
SUBSTITUTE SENATE BILL 5513

State of Washington**59th Legislature****2005 Regular Session****By** Senate Committee on Transportation (originally sponsored by Senators Haugen, Shin, Kohl-Welles, Rasmussen, Fairley and Prentice)

READ FIRST TIME 02/25/05.

1 AN ACT Relating to restructuring of certain transportation
2 agencies; amending RCW 43.17.020, 47.01.041, 47.01.061, 47.01.071,
3 47.05.021, 47.05.030, 47.05.035, 47.05.051, 44.75.020, 44.75.030,
4 44.75.040, 44.75.050, 44.75.080, 44.75.090, 44.75.100, 44.75.110,
5 44.75.120, 44.28.161, 35.58.2796, 36.78.070, 41.40.037, 43.10.101,
6 43.79.270, 43.79.280, 43.88.020, 43.88.030, 43.88.230, 43.105.160,
7 43.105.190, 44.04.260, 44.28.088, 44.40.025, 46.01.320, 46.01.325,
8 46.16.705, 46.16.715, 46.16.725, 46.73.010, 47.01.280, 47.04.210,
9 47.04.220, 47.06.110, 47.06A.020, 47.10.790, 47.10.801, 47.10.802,
10 47.17.850, 47.26.167, 47.26.170, 47.46.030, 47.46.040, 79A.05.125,
11 81.80.395, 81.104.110, 82.33.020, 82.70.060, and 82.80.070; reenacting
12 and amending RCW 47.01.101 and 90.03.525; adding new sections to
13 chapter 47.01 RCW; adding a new section to chapter 44.04 RCW; adding a
14 new section to chapter 43.88 RCW; creating new sections; recodifying
15 RCW 44.40.120 and 44.40.025; repealing RCW 44.40.010, 44.40.013,
16 44.40.015, 44.40.030, 44.40.040, 44.40.090, 44.40.140, 44.40.150,
17 44.40.161, 53.08.350, 44.40.020, 44.40.070, 44.40.080, 44.40.100,
18 46.23.040, 47.01.145, 47.05.090, 47.12.360, 47.76.340, 47.74.010, and
19 47.74.020; providing effective dates; providing an expiration date; and
20 declaring an emergency.

1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

2 NEW SECTION. **Sec. 1.** The legislature finds that it is in the
3 interest of the state to restructure the roles and responsibilities of
4 the state's transportation agencies in order to improve efficiency and
5 accountability. The legislature also finds that continued citizen
6 oversight of the state's transportation system remains an important
7 priority. To achieve these purposes, the legislature intends to
8 provide direct accountability of the department of transportation to
9 the governor, in his or her role as chief executive officer of state
10 government, by making the secretary of transportation a cabinet-level
11 official. Additionally, it is essential to clearly delineate between
12 the separate and distinct roles and responsibilities of the
13 transportation commission and the department of transportation.
14 Finally, consolidating the research and audit functions of the state's
15 transportation agencies under a single citizen-governed entity, the
16 transportation commission, will better serve the state.

17 **Departmental Governance**

18 **Sec. 2.** RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each amended
19 to read as follows:

20 There shall be a chief executive officer of each department to be
21 known as: (1) The secretary of social and health services, (2) the
22 director of ecology, (3) the director of labor and industries, (4) the
23 director of agriculture, (5) the director of fish and wildlife, (6) the
24 secretary of transportation, (7) the director of licensing, (8) the
25 director of general administration, (9) the director of community,
26 trade, and economic development, (10) the director of veterans affairs,
27 (11) the director of revenue, (12) the director of retirement systems,
28 (13) the secretary of corrections, (~~and~~) (14) the secretary of
29 health, and (15) the director of financial institutions.

30 Such officers, except the (~~secretary of transportation and the~~)
31 director of fish and wildlife, shall be appointed by the governor, with
32 the consent of the senate, and hold office at the pleasure of the
33 governor. (~~The secretary of transportation shall be appointed by the~~
34 ~~transportation commission as prescribed by RCW 47.01.041.~~) The

1 director of fish and wildlife shall be appointed by the fish and
2 wildlife commission as prescribed by RCW 77.04.055.

3 **Sec. 3.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each
4 amended to read as follows:

5 The executive head of the department of transportation shall be the
6 secretary of transportation, who shall be appointed by the
7 ~~((transportation commission))~~ governor with the consent of the senate,
8 and shall be paid a salary to be fixed by the governor in accordance
9 with the provisions of RCW 43.03.040. The secretary shall be an ex
10 officio member of the transportation commission without a vote. ~~((The
11 secretary shall be the chief executive officer of the commission and be
12 responsible to it, and shall be guided by policies established by it.))~~
13 The secretary shall serve ~~((until removed by the commission, but only
14 for incapacity, incompetence, neglect of duty, malfeasance in office,
15 or failure to carry out the commission's policies. Before a motion for
16 dismissal shall be acted on by the commission, the secretary shall be
17 granted a hearing on formal written charges before the full commission.
18 An action by the commission to remove the secretary shall be final))~~ at
19 the pleasure of the governor.

20 **Sec. 4.** RCW 47.01.061 and 1987 c 364 s 2 are each amended to read
21 as follows:

22 (1) The commission shall meet at such times as it deems advisable
23 but at least once every month. It may adopt its own rules and
24 regulations and may establish its own procedure. It shall act
25 collectively in harmony with recorded resolutions or motions adopted by
26 majority vote of at least four members. The commission may appoint an
27 administrative secretary, and shall elect one of its members chairman
28 for a term of one year. The chairman shall be able to vote on all
29 matters before the commission. The commission may from time to time
30 retain planners, consultants, and other technical personnel to advise
31 it in the performance of its duties.

32 (2) The commission shall submit to each regular session of the
33 legislature held in an odd-numbered year its own budget proposal
34 necessary for the commission's operations separate from that proposed
35 for the department.

1 (3) Each member of the commission shall be compensated in
2 accordance with RCW 43.03.250 and shall be reimbursed for actual
3 necessary traveling and other expenses in going to, attending, and
4 returning from meetings of the commission, and actual and necessary
5 traveling and other expenses incurred in the discharge of such duties
6 as may be requested by a majority vote of the commission or by the
7 secretary of transportation, but in no event shall a commissioner be
8 compensated in any year for more than one hundred twenty days, except
9 the chairman of the commission who may be paid compensation for not
10 more than one hundred fifty days. Service on the commission shall not
11 be considered as service credit for the purposes of any public
12 retirement system.

