

HOUSE BILL REPORT

HB 2531

As Reported by House Committee On:
Transportation

Title: An act relating to regional transportation investment districts.

Brief Description: Expanding authority for regional transportation investment districts.

Sponsors: Representative Murray.

Brief History:

Committee Activity:

Transportation: 1/26/04 [DPS].

Brief Summary of Substitute Bill

- Authorizes Regional Transportation Improvement Districts (RTIDs) for all counties outside central Puget Sound.
- Broadens the definition of transportation projects eligible for RTID funding.
- Expands options for tolls, motor vehicle fuel taxes, and vehicle use charges.
- Reduces sales tax rate to 0.2 percent and earmarks for transit related purposes.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, G., Vice Chair; Ericksen, Ranking Minority Member; Clibborn, Cooper, Dickerson, Edwards, Flannigan, Hatfield, Hudgins, Lovick, Morris, Romero, Sullivan, Wallace and Wood.

Minority Report: Do not pass. Signed by 12 members: Representatives Jarrett, Assistant Ranking Minority Member; Armstrong, Bailey, Campbell, Hankins, Kristiansen, Mielke, Nixon, Rodne, Schindler, Shabro and Woods.

Staff: Gene Baxstrom (786-7303).

Background:

Regional Transportation Investment Districts (RTIDs) were authorized under Chapter 56, Laws 2002 for the purpose of planning, selecting, funding, and implementing projects to address highway corridor needs in King, Pierce, and Snohomish counties. Implementation requires at least two contiguous counties forming the district.

The council members of King, Pierce, and Snohomish counties are the planning committee for development of a plan for transportation investments in the three county district and for identifying revenue options to fund them. County council members' votes are weighted proportionally to population. The Secretary of Transportation is a non-voting member.

Projects eligible for the RTID funding are capital improvements to: 1) highways of statewide significance including new lanes and earthquake repairs; 2) highways of statewide significance which, may include High Occupancy Vehicle (HOV) lanes and associated multimodal capital improvements which support public transportation, vans, and busses; and 3) certain city streets, county roads, or highways that intersect with highways of statewide significance where those improvements are deemed by the Secretary of Transportation as more effective at relieving congestion than investing in highways of statewide significance; however, not more than 10 percent of district funds nor more than \$1 billion may be expended on these projects and one-third local matching funds for the projects are required. The use of funds for operations, preservation, and maintenance of the RTID projects is prohibited.

The RTID was initially granted various tax options including, up to 0.5 percent sales tax. In 2003, the RTID, or counties for RTID purposes were authorized a local option fuel tax at 10 percent of the state fuel tax rate. Both an RTID and counties, for city and county road purposes, may not impose the tax at the same time.

The RTID is authorized to collect tolls on facilities where lanes are added or the lanes are reconstructed by the RTID. The Department of Transportation may construct toll facilities that are sponsored by an RTID.

Summary of Substitute Bill:

The RTIDs may also be formed in counties besides the King, Pierce and Snohomish county RTID. The districts may be multi-county, county-wide, or less than county wide. A city must be wholly within or outside a district. Planning committees for RTIDs are made up of county legislative authority members and mayors or city legislative authority members of cities within the district, with votes weighted on the basis of population within the district. The Secretary of Transportation is a non-voting member. Sixty percent of weighted votes are required for committee action.

The RTIDs outside Puget Sound are governed by members of the county legislative

authority, acting ex-officio. The Secretary of Transportation is a non-voting member of the authority. Sixty percent of the board membership is required for plan modification or placement of issues on the ballot. The governance of the multi-county RTID formed within King, Pierce and Snohomish counties are not affected.

The projects that an RTID may fund are expanded to include any project or program contained in the state or regional transportation planning organization plan. The prohibition on the use of the RTID funds for project maintenance and operations is removed. The local match requirement is eliminated.

The RTID planning committee in King, Pierce and Snohomish counties must consult regularly with and seek input from the county executive of each member county and the mayor and city legislative authority of the largest city in each county and any other cities over 100,000 in population.

The sales tax authority for RTIDs is reduced from 0.5 percent to 0.2 percent and its use is limited to public transportation, high-occupancy vehicle system and commute trip reduction purposes. A sales and use tax on motor fuel of up to 7.5 percent is authorized for RTIDs. Persons who pay the state sales and use tax on motor fuel are exempt from the RTID tax. The RTID's authority to impose a fuel tax of 10 percent of the state fuel tax rate is changed to permit a 6 cents per gallon tax with an indexing feature. A county's authority on behalf of an RTID to impose the fuel tax at 10 percent of the state fuel tax rate is limited, requiring that the RTID fuel tax rate be set at 3 cents per gallon or less. Counties, for distribution of revenues for both the county and cities within the county, are authorized to impose their existing fuel tax of 10 percent of the state rate regardless of whether a fuel tax is imposed for the RTID purposes. Voter approval is required for all taxes.

The authority for roads upon which the RTID may collect tolls is expanded from those facilities which, the RTID plan expands or rebuilds, to local arterials and state or federal highways within the district. The roadways proposed for tolling and the purpose of the toll must be identified in the plan and the tolling must be approved by the Transportation Commission and the voters in the district. The RTID is also given authority to implement a charge on vehicle miles traveled, including travel in certain corridors.

Substitute Bill Compared to Original Bill:

The authority for an RTID to impose a motor fuel tax rate of up to 20 percent of the state rate is changed to authorize a tax of up to 6 cents per gallon with inflation indexing. The ability of a county to impose a motor fuel tax rate up to 20 percent of the state rate is changed to 10 percent and that tax may be imposed only if the RTID imposes the fuel tax at a rate of 3 cents per gallon or less. The authority to impose a charge related to vehicle miles traveled is added. The local option RTID fuel tax and the vehicle mile related charge may not be imposed at the same time.

Language related to a single RTID ballot measure to implement a district is clarified. Weighted voting for representation on RTIDs formed outside the central Puget Sound is clarified. Legislative intent regarding tax options for RTIDs is added.

Appropriation: None.

Fiscal Note: Requested on January 15, 2004.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: Polling data indicates that to get voter approval of an RTID plan, more diverse transportation options must be included in the plan. The sales tax is not a popular option for RTID funding and additional funding mechanisms are needed. The RTID executive committee requested broader authority for investments and tax options. Other areas of the state may wish to use the RTID option to address their particular needs. The RTID options need to be broad to include a range of capital investments, operating expenses, and taxing options. The district also needs to be flexible in size to meet local needs.

Testimony Against: None.

(With concerns) The fuel tax should be reserved to the state in order to preserve the basic state highway funding source. The sales tax on motor fuel is an entirely new tax on that product. The sales tax on gasoline may not be protected by the 18th Amendment and if not, tax revenues could be used for non-highway purposes.

Persons Testifying: (In support) Representative Murray, prime sponsor; Rick Wickman, Identity Clark County; Ron Sims, King County Executive; David Foster, City of Seattle; Craig Engelking, Sierra Club; Peter Hurley, Transportation Choices Coalition; Aaron Ostrom, 1000 Friends of Washington; and Clifford Traisman, Washington Conservation Voters and Washington Environmental Council.

(With concerns) Greg Hanon, Western States Petroleum Association.

Persons Signed In To Testify But Not Testifying: None.