Washington State
House of Representatives

BILL ANALYSIS

Transportation Committee

HB 2157

Brief Description: Authorizing the creation of a regional transportation improvement authority.

Sponsors: Representatives Murray, Simpson, B. Sullivan, Dickerson, Sells, Ericks, McIntire and Conway.

Brief Summary of Bill

- A new regional transportation investment authority (RTIA) is authorized for King, Pierce and Snohomish counties, which may be single or multi-county.
- RTIA is to plan, finance and provide transportation improvements of regional significance with voter approved tax options including sales tax, vehicle fees, MVET, tolls and mileage fees.
- Projects are prioritized by the Puget Sound Regional Council and administered by the RTIA board consisting of county council members and county executives.
- A Transportation Governance Commission is established to make recommendations to the 2006 Legislature for improved efficiency and transportation governance reform.

Hearing Date: 2/23/05

Staff: Gene Baxstrom (786-7303).

Background:

Regional Transportation Investment Districts (RTIDs) were authorized in 2002 for the purpose of planning, funding, and building 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) under specified conditions, certain city streets, county roads, or highways that intersect with highways of statewide significance; however, not more than 10 percent of district funds nor more than $1 billion may be expended on local 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; $100. annual vehicle license fee; 0.3% MVET; employer tax;, parking fee; and limited tolling authority. In 2003, the RTID was authorized to sell bonds and the RTID, or counties for RTID purposes, were authorized a local option fuel tax at 10 percent of the state fuel tax rate and. 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 (DOT) may construct toll facilities that are sponsored by an RTID.

The RTID executive committee began developing a plan for improvements and adopted a revenue plan in March 2004. This plan identified a $13.2 Billion revenue package, which included a joint ballot proposition with Sound Transit. An draft investment plan was adopted by the executive board in April, 2004. Based on public opinion research, the business community advised the executive committee in May that it would not support a Fall 2004 ballot. The executive board did not forward a plan to the planning and Sound Transit did not vote to join the ballot issue. No date has been set to go to the ballot.

There are numerous agencies charged with the planning, funding, development and operation of transportation facilities in the central Puget Sound region. Federal law requires that metropolitan areas greater than 50,000 persons have a metropolitan planning organization (MPO) and that designation is made by the Governor and local government officials.

The formation of these agencies is a precondition for receiving federal highway and transit funds. The MPO for King, Pierce, Snohomish and Kitsap counties is the Puget Sound Regional Council (PSRC). This agency is also the designated Regional Transportation Planning Organization pursuant to state law. The PSRC develops a metropolitan transportation plan with a 20-year horizon, and a three-year financially constrained transportation improvement program. Under state law, RTPOs are required to certify that the transportation elements of local comprehensive plans conform with the GMA and are consistent with the regional transportation plan. Both Federal and State law require MPO/RTPOs to have a transportation policy board which includes local elected officials, officials of agencies that administer or operate major modes or transportation systems and appropriate state officials. The PSRC also scores projects for distribution of federal funds for which it is responsible.

Within the PSRC area, transportation planning, funding, development and/or services are provided by numerous public agencies. These include: the Department of Transportation, responsible for state highways within the region; four county governments; over 65 cities; six public transportation agencies including the Seattle monorail authority; the three-county regional transit authority (Sound Transit); Washington State Ferries, a division of the Department of Transportation, operating both auto and passenger-only ferry service; and several port districts. The newly authorized Regional Transportation Investment District has also formed a planning committee and is developing a regional plan to fund improvements in major highway corridors in King, Pierce and Snohomish counties. Recent public polling and focus group results indicate public confusion and concern regarding the number of agencies involved in transportation and the diversification of planning, funding and decision making.

Summary of Bill:

The authority to create a Regional Transportation Investment District is repealed.

A county with a population over 1.5 million and adjoining counties with a population over 500,000 may create, subject to voter ratification, a multi-county or single county Regional Transportation Improvement Authority (RTIA) to fund transportation projects.