13 (4) Each member of the commission shall disclose any actual or
14 potential conflict of interest, if applicable under the circumstance,
15 regarding any commission business.

16 **Sec. 5.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read
17 as follows:

18 The transportation commission shall have the following functions,
19 powers, and duties:

20 (1) To propose policies to be adopted by the governor and the
21 legislature designed to assure the development and maintenance of a
22 comprehensive and balanced statewide transportation system which will
23 meet the needs of the people of this state for safe and efficient
24 transportation services. Wherever appropriate the policies shall
25 provide for the use of integrated, intermodal transportation systems to
26 implement the social, economic, and environmental policies, goals, and
27 objectives of the people of the state, and especially to conserve
28 nonrenewable natural resources including land and energy. To this end
29 the commission shall:

30 (a) Develop transportation policies which are based on the
31 policies, goals, and objectives expressed and inherent in existing
32 state laws;

33 (b) Inventory the adopted policies, goals, and objectives of the
34 local and area-wide governmental bodies of the state and define the
35 role of the state, regional, and local governments in determining
36 transportation policies, in transportation planning, and in
37 implementing the state transportation plan;

1 (c) Propose a transportation policy for the state(~~(, and after~~
2 ~~notice and public hearings, submit the proposal to the legislative~~
3 ~~transportation committee and the senate and house transportation~~
4 ~~committees by January 1, 1978, for consideration in the next~~
5 ~~legislative session))~~);

6 (d) Establish a procedure for review and revision of the state
7 transportation policy and for submission of proposed changes to the
8 governor and the legislature;

9 (e) To integrate the statewide transportation plan with the needs
10 of the elderly and handicapped, and to coordinate federal and state
11 programs directed at assisting local governments to answer such needs;

12 ~~((To establish the policy of the department to be followed by~~
13 ~~the secretary on each of the following items:~~

14 ~~(a))~~ To provide for the effective coordination of state
15 transportation planning with national transportation policy, state and
16 local land use policies, and local and regional transportation plans
17 and programs;

18 ~~((b))~~ (3) In conjunction with the provisions under section 6 of
19 this act, to provide for public involvement in transportation designed
20 to elicit the public's views both with respect to adequate
21 transportation services and appropriate means of minimizing adverse
22 social, economic, environmental, and energy impact of transportation
23 programs;

24 ~~((c) To provide for the administration of grants in aid and other~~
25 ~~financial assistance to counties and municipal corporations for~~
26 ~~transportation purposes;~~

27 ~~(d) To provide for the management, sale, and lease of property or~~
28 ~~property rights owned by the department which are not required for~~
29 ~~transportation purposes;~~

30 ~~(3))~~ (4) To ~~((direct the secretary to))~~ prepare ~~((and submit to~~
31 ~~the commission))~~ a comprehensive and balanced statewide transportation
32 plan which shall be based on the transportation policy adopted by the
33 governor and the legislature and applicable state and federal laws.

34 ~~((After public notice and hearings, the commission shall adopt the plan~~
35 ~~and submit it to the legislative transportation committee and to the~~
36 ~~house and senate standing committees on transportation before January~~
37 ~~1, 1980, for consideration in the 1980 regular legislative session.))~~

38 The plan shall be reviewed and revised, and submitted to the governor

1 and the house of representatives and senate standing committees on
2 transportation, prior to each regular session of the legislature during
3 an even-numbered year thereafter. (~~A preliminary plan shall be~~
4 ~~submitted to such committees by January 1, 1979.~~)

5 The plan shall take into account federal law and regulations
6 relating to the planning, construction, and operation of transportation
7 facilities;

8 ~~((4))~~ (5) To propose to the governor and the legislature prior to
9 the convening of each regular session held in an odd-numbered year a
10 recommended budget for the operations of the commission as required by
11 RCW 47.01.061;

12 ~~((5) To approve and propose to the governor and to the legislature~~
13 ~~prior to the convening of each regular session during an odd-numbered~~
14 ~~year a recommended budget for the operation of the department and for~~
15 ~~carrying out the program of the department for the ensuing biennium.~~
16 ~~The proposed budget shall separately state the appropriations to be~~
17 ~~made from the motor vehicle fund for highway purposes in accordance~~
18 ~~with constitutional limitations and appropriations and expenditures to~~
19 ~~be made from the general fund, or accounts thereof, and other available~~
20 ~~sources for other operations and programs of the department;~~

21 ~~(6) To review and authorize all departmental requests for~~
22 ~~legislation;~~

23 ~~(7))~~ (6) To approve the issuance and sale of all bonds authorized
24 by the legislature for capital construction of state highways, toll
25 facilities, Columbia Basin county roads (for which reimbursement to the
26 motor vehicle fund has been provided), urban arterial projects, and
27 aviation facilities;

28 ~~((8))~~ (7) To adopt such rules, regulations, and policy directives
29 as may be necessary to carry out reasonably and properly those
30 functions expressly vested in the commission by statute;

31 ~~((9) To delegate any of its powers to the secretary of~~
32 ~~transportation whenever it deems it desirable for the efficient~~
33 ~~administration of the department and consistent with the purposes of~~
34 ~~this title;~~

35 ~~(10))~~ (8) To contract with the office of financial management or
36 other appropriate state agencies for administrative support, accounting
37 services, computer services, and other support services necessary to
38 carry out its other statutory duties;

- 1 (b) Preserving, maintaining, and operating the statewide
2 transportation system;
- 3 (c) Transportation infrastructure needs;
- 4 (d) Promoting best practices for adoption and use by
5 transportation-related agencies and programs;
- 6 (e) Transportation efficiencies that will improve service delivery
7 and/or coordination;
- 8 (f) Improved planning and coordination among transportation
9 agencies and providers; and
- 10 (g) Use of intelligent transportation systems and other
11 technology-based solutions.

