HOUSE BILL REPORT
EHB 2889

As Passed House:
February 14, 2006

Title: An act relating to transportation revenue.

Brief Description: Creating the freight mobility multimodal account.

Sponsors: By Representatives Woods, Hankins, Murray, Upthegrove, Wallace and Simpson; by request of Freight Mobility Strategic Investment Board.

Brief History:
  Committee Activity:
    Transportation: 1/24/06, 1/25/06 [DP].
  Floor Activity:
    Passed House: 2/14/06, 97-0.

Brief Summary of Engrossed Bill

- Creates the Freight Mobility Multimodal Account in the state treasury. Funds currently deposited into the Freight Mobility Investment Account will be deposited into the new account.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 28 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Buck, Campbell, Clibborn, Curtis, Dickerson, Ericksen, Flannigan, Hankins, Holmquist, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

Staff: Harvey Childs (786-7322).

Background:

The Freight Mobility Strategic Investment Account (Freight Mobility Investment Account) was established in 2005 to receive combination license fees, weight fees, motor vehicle or multimodal fees and private funds.

The designated funds from the license fees and the weight fees are scheduled to be deposited in the Freight Mobility Investment Account on July 1, 2006. There are questions on whether combining funds governed by the 18th amendment and non-18th amendment funds would contaminate the non-18th amendment funds. Additionally, the Attorney General's Office has

expressed concerns that the private funds must be kept separate so they too are not negatively impacted by unintentional impacts from commingling of funding sources.

By creating the new Freight Mobility Multimodal Account to receive the vehicle weight fees collected, there is no possibility of commingling funds and not being able to use the funds as intended.

The Freight Mobility Board has requested the creation of this new account to hold funds separate from the Motor Vehicle Account funds. The current Freight Mobility Strategic Investment Account would continued to be used for motor vehicle funds.

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Summary of Engrossed Bill:

A new account, the Freight Mobility Multimodal Account, is created in the state treasury. Money in the account may be spent only after appropriation, and may only be used for freight mobility projects identified in the Omnibus Transportation Appropriations Act, including any principal and interest on bonds authorized for the projects or improvements.

Six million dollars of vehicle weight fees collected as per RCW 46.17.010 shall be deposited into the new account on July 1, 2006 and $3 million deposited beginning July 1, 2007 and every July 1 thereafter.

In a code reviser technical correction, RCW 43.84.092 is: (1) amended by adding the Freight Mobility Multimodal Account; (2) expires July 1, 2006; and (3) takes effect July 1, 2006.

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Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect March 24, 2006, except for section 4, relating to the reenacting of RCW 43.84.092 technical corrections, which takes effect July 1, 2006.

Testimony For: It is important that the Freight Mobility Strategic Investment Board have an account that can protect private partner contributions and other non-18th amendment funds from commingling with highway purpose funds (18th amendment funds). Also, it is important to maintain flexibility within the funds. Commingling the funds would likely result in all funds being classified as highway purposed money and therefore, ineligible for use in funding rail and multimodal freight projects.

Testimony Against: None.

Persons Testifying: Representative Woods, prime sponsor; and Karen Schmidt, Freight Mobility Strategic Investment Board.

Persons Signed In To Testify But Not Testifying: None.