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SUBSTITUTE SENATE BILL 6680

State of Washington 58th Legislature 2004 Regular Session

By Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Esser, Spanel, Swecker, Oke, Prentice and Shin)

READ FIRST TIME 02/10/04.

- AN ACT Relating to freight mobility; amending RCW 47.26.121, 47.26.084, and 47.66.030; reenacting and amending RCW 43.84.092 and
- 3 43.84.092; adding new sections to chapter 47.26 RCW; adding a new
- 4 section to chapter 46.68 RCW; creating a new section; providing
- 5 effective dates; and providing an expiration date.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. A new section is added to chapter 47.26 RCW to read as follows:
- 9 INTENT. The legislature recognizes the need to place a greater 10 emphasis on the movement of freight in Washington state. A strong
- 11 programmatic commitment is needed to focus current resources and direct
- new, ongoing funding toward freight corridor priorities and projects
- 13 that expedite the movement of international cargo. The legislature
- recognizes that the transportation improvement board currently makes a
- 15 ten million dollar biennial investment in such projects and has the
- 16 engineering expertise required to manage freight construction projects.
- 17 It is the intent of the legislature to consolidate the board's freight 18 activities into a program that helps Washington to become a federal
- 19 "center of excellence" and attracts new funding as part of the TEA-21

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1 extension or reauthorization. A freight investment account is created

as a repository to appropriate federal funds and for any new state

3 revenues dedicated to the ongoing support of freight mobility.

MEW SECTION. Sec. 2. A new section is added to chapter 47.26 RCW to read as follows:

STATE FREIGHT INVESTMENT PROGRAM CREATED. (1) A state freight investment program is created to be managed by the board. Transportation partnership projects with a freight benefit are relocated into the state freight investment program.

- (2) The board shall use the following criteria, not necessarily in order of importance, to prioritize freight investment program projects proposed by both local governments and the department of transportation:
- (a) A freight benefit; including corridor completion and reduction in roadway conflicts between freight and the general public. First and greatest consideration must be given to projects previously identified by the freight mobility strategic investment board or by the state department of transportation's office of freight strategy and policy.
- (b) The creation of economic opportunities; including improved access to freight generators and development or expansion of freight facilities.
- (c) The potential for project delivery; including full funding at the time of the grant award and the leveraging of additional local, state, or federal funds.
- (d) The potential to attract federal funding; including projects on corridors of national significance, highway connection projects between the national highway system and intermodal freight facilities, grade separation projects, projects that support intermodal rail capacity, and projects that sustain multiple gateways for national emergencies.
- (3) Major projects with a significant increase in scope or cost from the original estimate at grant award must include a review of the project's current funding status and revised priority rank based on the new scope. The projects may be delayed or canceled by the board in favor of projects that are certified as fully funded.
- 35 (4) Funds or earmarks that traditionally apply to freight action 36 strategy projects must not be programed in the state freight investment 37 program or appropriated to the state freight investment account.

1 (5) Funds or earmarks from federal freight programs that 2 specifically apply to state highways must not be programed in the state 3 freight investment program or appropriated to the state freight 4 investment account.

5 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 46.68 RCW 6 to read as follows:

FREIGHT INVESTMENT ACCOUNT CREATED. (1) The freight investment account is created in the state treasury. Moneys in the account may be spent only after appropriation.

- (2) Expenditures from the account must be used for projects or improvements selected by the board under section 2 of this act, or to pay the principal and interest on bonds authorized for projects or improvements selected under section 2 of this act.
- (3) The account may receive one-time or ongoing distributions from the state multimodal transportation and motor vehicle accounts. The account must be the repository for any new state revenues dedicated to the ongoing support of freight mobility. The account must be a repository to appropriate funds from federal freight programs and to appropriate flexible funds directed toward the freight program created in section 2 of this act. Federal appropriations are to be funded from the surface transportation program flexible funds or similar program anticipated to be authorized in the extension or reauthorization of the Transportation Equity Act for the 21st Century (TEA-21).
- (4) Federal funds deposited in the account must be administered by the highways and local programs division of the department of transportation.
- (5) When necessary to keep balanced the freight investment account, the department of transportation may transfer funds between the freight investment account and either the motor vehicle account or multimodal transportation account.
- (6) Funds or earmarks that traditionally apply to freight action strategy projects must not be programed in the state freight investment program or appropriated to the state freight investment account.
- (7) Funds or earmarks from federal freight programs that specifically apply to state highways must not be programed in the state freight investment program or appropriated to the state freight investment account.