12 **Sec. 7.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are
13 each reenacted and amended to read as follows:

14 The secretary shall have the authority and it shall be his or her
15 duty(~~(, subject to policy guidance from the commission)~~):

16 (1) To serve as chief executive officer of the department with full
17 administrative authority to direct all its activities;

18 (2) To organize the department as he or she may deem necessary to
19 carry out the work and responsibilities of the department effectively;

20 (3) To designate and establish such transportation district or
21 branch offices as may be necessary or convenient, and to appoint
22 assistants and delegate any powers, duties, and functions to them or
23 any officer or employee of the department as deemed necessary to
24 administer the department efficiently;

25 (4) To direct and coordinate the programs of the various divisions
26 of the department to assure that they achieve the greatest possible
27 mutual benefit, produce a balanced overall effort, and eliminate
28 unnecessary duplication of activity;

29 (5) To adopt all department rules that are subject to the adoption
30 procedures contained in the state administrative procedure act, except
31 rules subject to adoption by the commission pursuant to statute;

32 (6) To maintain and safeguard the official records of the
33 department, including the commission's recorded resolutions and orders;

34 (7) To provide, under contract or interagency agreement, full staff
35 support to the commission to assist it in carrying out its functions,
36 powers, and duties (~~(and to execute the policy established by the
37 commission pursuant to its legislative authority)~~);

1 (8) To execute and implement the biennial operating budget for the
2 operation of the department in accordance with chapter 43.88 RCW and
3 with legislative appropriation (~~and, in such manner as prescribed~~
4 ~~therein, to make and report to the commission and the chairs of the~~
5 ~~transportation committees of the senate and house of representatives,~~
6 ~~including one copy to the staff of each of the committees, deviations~~
7 ~~from the planned biennial category A and H highway construction~~
8 ~~programs necessary to adjust to unexpected delays or other~~
9 ~~unanticipated circumstances.));~~

10 (9) To advise the governor and the legislature with respect to
11 matters under the jurisdiction of the department; and

12 (10) To exercise all other powers and perform all other duties as
13 are now or hereafter provided by law.

14 **Sec. 8.** RCW 47.05.021 and 2002 c 56 s 301 are each amended to read
15 as follows:

16 (1) The (~~transportation commission is hereby directed to~~)
17 department shall conduct periodic analyses of the entire state highway
18 system, report (~~thereon~~) to the commission and the chairs of the
19 transportation committees of the senate and house of representatives,
20 (~~including one copy to the staff of each of the committees, biennially~~
21 ~~and based thereon,~~) any subsequent recommendations to subdivide,
22 classify, and subclassify (~~according to their function and~~
23 ~~importance~~) all designated state highways (~~and those added from time~~
24 ~~to time and periodically review and revise the classifications~~) into
25 the following three functional classes:

26 (a) The "principal arterial system" shall consist of a connected
27 network of rural arterial routes with appropriate extensions into and
28 through urban areas, including all routes designated as part of the
29 interstate system, which serve corridor movements having travel
30 characteristics indicative of substantial statewide and interstate
31 travel;

32 (b) The "minor arterial system" shall, in conjunction with the
33 principal arterial system, form a rural network of arterial routes
34 linking cities and other activity centers which generate long distance
35 travel, and, with appropriate extensions into and through urban areas,
36 form an integrated network providing interstate and interregional
37 service; and

1 (c) The "collector system" shall consist of routes which primarily
2 serve the more important intercounty, intracounty, and intraurban
3 travel corridors, collect traffic from the system of local access roads
4 and convey it to the arterial system, and on which, regardless of
5 traffic volume, the predominant travel distances are shorter than on
6 arterial routes.

7 (2) (~~In making the functional classification~~) The transportation
8 commission shall adopt (~~and~~) a functional classification of highways.
9 The commission shall consider the recommendations of the department and
10 testimony from the public and local municipalities. The commission
11 shall give consideration to criteria consistent with this section and
12 federal regulations relating to the functional classification of
13 highways, including but not limited to the following:

14 (a) Urban population centers within and without the state
15 stratified and ranked according to size;

16 (b) Important traffic generating economic activities, including but
17 not limited to recreation, agriculture, government, business, and
18 industry;

19 (c) Feasibility of the route, including availability of alternate
20 routes within and without the state;

21 (d) Directness of travel and distance between points of economic
22 importance;

23 (e) Length of trips;

24 (f) Character and volume of traffic;

25 (g) Preferential consideration for multiple service which shall
26 include public transportation;

27 (h) Reasonable spacing depending upon population density; and

28 (i) System continuity.

29 (3) The transportation commission or the legislature shall
30 designate state highways of statewide significance under RCW 47.06.140.
31 If the commission designates a state highway of statewide significance,
32 it shall submit a list of such facilities for adoption by the
33 legislature. This statewide system shall include at a minimum
34 interstate highways and other statewide principal arterials that are
35 needed to connect major communities across the state and support the
36 state's economy.

37 (4) The transportation commission shall designate a freight and
38 goods transportation system. This statewide system shall include state

1 highways, county roads, and city streets. The commission, in
2 cooperation with cities and counties, shall review and make
3 recommendations to the legislature regarding policies governing weight
4 restrictions and road closures which affect the transportation of
5 freight and goods.

6 **Sec. 9.** RCW 47.05.030 and 2002 c 5 s 402 are each amended to read
7 as follows:

8 The transportation commission shall adopt a comprehensive (~~six-~~
9 ~~year~~) ten-year investment program specifying program objectives and
10 performance measures for the preservation and improvement programs
11 defined in this section. In the specification of investment program
12 objectives and performance measures, the transportation commission, in
13 consultation with the Washington state department of transportation,
14 shall define and adopt standards for effective programming and
15 prioritization practices including a needs analysis process. The
16 analysis process must ensure the identification of problems and
17 deficiencies, the evaluation of alternative solutions and trade-offs,
18 and estimations of the costs and benefits of prospective projects. The
19 investment program must be revised (~~biennially, effective on July 1st~~
20 ~~of odd numbered years~~) based on directions by the office of financial
21 management. The investment program must be based upon the needs
22 identified in the state-owned highway component of the statewide
23 transportation plan as defined in RCW 47.01.071(3).

