licensing	\$ 801 Thousand
Bond Retirement and Interest Reduction	\$ (18.628 Million)
 Total Appropriations	 \$ (12.692 Million)

2003-05 Biennial Transportation Budget.

Substitute Bill

Department of Transportation	\$3.524 Billion
Transportation Improvement Board	\$ 201 Million
County Road Administration Board	\$ 79 Million
Washington State Patrol	\$ 253 Million
Department of Licensing	\$ 181 Million
Traffic Safety Commission	\$ 21 Million
Small agencies with transportation functions	\$ 15 Million

Total Agency Appropriations \$4.274 Billion

Bond Retirement and Interest \$ 349 Million

Total Appropriations \$4.623 Billion

The substitute bill includes re-appropriations of \$742 million of which \$613 million is for the Tacoma Narrows Bridge. There are new transportation investments that are associated with a new revenue proposal that includes a 4 cent a gallon gas tax increase, a 15 percent gross weight fee increase for trucks over 10,000 pounds, 0.46 of one percent vehicle transfer tax, an optional license plate retention fee and additional bond authorization. The majority of the new revenue is invested in the areas of highway safety, preservation and improvements, public transportation, ferry capital, rail and freight mobility projects.

The Transportation Improvement Board, County Road Administration Board, Freight Mobility Strategic Investment Board and the Marine Employees Commission remain as separate agencies.

EFFECT OF SENATE AMENDMENT(S):

The Engrossed Substitute House Bill 1163 was not considered and a striker to ESHB 1163 was introduced and passed with the following appropriations:

<u>2003 Supplemental Transportation Budget</u>	<u>Striker to ESHB 1163</u>
<u>Department of Transportation</u>	<u>\$ 5.956 Million</u>
<u>Washington State Patrol</u>	<u>\$ 142 Thousand</u>
<u>Department of Licensing</u>	<u>\$ 911 Thousand</u>
<u>Bond Retirement and Interest Reduction</u>	<u>\$ (16.830 Million)</u>
<u>Total Revisions to the 2001-03 Biennial Appropriations</u>	<u>\$ (9.821 Million)</u>

<u>2003-05 Biennial Transportation Budget</u>	<u>Striker to ESHB 1163</u>
<u>Department of Transportation</u>	<u>\$ 3.574 Billion</u>
<u>Local Boards Coordinated Program</u>	<u>\$ 295 Million</u>
<u>Washington State Patrol</u>	<u>\$ 254 Million</u>
<u>Department of Licensing</u>	<u>\$ 190 Million</u>
<u>Traffic Safety Commission</u>	<u>\$ 20 Million</u>
<u>Small agencies with transportation functions</u>	<u>\$ 13 Million</u>
<u>Total Agency Appropriations</u>	<u>\$ 4.346 Billion</u>
<u>Bond Retirement and Interest</u>	<u>\$ 348 Million</u>
<u>Total Appropriations</u>	<u>\$ 4.494 Billion</u>

The Transportation Improvement Board and the County Road Arterial Board are combined into one board entitled the Local Boards Coordinated Program.

ESHB 2231 provides new revenue and is assumed to implement the proposed 2003-05 appropriations:

- : The Transportation 2003 Account is created in the Motor Vehicle Fund. Money in the account may only be spent on projects identified as Transportation 2003 projects (new revenue projects) and on the debt service for the bonds sold to fund the projects.
- : Beginning July 1, 2003, the state gas tax and special fuel tax are increased by 5 cents

per gallon to be deposited in to the Transportation 2003 Account. The increase in the gas tax expires when the bonds sold to pay for the Transportation 2003 projects are retired.

- Beginning August 1, 2003, the gross weight portion of the combined licensing fee paid by trucks, tractors, and buses is increased by 15 percent for vehicles over 10,000 pounds. Motor homes are added to the list of vehicles that are subject to the combined licensing fee. The proceeds from the increased fee are deposited into the Transportation 2003 Account.
- Beginning July 1, 2003, the sales and use tax applicable to motor vehicles is increased by three tenths of 1 percent and the increase is deposited into the Multimodal Transportation Account.
- The rate at which refund distributions are calculated for off-road vehicles, snowmobiles, marine usage is increased by one cent in each of the next five bienniums.
- Assumes a bond authorization of \$2.6 Billion.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The package is very well balanced but a 3 cent gas tax is not enough, a higher gas tax is needed. Keep the Freight Mobility Strategic Investment Board as a separate agency.

Testimony Against: None.

Testified: (In support) Representative Murray, prime sponsor; Scott Merriman, Association of Counties; Randy Ray, Puget Sound Steamship Operators Association; Jim Shipman, Washington Transit Association; Gordon Baxter, Masters, Mates and Pilots, Marine Engineers, and Inland Boatmens Union; Lloyd Flenn, Washington Association of Rail Passengers; Paula Hammond, Department of Transportation; Jackie White, Association of Cities; Doug Levy, Cities of Everett and Kent; Stephanie Bowman, Greater Seattle Chamber of Commerce; Cherie Tessier, Arc of Washington; Johnathan Platt, Martinac Shipbuilding; Genesee Adkins, 1000 Friends of Washington; Bill Stauffacher, Burlington Northern Santa Fe Railroad; and Kevin Shively, Transportation Choices Coalition.

(With concerns) Pat Jones, Washington Public Ports Association; and Mary Jo Cady, Community Transportation Association of the Northwest.