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1 Sec. 4. RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and 2 2003 c 48 s 2 are each reenacted and amended to read as follows:

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- (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
- (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory

institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the election account, the emergency reserve fund, The Evergreen State College capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the Puyallup tribal settlement account, the regional transportation investment district account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the transportation infrastructure account, the tuition recovery trust fund,

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the University of Washington bond retirement fund, the University of 1 2 Washington building account, the volunteer fire fighters' and reserve officers' relief and pension principal fund, the volunteer fire 3 fighters' and reserve officers' administrative fund, the Washington 4 fruit express account, the Washington judicial retirement system 5 account, the Washington law enforcement officers' and fire fighters' 6 7 system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the 8 Washington school employees' retirement system combined plan 2 and 3 9 10 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State 11 12 University building account, the Washington State University bond 13 retirement fund, the water pollution control revolving fund, and the 14 Western Washington University capital projects account. derived from investing balances of the agricultural permanent fund, the 15 normal school permanent fund, the permanent common school fund, the 16 17 scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. 18 earnings to be distributed under this subsection (4)(a) shall first be 19 reduced by the allocation to the state treasurer's service fund 20 21 pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the freight investment account, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle education account, the pilotage account, the transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the

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- transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.
- 3 (5) In conformance with Article II, section 37 of the state 4 Constitution, no treasury accounts or funds shall be allocated earnings 5 without the specific affirmative directive of this section.
- 6 Sec. 5. RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
 7 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
 8 follows:

- (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
- (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall

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credit the general fund with all the earnings credited to the treasury income account except:

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The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects the charitable, educational, penal and institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the education construction fund, the election account, the emergency reserve fund, The Evergreen State College capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the state higher education construction account, the higher education construction account, the highway infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal transportation account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puyallup tribal settlement account, the regional transportation investment district account, the resource management cost account, the

site closure account, the special wildlife account, the state 1 2 employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state 3 investment board commingled trust fund accounts, the supplemental 4 5 pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system 6 combined plan 2 and plan 3 account, the tobacco prevention and control 7 tobacco settlement account, the transportation 8 the infrastructure account, the tuition recovery trust fund, the University 9 10 of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' and reserve officers' 11 12 relief and pension principal fund, the volunteer fire fighters' and 13 reserve officers' administrative fund, the Washington fruit express 14 account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan 1 15 retirement account, the Washington law enforcement officers' and fire 16 17 fighters' system plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the 18 Washington state health insurance pool account, the Washington state 19 patrol retirement account, the Washington State University building 20 21 account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington 22 University capital projects account. Earnings derived from investing 23 24 balances of the agricultural permanent fund, the normal 25 permanent fund, the permanent common school fund, the scientific 26 permanent fund, and the state university permanent fund shall be 27 allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (4)(a) shall first be reduced by the 28 allocation to the state treasurer's service fund pursuant to RCW 29 30 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the freight investment account, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund,

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- the highway safety account, the motor vehicle fund, the motorcycle education account, the pilotage account, the transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the equipment fund, the transportation transportation transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.
 - (5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- **Sec. 6.** RCW 47.26.121 and 1996 c 49 s 1 are each amended to read 15 as follows:
 - (1) There is hereby created a transportation improvement board of twenty-one members, six of whom shall be county members and six of whom shall be city members. The remaining members shall be: (a) One representative appointed by the governor who shall be a state employee with responsibility for transportation policy, planning, or funding; (b) two representatives from the department of transportation; (c) ((two)) one representative((s)) of public transit systems; (d) a private sector representative, who may be a member of the Washington Trucking Association; (e) a member representing the ports; (f) a member representing nonmotorized transportation; ((and)) (g) a member representing the railroad industry; and (h) a member representing special needs transportation.
 - (2) Of the county members of the board, one shall be a county engineer or public works director with a population of one hundred twenty-five thousand or more; one shall be ((the executive director of the county road administration board)) a county engineer or public works director from a county with an unincorporated urban area and a population of less than one hundred twenty-five thousand; one shall be a county planning director or planning manager; one shall be a county executive, councilmember, or commissioner from a county with a population of one hundred twenty-five thousand or more; one shall be a county executive, councilmember, or commissioner of a county who serves

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on the board of a public transit system; and one shall be a county executive, councilmember, or commissioner from a county with a population of less than one hundred twenty-five thousand. All county members of the board((, except the executive director of the county road administration board, shall)) must be appointed. Not more than one county member of the board shall be from any one county. No more than two of the three county-elected officials may represent counties located in either the eastern or western part of the state as divided north and south by the summit of the Cascade mountains.