24 (1) The preservation program consists of those investments
25 necessary to preserve the existing state highway system and to restore
26 existing safety features, giving consideration to lowest life cycle
27 costing. The preservation program must require use of the most cost-
28 effective pavement surfaces, considering:

- 29 (a) Life-cycle cost analysis;
- 30 (b) Traffic volume;
- 31 (c) Subgrade soil conditions;
- 32 (d) Environmental and weather conditions;
- 33 (e) Materials available; and
- 34 (f) Construction factors.

35 The comprehensive (~~six-year~~) ten-year investment program for
36 preservation must identify projects for two years and an investment
37 plan for the remaining (~~four~~) eight years.

1 (2) The improvement program consists of investments needed to
2 address identified deficiencies on the state highway system to increase
3 mobility, address congestion, and improve safety, support for the
4 economy, and protection of the environment. The ~~((six-year))~~ ten-year
5 investment program for improvements must identify projects for two
6 years and major deficiencies proposed to be addressed in the ~~((six-~~
7 ~~year))~~ ten-year period giving consideration to relative benefits and
8 life cycle costing. The transportation commission shall give higher
9 priority for correcting identified deficiencies on those facilities
10 classified as facilities of statewide significance as defined in RCW
11 47.06.140. Project prioritization must be based primarily upon cost-
12 benefit analysis, where appropriate.

13 The transportation commission shall approve and present the
14 comprehensive ~~((six-year))~~ ten-year investment program to the governor
15 and the legislature ~~((in support of the biennial budget request under~~
16 ~~RCW 44.40.070 and 44.40.080))~~ as directed by the office of financial
17 management.

18 **Sec. 10.** RCW 47.05.035 and 2002 c 5 s 403 are each amended to read
19 as follows:

20 (1) The department ~~((and the commission))~~ shall use the
21 transportation demand modeling tools developed under subsection (2) of
22 this section to evaluate investments based on the best mode or
23 improvement, or mix of modes and improvements, to meet current and
24 future long-term demand within a corridor or system for the lowest
25 cost. The end result of these demand modeling tools is to provide a
26 cost-benefit analysis by which the department ~~((and the commission))~~
27 can determine the relative mobility improvement and congestion relief
28 each mode or improvement under consideration will provide and the
29 relative investment each mode or improvement under consideration will
30 need to achieve that relief.

31 (2) The department will participate in the refinement, enhancement,
32 and application of existing transportation demand modeling tools to be
33 used to evaluate investments. This participation and use of
34 transportation demand modeling tools will be phased in.

35 (3) In developing program objectives and performance measures, the
36 ~~((transportation commission))~~ department shall evaluate investment
37 trade-offs between the preservation and improvement programs. In

1 making these investment trade-offs, the (~~commission~~) department shall
2 evaluate, using cost-benefit techniques, roadway and bridge maintenance
3 activities as compared to roadway and bridge preservation program
4 activities and adjust those programs accordingly.

5 (4) The (~~commission~~) department shall allocate the estimated
6 revenue between preservation and improvement programs giving primary
7 consideration to the following factors:

8 (a) The relative needs in each of the programs and the system
9 performance levels that can be achieved by meeting these needs;

10 (b) The need to provide adequate funding for preservation to
11 protect the state's investment in its existing highway system;

12 (c) The continuity of future transportation development with those
13 improvements previously programmed; and

14 (d) The availability of dedicated funds for a specific type of
15 work.

16 (5) The commission shall review the results of the department's
17 findings and shall consider those findings in the development of the
18 ten-year program.

19 **Sec. 11.** RCW 47.05.051 and 2002 c 189 s 3 are each amended to read
20 as follows:

21 (1) The comprehensive (~~six-year~~) ten-year investment program
22 shall be based upon the needs identified in the state-owned highway
23 component of the statewide multimodal transportation plan as defined in
24 RCW 47.01.071(3) and priority selection systems that incorporate the
25 following criteria:

26 (a) Priority programming for the preservation program shall take
27 into account the following, not necessarily in order of importance:

28 (i) Extending the service life of the existing highway system,
29 including using the most cost-effective pavement surfaces, considering:

30 (A) Life-cycle cost analysis;

31 (B) Traffic volume;

32 (C) Subgrade soil conditions;

33 (D) Environmental and weather conditions;

34 (E) Materials available; and

35 (F) Construction factors;

36 (ii) Ensuring the structural ability to carry loads imposed upon
37 highways and bridges; and

1 (iii) Minimizing life cycle costs. The transportation commission
2 in carrying out the provisions of this section may delegate to the
3 department of transportation the authority to select preservation
4 projects to be included in the (~~six-year~~) ten-year program.

5 (b) Priority programming for the improvement program must be based
6 primarily upon the following, not necessarily in order of importance:

7 (i) Traffic congestion, delay, and accidents;

8 (ii) Location within a heavily traveled transportation corridor;

9 (iii) Except for projects in cities having a population of less
10 than five thousand persons, synchronization with other potential
11 transportation projects, including transit and multimodal projects,
12 within the heavily traveled corridor; and

13 (iv) Use of benefit/cost analysis wherever feasible to determine
14 the value of the proposed project.

15 (c) Priority programming for the improvement program may also take
16 into account:

17 (i) Support for the state's economy, including job creation and job
18 preservation;

19 (ii) The cost-effective movement of people and goods;

20 (iii) Accident and accident risk reduction;

21 (iv) Protection of the state's natural environment;

22 (v) Continuity and systematic development of the highway
23 transportation network;

24 (vi) Consistency with local comprehensive plans developed under
25 chapter 36.70A RCW including the following if they have been included
26 in the comprehensive plan:

27 (A) Support for development in and revitalization of existing
28 downtowns;

29 (B) Extent that development implements local comprehensive plans
30 for rural and urban residential and nonresidential densities;

31 (C) Extent of compact, transit-oriented development for rural and
32 urban residential and nonresidential densities;

33 (D) Opportunities for multimodal transportation; and

34 (E) Extent to which the project accommodates planned growth and
35 economic development;

36 (vii) Consistency with regional transportation plans developed
37 under chapter 47.80 RCW;

38 (viii) Public views concerning proposed improvements;

- 1 (ix) The conservation of energy resources;
2 (x) Feasibility of financing the full proposed improvement;
3 (xi) Commitments established in previous legislative sessions;
4 (xii) Relative costs and benefits of candidate programs.