Formation and Governance of an RTIA. The legislative authority of a county, or two or more counties, by ordinance, may create an authority. A single county RTIA must be county-wide and the governing board of a single county RTIA is the county legislative authority plus the county executive, who has a vote equal to other council members. A representative of the largest city within the county and any other city with a population over 110,000 persons is a non-voting member of the board, as is the secretary of transportation. A multi-county RTIA's boundaries must be based on the urban growth area in each county. The governing board consists of the members of participating county legislative authorities, with votes pro-rated by population in their districts within the authority boundaries, divided by authority population. The vote of the county executive from each participating county is equal to the vote of the vote of that county's legislative authority member with the largest weighted vote. The board also includes as non-voting members, the secretary of transportation and a representative of the largest city within each county and any other cities with a population over 110,000 persons.

Eligible projects and improvement plan preparation. Transportation projects that may be included in the regional transportation improvement plan are those projects included in the transportation plan of state or a regional transportation planning organization. Projects may include highways of statewide significance, principle arterials of regional significance or other projects or programs of regional or statewide significance including transportation demand management. Projects may include operation, preservation and maintenance of those facilities or programs. Projects remain under the lead agency that owns the facility or provides the service unless otherwise provided for.

At the request of a county or counties choosing to implement an RTIA, the regional transportation planning organization in which those counties are located is required to prepare within 90 days a recommended prioritized list of projects to be included in an improvement plan. Criteria is set forth for project selection including high-priority projects, safety and mobility, and geographic equity and land use planning. The project list is submitted to the requesting counties for use as the basis of a RTIA plan and may be changed with a sixty percent RTIA board majority. Before plan adoption, the board must identify projects pursuant to specified criteria, recommend a financing plan, and hold public meetings.

The legislative authority of a county within which an improvement authority is proposed can either approve or disapprove the improvement plan. For a multi-county plan, if a county declines to participate, the plan is reformulated by the board to include the remaining county or counties. If approved by the county legislative authority of participating counties, the plan is put before the voters of the proposed authority.

Revenue Options. The board may select from the following list of revenue options to fund the plan: a vehicle license fee of up to $100 per year, which may be varied with vehicle age; an up to 0.6% motor vehicle excise tax; a commercial parking tax; a sales and use tax of up to 0.2 percent, with 0.1% limited to high-priority projects and the other 0.1% limited to high-priority projects and transit; a vehicle mileage tax; and tolls. Tolls on state highways must be approved by the Transportation Commission or its successor.

In addition, the following existing local government funding sources may be used for these projects: a local option motor fuel tax of 10% of the state tax rate; an employer excise tax of up to $2 per employee per month, and a local option motor vehicle excise tax, for HOV lane purposes, of up to 0.3%, however the maximum motor vehicle excise tax imposed by the authority may not exceed 0.6% . The local option taxes may only be imposed to the extent those taxes are not already imposed by the county.

Other RTIA provisions. An RTIA is authorized to enter into debt up to amounts provided by the constitutional limitations. Revenue bonds may be issued by the district without submission to the voters of the district. Once projects in the improvement plan have been completed, district revenues must be used to make payments on the outstanding bonds, make payments required under pledging agreements, and provide for the maintenance and operations of toll facilities as may be required by bond covenants.

The projects in a plan or revenues sources may be modified with voter approval. If changes are only within one county, the board may modify the plan under certain conditions. including voter approval in that county. Annual reports are required to show project cost projections, revenues, and schedules.

Taxes dedicated to capital projects terminate upon completion of the project, including debt retirement. The authority is required to submit a plan to voters one year in advance of the retirement of all debt, including a finance plan for on-going operation. If there is no debt and no ongoing project operation, the authority shall dissolve within thirty days of project completion.

The Department of Transportation and the regional transportation planning organization within which an RTIA is formed are directed to provide support to an authority.

Regional Transportation Governance Commission. The county executives of King, Pierce and Snohomish counties must jointly appoint a commission to review transportation governance in King, Pierce, Snohomish and Kitsap counties. The Governor is to appoint the chair and Kitsap county is to appoint a member, both of whom are voting members. The appointments are to be expert in fields such as municipal law, intergovernmental relationships, and transportation planning and project development.

The commission is to report to the Legislature by January 1, 2006 regarding consolidation of governance among transportation related agencies, improved coordination investment strategies and planning, enhanced delivery of transportation services, and improved coordination between regional and federal and state transportation programs. The Commission is to insure active public participation in development of the recommendations and is to issue a preliminary report by November 15, 2005, with the final report to the Legislature by January 1, 2006.

Appropriation: None.

Fiscal Note: Requested on February 19, 2005.

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