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- (3) Of the city members of the board one shall be a chief city engineer, public works director, or other city employee with responsibility for public works activities, of a city with a population of twenty thousand or more; one shall be a chief city engineer, public works director, or other city employee with responsibility for public works activities, of a city of less than twenty thousand population; one shall be a city planning director or planning manager; one shall be a mayor, commissioner, or city councilmember of a city with a population of twenty thousand or more; one shall be a mayor, commissioner, or city councilmember of a city who serves on the board of a public transit system; and one shall be a mayor, commissioner, or councilmember of a city of less than twenty thousand population. All of the city members shall be appointed. Not more than one city member of the board shall be from any one city. No more than two of the three city-elected officials may represent cities located in either the eastern or western part of the state as divided north and south by the summit of the Cascade mountains.
- (4) ((0f)) The transit member((s, at least one shall)) must be a general manager, executive director, or transit director of a public transit system ((in an urban area with a population over two hundred thousand and at least one representative from a rural or small urban transit system in an area with a population less than two hundred thousand)).
- (5) The private sector member shall be a citizen with business, management, and transportation related experience and shall be active in a business community-based transportation organization. The private sector member may be a member of the Washington Trucking Association.
- (6) The port member shall be a commissioner or senior staff person of a public port.

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1 (7) The nonmotorized transportation member shall be a citizen with 2 a demonstrated interest and involvement with a nonmotorized 3 transportation group.

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- (8) The specialized transportation member shall be a citizen with a demonstrated interest and involvement with a statewide specialized needs transportation group.
- (9) The rail member must be a representative of a Washington state freight railroad provider.
- (10) Appointments of county, city, Washington department of transportation, transit, port, nonmotorized transportation, special needs transportation, rail, and private sector representatives shall be made by the secretary of the department of transportation. Appointees shall be chosen from a list of two persons for each position nominated by the Washington state association of counties for county members, the association of Washington cities for city members, the Washington state transit association for the transit member((s)), and the Washington public ports association for the port member. The ((private sector,)) nonmotorized transportation (()) and special needs members shall be sought through classified advertisements in selected newspapers collectively serving all urban areas of the state, and other appropriate means. The private sector member may be nominated by the Washington Trucking Association or sought by classified advertisement. The rail member must be sought through direct mail notice to rail providers. Persons applying for the rail, private sector, nonmotorized transportation, or special needs transportation member position must provide a letter of interest and a resume to the secretary of the department of transportation. In the case of a vacancy, the appointment shall be only for the remainder of the unexpired term in which the vacancy has occurred. A vacancy shall be deemed to have occurred on the board when any member elected to public office completes that term of office or is removed therefrom for any reason or when any member employed by a political subdivision terminates such employment for whatsoever reason or when a rail, private sector, nonmotorized transportation, or special needs transportation member resigns or is unable or unwilling to serve.
- (((10))) (11) Appointments shall be for terms of four years. Terms of all appointed members shall expire on June 30th of even-numbered years. The initial term of appointed members may be for less than four

- years. No appointed member may serve more than two consecutive fouryear terms <u>except for the department of transportation and governor-</u> appointed representatives.
- 4 (((11))) (12) The board shall elect a chair from among its members for a two-year term.
- 6 $((\frac{(12)}{13}))$ Expenses of the board shall be paid in accordance 7 with RCW 47.26.140.
- 8 (((13))) <u>(14)</u> For purposes of this section, "public transit system" 9 means a city-owned transit system, county transportation authority, 10 metropolitan municipal corporation, public transportation benefit area, 11 or regional transit authority.
- 12 **Sec. 7.** RCW 47.26.084 and 1999 c 94 s 17 are each amended to read 13 as follows:

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- The transportation improvement account is hereby created in the motor vehicle fund. The ((intent)) purpose of the ((program)) account is to improve mobility of people and goods in Washington state by supporting economic development and environmentally responsive solutions to our statewide transportation and freight system needs.
- The transportation improvement account funds the transportation partnership program and, with the freight investment account, funds the freight investment program.
 - Within one year after board approval of an application for funding, a county, city, or transportation benefit district shall provide written certification to the board of the pledged local and/or private funding. Funds allocated to an applicant that does not certify its funding within one year after approval may be reallocated by the board.
- 27 **Sec. 8.** RCW 47.66.030 and 1996 c 49 s 3 are each amended to read as follows:
 - (1)(a) The transportation improvement board is authorized and responsible for the final selection of programs and projects funded from the <u>freight investment account;</u> central Puget Sound public transportation account; <u>and public transportation systems account(($\dot{\tau}$ and the intermodal surface transportation and efficiency act of 1991, surface transportation program, statewide competitive)).</u>
- 35 (b) The board may establish subcommittees as well as technical 36 advisory committees to carry out the mandates of this chapter.

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- 1 (2) Expenses of the board, including administrative expenses for managing the program, shall be paid in accordance with RCW 47.26.140.
- 3 <u>NEW SECTION.</u> **Sec. 9.** Captions used in this act are not any part 4 of the law.
- 5 <u>NEW SECTION.</u> **Sec. 10.** (1) Sections 1 through 4 and 6 through 8 of this act take effect July 1, 2004.
- 7 (2) Section 5 of this act takes effect July 1, 2005.
- 8 <u>NEW SECTION.</u> **Sec. 11.** Section 4 of this act expires July 1, 2005.

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