5 (d) Major projects addressing capacity deficiencies which
6 prioritize allowing for preliminary engineering shall be reprioritized
7 during the succeeding biennium, based upon updated project data.
8 Reprioritized projects may be delayed or canceled by the transportation
9 commission if higher priority projects are awaiting funding.

10 (e) Major project approvals which significantly increase a
11 project's scope or cost from original prioritization estimates shall
12 include a review of the project's estimated revised priority rank and
13 the level of funding provided. Projects may be delayed or canceled by
14 the transportation commission if higher priority projects are awaiting
15 funding.

16 (2) The commission may depart from the priority programming
17 established under subsection (1) of this section: (a) To the extent
18 that otherwise funds cannot be utilized feasibly within the program;
19 (b) as may be required by a court judgment, legally binding agreement,
20 or state and federal laws and regulations; (c) as may be required to
21 coordinate with federal, local, or other state agency construction
22 projects; (d) to take advantage of some substantial financial benefit
23 that may be available; (e) for continuity of route development; or (f)
24 because of changed financial or physical conditions of an unforeseen or
25 emergent nature. The commission or secretary of transportation shall
26 maintain in its files information sufficient to show the extent to
27 which the commission has departed from the established priority.

28 (3) The commission shall identify those projects that yield freight
29 mobility benefits or that alleviate the impacts of freight mobility
30 upon affected communities.

31 **Transportation Policy Institute**

32 NEW SECTION. **Sec. 12.** A new section is added to chapter 47.01 RCW
33 to read as follows:

34 (1) The transportation policy institute is established within the
35 transportation commission. The institute shall conduct research,

1 prepare studies, and periodically submit recommendations to the
2 legislature, governor, and transportation commission regarding
3 transportation policy issues of statewide significance.

4 To this end, the purposes of the institute include:

5 (a) To conduct research on transportation policy and programs for
6 the governor, the legislature, the transportation commission, and the
7 transportation performance audit board;

8 (b) To educate and promote the dissemination of transportation
9 research to the public, and to state and local government policymakers
10 including legislators and associated staff; and

11 (c) To serve as a repository of federal, state, local, and private
12 transportation research on financing and programming.

13 (2) The institute is governed by a board of directors composed of
14 (a) the chairs and ranking minority members of the transportation
15 committees of the legislature, or their designees, (b) the chair and
16 vicechair of the transportation commission, and (c) the secretary of
17 transportation. The executive director of the Washington state
18 transportation center shall serve on the board as an ex officio
19 nonvoting member. The staff coordinators of the transportation
20 committees of the house and senate shall serve on the board as ex
21 officio nonvoting members. The board of directors shall establish the
22 research priorities of the institute. The board shall meet
23 periodically and may schedule regular meetings during the legislative
24 interim. The board may adopt rules and procedures necessary for its
25 orderly operation. To the extent funds are appropriated, the
26 transportation commission shall provide staff support to the institute,
27 and the transportation commission administrator shall also serve as
28 administrator for the institute. The administrator, subject to the
29 approval of the commission, may contract with and consult with private
30 independent professional and technical experts to conduct studies
31 directed by the institute.

32 (3) The institute may establish working groups to conduct specific
33 research in order to report back to the institute regarding
34 recommendations as appropriate. The institute may appoint to a working
35 group any member of the transportation committees of the legislature,
36 or any nonlegislators, as deemed appropriate.

37 (4) Legislative members of the institute and its working groups
38 will receive allowances while attending meetings of the institute,

1 including working group meetings, and while engaged in other authorized
2 business of the institute, as provided in RCW 44.04.120.
3 Nonlegislative members of the institute and its working groups will
4 receive allowances as provided in RCW 43.03.050 and 43.03.060.

5 **Transportation Performance Audits**

6 **Sec. 13.** RCW 44.75.020 and 2003 c 362 s 2 are each amended to read
7 as follows:

8 The definitions in this section apply throughout this chapter.

9 (1) "Economy and efficiency audit" has the meaning contained in
10 chapter 44.28 RCW.

11 ~~(("Joint legislative audit and review committee" means the
12 agency created in chapter 44.28 RCW, or its statutory successor.~~

13 ~~(3))~~ "Legislative auditor" has the meaning contained in chapter
14 44.28 RCW.

15 ~~((4) "Legislative transportation committee" means the agency
16 created in chapter 44.40 RCW, or its statutory successor.~~

17 ~~(5))~~ (3) "Performance audit" has the meaning contained in chapter
18 44.28 RCW.

19 ~~((6))~~ (4) "Performance review" means an outside evaluation of how
20 a state agency uses its performance measures to assess the outcomes of
21 its legislatively authorized activities.

22 ~~((7))~~ (5) "Program audit" has the meaning contained in chapter
23 44.28 RCW.

24 ~~((8))~~ (6) "Transportation performance audit board" or "board"
25 means the board created in RCW 44.75.030.

26 ~~((9))~~ (7) "Transportation-related agencies" or "agency" means any
27 state or local agency, board, special purpose district, or commission
28 that receives or generates funding primarily for transportation-related
29 purposes. At a minimum, the department of transportation, the
30 Washington state patrol, the department of licensing, the
31 transportation improvement board or its successor entity, the county
32 road administration board or its successor entity, and the traffic
33 safety commission are considered transportation-related agencies.
34 Counties, cities, and port districts are not transportation-related
35 agencies under this subsection.

1 **Sec. 14.** RCW 44.75.030 and 2003 c 362 s 3 are each amended to read
2 as follows:

3 (1) The transportation performance audit board is created.

