
Transportation Committee

HB 2955

Brief Description: Implementing a regional transportation plan for central Puget Sound counties.

Sponsors: Representatives Upthegrove, Clibborn, B. Sullivan, Jarrett, Sells and Lovick.

Brief Summary of Bill

- A new Puget Sound regional governance commission is created to develop a regional transportation governance proposal for the central Puget Sound region, to be submitted to voters in 2007, for the purpose of establishing a single point of accountability in restructuring regional transportation funding and operating systems.
- The Regional Transit Authority (RTA) and the Regional Transportation Investment District (RTID) must coordinate their planning and together submit their plans to the voters in 2007, alongside the regional governance proposal.
- RTA and RTID revenue authorities are modified, and RTA and RTID must continue to coordinate regional road and transit planning in subsequent plans and ballot measures.

Hearing Date: 1/17/06

Staff: David Bowman (786-7339).

Background:

Overview - Regional Transportation Governance and Planning

Numerous agencies are charged with the planning, funding, development and operation of transportation facilities in the central Puget Sound region. Agencies involved in the planning, funding, and operation of local and regional transportation systems are wholly separate governmental units with few laws or rules requiring coordination of their efforts. There is no overarching governing entity overseeing regional transportation system planning or controlling ballot measures to be submitted to the people for approval.

The establishment and maintenance of regional governing bodies to oversee and implement transportation planning in metropolitan areas is a prerequisite to the state's receipt of federal transportation funding, including highway funding. 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. State law authorizes local

governments to voluntarily form regional transportation planning organizations (RTPOs). In urbanized areas, an RTPO and MPO are one and the same entity.

Metropolitan Planning Organizations and Regional Transportation Planning Organizations

Metropolitan areas greater than 50,000 persons must have a metropolitan planning organization (MPO) under federal law. This designation is made by the Governor and must have the concurrence of local government officials representing 75 percent of the population within the area, including the central city; or as otherwise provided for by state or local law. The formation of MPOs is a precondition for receiving federal highway and transit funds. There are currently 11 MPOs in Washington.

Federal law requires MPOs to develop a metropolitan transportation plan with a 20 year horizon, and a three-year financially constrained transportation improvement program. Federal law also requires MPOs 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.

State law, meanwhile, authorizes the voluntary association of governments for transportation planning purposes in the form of regional transportation planning organizations (RTPOs). The federally-mandated MPOs are designated as the RTPOs under the state's 1990 Growth Management Act (GMA). State requirements for regional transportation planning largely mirrored federal requirements and also include a requirement to certify that the transportation elements of local comprehensive plans conform with the GMA and are consistent with the regional transportation plan.

The MPO and RTPO for King, Pierce, Snohomish and Kitsap counties is the Puget Sound Regional Council (PSRC). 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. Pursuant to both Federal and State laws, PSRC has 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. In addition, in 2002, a Regional Transportation Investment District (RTID) was authorized for the purpose of planning, funding, and building projects to address highway corridor needs in King, Pierce, and Snohomish counties.

Regional Transportation Investment District

Implementation of the RTID requires at least two contiguous counties forming the district, and requires the establishment of a planning committee to develop a plan for transportation

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

The RTID boundaries are coextensive with the boundaries of the contiguous counties that established the district. Currently there is no opportunity for a portion of the district to be exempt from the district, once it is created.

Projects eligible for the RTID funding, and which may be included in a regional transportation investment plan, 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 buses; 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 county legislative authorities within the district may certify the plan to the ballot, as a single ballot measure to approve or disapprove the regional transportation investment plan. County legislative authorities are not required to adopt or not adopt, by ordinance, the plan prior to submitting a measure to the voters.

The RTID was initially granted various tax options including, up to: 0.5 percent sales tax; \$100. annual vehicle license fee; 0.3 percent 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. 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. Such tolls need not be approved by the state Transportation Commission. The Department of Transportation (DOT) may construct toll facilities that are sponsored by an RTID. An RTID is not authorized to impose a network value pricing charge based on vehicle miles traveled for users in the district.