4 (2) The board will consist of four legislative members, five
5 citizen members with transportation-related expertise, one member of
6 the transportation commission, one ex officio nonvoting member, and one
7 at large member with no specific transportation-related expertise but
8 who has private sector experience with performance measures or
9 performance audits. The legislative auditor is the ex officio
10 nonvoting member. The majority and minority leaders of the house and
11 senate transportation committees, or their designees, are the
12 legislative members. The governor shall appoint the at large member to
13 serve for a term of four years. The citizen members must be
14 (~~nominated by professional associations chosen by the board's~~
15 ~~legislative members and~~) appointed by the governor for terms of four
16 years, except that at least half the initial appointments will be for
17 terms of two years. The citizen members may not be currently, or
18 within one year, employed by the Washington state department of
19 transportation. The (~~citizen members will consist of~~) governor, when
20 appointing the citizen members, may consult with appropriate
21 professional associations and shall consider the following
22 transportation-related experiences:

23 (a) (~~One member with expertise in~~) Construction project planning,
24 including permitting and assuring regulatory compliance;

25 (b) (~~One member with expertise in~~) Construction means and methods
26 and construction management, crafting and implementing environmental
27 mitigation plans, and administration;

28 (c) (~~One member with expertise in~~) Construction engineering
29 services, including construction management, materials testing,
30 materials documentation, contractor payments, inspection, surveying,
31 and project oversight;

32 (d) (~~One member with expertise in~~) Project management, including
33 design estimating, contract packaging, and procurement; and

34 (e) (~~One member with expertise in~~) Transportation planning and
35 congestion management.

36 (3) The governor may not remove members from the board before the
37 expiration of their terms unless for cause based upon a determination
38 of incapacity, incompetence, neglect of duty, of malfeasance in office

1 by the Thurston county superior court, upon petition and show cause
2 proceedings brought for that purpose in that court and directed to the
3 board member in question.

4 (4) No member may be appointed for more than three consecutive
5 terms.

6 **Sec. 15.** RCW 44.75.040 and 2003 c 362 s 4 are each amended to read
7 as follows:

8 (1) The board shall meet periodically. It may adopt its own rules
9 and may establish its own procedures. It shall act collectively in
10 harmony with recorded resolutions or motions adopted by a majority vote
11 of the members.

12 (2) Each member of the transportation performance audit board will
13 be compensated from the general appropriation for the ((legislative))
14 transportation ((committee)) commission in accordance with RCW
15 43.03.250 and reimbursed for actual necessary traveling and other
16 expenses in going to, attending, and returning from meetings of the
17 board or that are incurred in the discharge of duties requested by the
18 chair. However, in no event may a board member be compensated in any
19 year for more than one hundred twenty days, except the chair may be
20 compensated for not more than one hundred fifty days. Service on the
21 board does not qualify as a service credit for the purposes of a public
22 retirement system.

23 (3) The transportation performance audit board shall keep proper
24 records and is subject to audit by the state auditor or other auditing
25 entities.

26 (4) Staff support to the transportation performance audit board
27 must be provided by the ((legislative)) transportation ((committee))
28 commission, which shall provide professional support for the duties,
29 functions, responsibilities, and activities of the board, including but
30 not limited to information technology systems; data collection,
31 processing, analysis, and reporting; project management; and office
32 space, equipment, and secretarial support. ((The legislative
33 evaluation and accountability program will provide data and information
34 technology support consistent with the support currently supplied to
35 existing legislative committees.)) Additionally, the commission shall
36 designate, subject to board approval, a staff person to serve as the

1 board administrator. The board administrator serves as an exempt
2 employee and at the pleasure of the board.

3 (5) Each member of the transportation performance audit board shall
4 disclose any actual or potential conflict of interest, if applicable
5 under the circumstance, regarding all performance reviews and
6 performance audits conducted under this chapter.

7 **Sec. 16.** RCW 44.75.050 and 2003 c 362 s 5 are each amended to read
8 as follows:

9 (1) The transportation performance audit board may review the
10 performance and outcome measures of transportation-related agencies.
11 The purpose of these reviews is to ensure that the legislature has the
12 means to adequately and accurately assess the performance and outcomes
13 of those agencies and departments. Where two or more agencies have
14 shared responsibility for functions or priorities of government, these
15 reviews can also determine whether effective interagency cooperation
16 and collaboration occurs in areas such as program coordination,
17 administrative structures, information systems, and administration of
18 grants and loans.

19 (2) The board shall, as soon as practicable, conduct a review of
20 the comprehensive ten-year investment program process, including the
21 required criteria, under RCW 47.05.030 and 47.05.051.

22 (3) In conducting these reviews, the transportation performance
23 audit board may work in consultation with the ~~((legislative~~
24 ~~transportation committee, the))~~ joint legislative audit and review
25 committee, the office of financial management, and other state
26 agencies.

27 **Sec. 17.** RCW 44.75.080 and 2003 c 362 s 8 are each amended to read
28 as follows:

29 After reviewing the performance or outcome measures and benchmarks
30 of an agency or department, or at any time it so determines, the
31 transportation performance audit board shall ~~((recommend to the~~
32 ~~executive committee of the legislative transportation committee~~
33 ~~whether))~~ direct a full performance or functional audit of the agency
34 or department, or a specific program within the agency or department ~~((~~
35 ~~is appropriate. Upon the request of the legislative transportation~~
36 ~~committee or its executive committee, the joint legislative audit and~~

1 ~~review committee shall add the full performance or functional audit to~~
2 ~~its biennial performance audit work plan. If the request duplicates or~~
3 ~~overlaps audits already in the work plan, or was performed under the~~
4 ~~previous biennial work plan, the executive committees of the~~
5 ~~legislative transportation committee and the joint legislative audit~~
6 ~~and review committee shall meet to discuss and resolve the duplication~~
7 ~~or overlap)).~~

8 **Sec. 18.** RCW 44.75.090 and 2003 c 362 s 9 are each amended to read
9 as follows:

10 ~~((1))~~ To the greatest extent possible, ~~((or when requested by the~~
11 ~~executive committee of the legislative transportation committee))~~ and
12 to the extent funds are appropriated, the ~~((legislative auditor))~~ board
13 administrator shall, subject to board approval, contract with and
14 consult with private independent professional and technical experts to
15 optimize the independence of the reviews and performance audits. In
16 determining the need to contract with private experts, the
17 ~~((legislative auditor))~~ board administrator shall consider the degree
18 of difficulty of the review or audit, the relative cost of contracting
19 for expertise, and the need to maintain auditor independence from the
20 subject agency or program. The board administrator may, subject to
21 board approval, contract with the legislative auditor to serve as the
22 contract manager of the reviews and performance audits.

23 ~~((2) After consultation with the executive committee of the~~
24 ~~legislative transportation committee on the appropriateness of costs,~~
25 ~~the legislative transportation committee shall reimburse the joint~~
26 ~~legislative audit and review committee or the legislative auditor for~~
27 ~~the costs of carrying out any requested performance audits, including~~
28 ~~the cost of contracts and consultant services.~~

29 ~~(3) The executive committee of the legislative transportation~~
30 ~~committee must review and approve the methodology for performance~~
31 ~~audits recommended by the transportation performance audit board.))~~

32 **Sec. 19.** RCW 44.75.100 and 2003 c 362 s 10 are each amended to
33 read as follows:

34 (1) Before releasing the results of a performance audit originally
35 directed by the transportation performance audit board to the
36 legislature or the public, the board administrator shall submit the

1 preliminary performance audit report to the transportation performance
2 audit board for review and comments solely on the management of the
3 audit. Any comments by the transportation performance audit board must
4 be included as a separate addendum to the final performance audit
5 report. However, the board administrator is not required to submit the
6 preliminary performance audit report if the legislative auditor submits
7 it under RCW 44.28.088.

8 (2) Completed performance audits must be presented to the
9 transportation performance audit board (~~and the legislative~~
10 ~~transportation committee~~). Published performance audits must be made
11 available to the public through the (~~legislative transportation~~
12 ~~committee and the joint legislative audit and review committee's~~)
13 board's web site and through customary public communications. Final
14 reports must also be transmitted to the affected agency, the director
15 of financial management, and the appropriate policy and fiscal standing
16 committees of the legislature.

17 **Sec. 20.** RCW 44.75.110 and 2003 c 362 s 11 are each amended to
18 read as follows:

19 The (~~legislative auditor~~) board administrator, or the legislative
20 auditor if contracted under RCW 44.75.090, shall determine in writing
21 the scope of any performance audit (~~requested~~) directed by the
22 (~~legislative transportation committee or its executive committee~~)
23 transportation performance audit board, subject to the review and
24 approval of the final scope of the audit by the transportation
25 performance audit board(~~, and the legislative transportation committee~~
26 ~~or its executive committee~~). In doing so, the (~~legislative~~
27 ~~auditor,~~) board administrator, or legislative auditor if contracted
28 under RCW 44.75.090, and the transportation performance audit board(~~, and~~
29 ~~the legislative transportation committee or its executive~~
30 ~~committee~~) shall consider inclusion of the following elements in the
31 scope of the audit:

32 (1) Identification of potential cost savings in the agency, its
33 programs, and its services;

34 (2) Identification and recognition of best practices;

35 (3) Identification of funding to the agency, to programs, and to
36 services that can be eliminated or reduced;

1 (4) Identification of programs and services that can be eliminated,
2 reduced, or transferred to the private sector;

3 (5) Analysis of gaps and overlaps in programs and services and
4 recommendations for improving, dropping, blending, or separating
5 functions to correct gaps or overlaps;

6 (6) Analysis and recommendations for pooling information technology
7 systems;

8 (7) Analysis of the roles and functions of the agency, its
9 programs, and its services and their compliance with statutory
10 authority and recommendations for eliminating or changing those roles
11 and functions and ensuring compliance with statutory authority;

12 (8) Recommendations for eliminating or changing statutes, rules,
13 and policy directives as may be necessary to ensure that the agency
14 carry out reasonably and properly those functions expressly vested in
15 the department by statute; and

16 (9) Verification of the reliability and validity of department
17 performance data, self-assessments, and performance measurement systems
18 as required under RCW 43.88.090.

19 **Sec. 21.** RCW 44.75.120 and 2003 c 362 s 12 are each amended to
20 read as follows:

21 When conducting a full performance audit of an agency or
22 department, or a specific program within an agency or department, or
23 multiple agencies, in accordance with RCW 44.75.110, the (~~legislative~~
24 ~~auditor~~) board administrator shall solicit input from appropriate
25 industry representatives or experts. The audit report must make
26 recommendations regarding the continuation, abolition, consolidation,
27 or reorganization of each affected agency, department, or program. The
28 audit report must identify opportunities to develop government
29 partnerships, and eliminate program redundancies that will result in
30 increased quality, effectiveness, and efficiency of state agencies.

31 **Sec. 22.** RCW 44.28.161 and 2003 c 362 s 13 are each amended to
32 read as follows:

33 In addition to any other audits developed or included in the audit
34 work plan under this chapter, the legislative auditor shall manage
35 transportation-related performance audits (~~directed by the executive~~
36 ~~committee of the legislative transportation committee under RCW~~

1 ~~44.75.080. If directed to perform or contract for audit services under~~
2 ~~RCW 44.75.080, the legislative auditor or joint legislative audit and~~
3 ~~review committee will receive from the legislative transportation~~
4 ~~committee an interagency reimbursement equal to the cost of the~~
5 ~~contract or audit services)) if contracted to do so under RCW~~
6 ~~44.75.090.~~

7 **Transfer**

8 NEW SECTION. **Sec. 23.** (1)(a) All reports, documents, surveys,
9 books, records, files, papers, or written material in the possession of
10 the legislative transportation committee shall be delivered to the
11 custody of the transportation commission for the exclusive support of
12 the transportation policy institute. All cabinets, furniture, office
13 equipment, motor vehicles, and other tangible property employed by the
14 legislative transportation committee shall be made available to the
15 transportation commission for the exclusive support of the
16 transportation policy institute. All funds, credits, or other assets
17 held by the legislative transportation committee shall be assigned to
18 the transportation commission for the exclusive support of the
19 transportation policy institute.

20 (b) Any appropriations made to the legislative transportation
21 committee shall, on the effective date of this section, be transferred
22 and credited to the transportation commission for the exclusive support
23 of the transportation policy institute.

24 (c) If any question arises as to the transfer of any personnel,
25 funds, books, documents, records, papers, files, equipment, or other
26 tangible property used or held in the exercise of the powers and the
27 performance of the duties and functions transferred, the director of
28 financial management shall make a determination as to the proper
29 allocation and certify the same to the state agencies concerned.

30 (2) All employees of the legislative transportation committee are
31 transferred to the jurisdiction of the transportation commission for
32 the exclusive support of the transportation policy institute. However,
33 the commission may, if staffing needs warrant, assign the employees to
34 other commission functions.