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. After the business community advised the RTID executive committee that it would not support a fall 2004 ballot measure, and Sound Transit did not vote to join the ballot issue, the 2004 plan did not go to the ballot. As of January 2006, the executive board is developing a new plan. No date has been set to go to the ballot.

Regional Transit Authority Governance

Two or more contiguous counties each having a population of four hundred thousand persons or more may establish a RTA to develop and operate a high capacity transportation system. A high capacity transportation system is an urban public transportation system that operates principally on exclusive rights of way and provides a substantially higher level of passenger capacity, speed,

and service frequency than traditional public transportation systems operating mainly on general purpose roadways.

An RTA must be governed by a board consisting of representatives appointed by the county executive and confirmed by the legislative authority of each member county. Sound Transit is the RTA established by King, Pierce, and Snohomish counties.

One duty of the RTA is to develop and adopt a system and financing plan which, among other things, identifies revenues expected to be generated by corridor and county, phasing of construction and operation of high capacity system facilities, and the degree to which revenues generated within each county will benefit the residents of that county including when such benefits will accrue.

Audit of Transportation Planning Entities

Currently there is no requirement that State Auditor conduct a finance and performance audit specifically of regional transportation planning and funding agencies such as the RTA or an RTID.

Earnings from State Treasurer's Trust Fund

The State Treasurer may deposit, invest, and reinvest money in the treasurer's trust fund to the same extent as if the money were in the state treasury, and all income received from investment of the treasurer's trust fund is set aside in an account known as the investment income account. Monthly, the State Treasurer must distribute investment income account earnings credited to certain accounts and funds identified in the statute, and the remainder to the state general fund. The list of accounts and funds which receive their proportionate share of earnings from the investment income account does not currently include the regional transportation investment district account.

Earnings of Investments of Surplus Balances

Earnings of investments of surplus balances in the state treasury must be deposited to an account known as the treasury income account. Monthly, the State Treasurer must distribute the proportionate share of treasury income account earnings to certain delineated accounts and funds, and credit the state general fund with the remainder. The list of accounts and funds which receive their proportionate share of earnings from the treasury income account includes the RTID.

Coordination of Regional Transportation Governance and Planning

The number of agencies involved in transportation planning and delivery of services has significantly added to the complexity of transportation programs. Public polling and focus group results indicate public confusion regarding transportation decision making, planning, and funding, and public concern over ensuring efficiency, accountability, and coordinated action among transportation planning entities.

Currently, agencies involved in transportation planning, funding, and operation are separately governed and not required to coordinate their efforts in developing regional transportation investment plans, or in submitting ballot measures to the people for approval.

Summary of Bill:

Governance Commission

The Puget Sound regional transportation governance commission (Commission) is created to evaluate transportation governance in the Puget Sound region and assess current roles of regional transportation agencies. The Commission comprises seven voting members appointed by the Governor and not already holding public office, plus a nonvoting seat to be held by the Secretary of Transportation or his designee.

The Commission must adopt a regional transportation governance proposal (Governance Proposal) to be submitted to voters within the region at the 2007 general election. The Governance Proposal must:

- consolidate governance among agencies into a single point of accountability;
- improve transportation investment planning coordination and strategies;
- coordinate transportation planning and investments with existing land use policies in the region;
- enhance efficiency and coordination in delivery of services;
- adjust boundaries for agencies or functions within the region;
- improve coordination between regional investments and federal funds.

The Governance Proposal must be submitted to the Legislature by December 1, 2006, for consideration by the Legislature and the Governor during the 2007 regular legislative session so that appropriate enabling legislation, if necessary, may be enacted prior to the Governance Proposal's submission to the voters at the 2007 general election.

Joint Plan Required

The RTID planning committee and the RTA within the district boundaries are directed to jointly develop an integrated regional transportation plan (Plan) to improve system performance through a combination of investments in transit, operations, and transportation projects including multimodal projects. The Plan must be submitted to voters at the 2007 general election alongside a regional transportation governance proposal to be developed by a governance commission. Neither the RTA nor RTID may submit a ballot measure to voters prior to 2007.

RTID's portion of the Plan must be consistent with the regional transportation plan adopted by PSRC, for purposes of improving transportation system performance within the region through investments in transportation projects. The eligible projects list is expanded to include operation, preservation, and maintenance of toll-related facilities where toll revenues have been pledged for the payment of contracts. RTA's proposal to support additional implementation phases of its system and financing plan must be submitted with the Plan.

For consideration at the 2007 general election, the county legislative authorities of King, Pierce, and Snohomish (and, if it opts in, Kitsap) counties must simultaneously submit the Plan, along with the RTA's proposal for additional phases of implementation of its system and finance plan, and the governance proposal, to the voters. Neither the Plan nor the RTA proposal for additional implementation phases of its system and finance plan will be considered approved unless the other is also approved.

RTID Boundaries

The boundaries of an RTID are no longer required to be coextensive with the boundaries of two or more contiguous counties. Boundaries must be proposed by the district and approved by county legislative authorities by ordinance, before, or in conjunction with, approval of a regional transportation investment plan. At a minimum, the boundaries should include at least the areas within the Regional Transit Authority serving the counties comprising the district. Cities must be entirely in or entirely outside district boundaries. The area of Pierce County located on the peninsula, including Gig Harbor, may be exempt. Areas may be added to the district boundaries by a vote of the people in the proposed annexation area. This annexation option applies to Kitsap County.

Coordination of RTID, RTA, and Local Agency Planning

The RTID planning committee and governing board are required to coordinate their activities with the RTA existing within the district's boundaries, specifically including working with RTA to develop accurate cost forecasts for transportation projects. The governing board is further required to coordinate with affected cities, towns, and other local governments that engage in transportation planning.

Modifications to RTID Revenue Options

The planning committee of the RTID may select from the following list of revenue options to fund the Plan:

Same as current law:

- vehicle license fee of up to \$100 per year;
- commercial parking tax;
- local option fuel tax;
- local employer excise tax;
- tolls on new or reconstructed facilities, with the related provision that the Department of Transportation's duty to administer collection of tolls may be modified by law "or contract."

Changes from current law:

- 0.2 percent sales and use tax, reduced from 0.5 percent;
- 0.8 percent local motor vehicle excise tax, increased from 0.3 percent, with required collaboration between the Department of Revenue and the Department of Licensing to implement a schedule that reflects the market value of vehicles and allows a valuation appeal procedure, and expanded permitted use of MVET revenue to allow use by the RTID to fund projects contained in the Plan.

Local Transit Agency Sales and Use Tax Revenue

The maximum rate of a sales and use tax that local transit agencies, including the RTA, may impose is reduced to one-tenth of one percent (0.1 percent) of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax).

Regional Transit Authority System and Finance Plan Equity Principle

The RTA's duty to include in its system and finance plan the identification of revenues expected to be generated by corridor and county, phasing of construction and operation of high capacity system

facilities, and the degree to which revenues generated within each county will benefit the residents of that county including when such benefits will accrue, is modified for any new proposal. RTA's proposal for additional phase implementation must include an equity principle in which projects generally provide network benefits to a participating county or subarea in proportion to the general level of tax revenues generated within that participating county or subarea, and that any such proposition must consider travel patterns of people within the subareas to ensure equity in mobility improvements among the routes and destinations whether or not they fall completely within a subarea boundary.

Earnings from State Treasurer's Trust Fund

The regional transportation investment district account is added to the list of accounts and funds which receive their proportionate share of earnings from the investment income account based upon each account's or fund's average daily balance for the period.

Earnings of Investments of Surplus Balances

The regional transportation investment district account is removed from the list of accounts and funds which receive their proportionate share of earnings from the treasury income account.

State Auditor to Conduct Audits

The state auditor is directed to conduct a performance audit and evaluation of the central Puget Sound regional transportation governance commission, the RTID, and the RTA. Specific items for review are provided.

Appropriation: None.

Fiscal Note: Requested on January 16, 2006.

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