35 (3) All existing contracts and obligations shall remain in full
36 force and shall be performed by the transportation commission.

1 (4) If apportionments of budgeted funds are required because of the
2 transfers directed by this section, the director of financial
3 management shall certify the apportionments to the agencies affected,
4 the state auditor, and the state treasurer. Each of these shall make
5 the appropriate transfer and adjustments in funds and appropriation
6 accounts and equipment records in accordance with the certification.

7 **References to LTC**

8 **Sec. 101.** RCW 35.58.2796 and 1989 c 396 s 2 are each amended to
9 read as follows:

10 The department of transportation shall develop an annual report
11 summarizing the status of public transportation systems in the state.
12 By September 1st of each year, copies of the report shall be submitted
13 to the ~~((legislative transportation committee))~~ transportation
14 committees of the legislature and to each municipality, as defined in
15 RCW 35.58.272, and to individual members of the municipality's
16 legislative authority. ~~((The department shall prepare and submit a~~
17 ~~preliminary report by December 1, 1989.))~~

18 To assist the department with preparation of the report, each
19 municipality shall file a system report by April 1st of each year with
20 the state department of transportation identifying its public
21 transportation services for the previous calendar year and its
22 objectives for improving the efficiency and effectiveness of those
23 services. The system report shall address those items required for
24 each public transportation system in the department's report.

25 The department report shall describe individual public
26 transportation systems, including contracted transportation services
27 and dial-a-ride services, and include a statewide summary of public
28 transportation issues and data. The descriptions shall include the
29 following elements and such other elements as the department deems
30 appropriate after consultation with the municipalities and the
31 ~~((legislative transportation committee))~~ transportation committees of
32 the legislature:

33 (1) Equipment and facilities, including vehicle replacement
34 standards;

35 (2) Services and service standards;

36 (3) Revenues, expenses, and ending balances, by fund source;

1 (4) Policy issues and system improvement objectives, including
2 community participation in development of those objectives and how
3 those objectives address statewide transportation priorities;

4 (5) Operating indicators applied to public transportation services,
5 revenues, and expenses. Operating indicators shall include operating
6 cost per passenger trip, operating cost per revenue vehicle service
7 hour, passenger trips per revenue service hour, passenger trips per
8 vehicle service mile, vehicle service hours per employee, and farebox
9 revenue as a percent of operating costs.

10 **Sec. 102.** RCW 36.78.070 and 1999 c 269 s 1 are each amended to
11 read as follows:

12 The county road administration board shall:

13 (1) Establish by rule, standards of good practice for the
14 administration of county roads and the efficient movement of people and
15 goods over county roads;

16 (2) Establish reporting requirements for counties with respect to
17 the standards of good practice adopted by the board;

18 (3) Receive and review reports from counties and reports from its
19 executive director to determine compliance with legislative directives
20 and the standards of good practice adopted by the board;

21 (4) Advise counties on issues relating to county roads and the safe
22 and efficient movement of people and goods over county roads and assist
23 counties in developing uniform and efficient transportation-related
24 information technology resources;

25 (5) Report annually before the fifteenth day of January, and
26 throughout the year as appropriate, to the state department of
27 transportation and to the chairs of the (~~legislative transportation~~
28 ~~committee and the~~) house and senate transportation committees, and to
29 other entities as appropriate on the status of county road
30 administration in each county, including one copy to the staff of each
31 of the committees. The annual report shall contain recommendations for
32 improving administration of the county road programs;

33 (6) Administer the rural arterial program established by chapter
34 36.79 RCW and the program funded by the county arterial preservation
35 account established by RCW 46.68.090, as well as any other programs
36 provided for in law.

1 **Sec. 103.** RCW 41.40.037 and 2004 c 242 s 63 are each amended to
2 read as follows:

3 (1)(a) If a retiree enters employment with an employer sooner than
4 one calendar month after his or her accrual date, the retiree's monthly
5 retirement allowance will be reduced by five and one-half percent for
6 every eight hours worked during that month. This reduction will be
7 applied each month until the retiree remains absent from employment
8 with an employer for one full calendar month.

9 (b) The benefit reduction provided in (a) of this subsection will
10 accrue for a maximum of one hundred sixty hours per month. Any benefit
11 reduction over one hundred percent will be applied to the benefit the
12 retiree is eligible to receive in subsequent months.

13 (2)(a) Except as provided in (b) of this subsection, a retiree from
14 plan 1 who enters employment with an employer at least one calendar
15 month after his or her accrual date may continue to receive pension
16 payments while engaged in such service for up to eight hundred sixty-
17 seven hours of service in a calendar year without a reduction of
18 pension.

19 (b) A retiree from plan 1 who enters employment with an employer at
20 least three calendar months after his or her accrual date and:

21 (i) Is hired into a position for which the employer has documented
22 a justifiable need to hire a retiree into the position;

23 (ii) Is hired through the established process for the position with
24 the approval of: A school board for a school district; the chief
25 executive officer of a state agency employer; the secretary of the
26 senate for the senate; the chief clerk of the house of representatives
27 for the house of representatives; the secretary of the senate and the
28 chief clerk of the house of representatives jointly for the joint
29 legislative audit and review committee, (~~the legislative~~
30 ~~transportation committee,~~) the joint committee on pension policy, the
31 legislative evaluation and accountability program, the legislative
32 systems committee, and the statute law committee; or according to rules
33 adopted for the rehiring of retired plan 1 members for a local
34 government employer;

35 (iii) The employer retains records of the procedures followed and
36 decisions made in hiring the retiree, and provides those records in the
37 event of an audit; and

1 (iv) The employee has not already rendered a cumulative total of
2 more than one thousand nine hundred hours of service while in receipt
3 of pension payments beyond an annual threshold of eight hundred sixty-
4 seven hours;
5 shall cease to receive pension payments while engaged in that service
6 after the retiree has rendered service for more than one thousand five
7 hundred hours in a calendar year. The one thousand nine hundred hour
8 cumulative total under this subsection applies prospectively to those
9 retiring after July 27, 2003, and retroactively to those who retired
10 prior to July 27, 2003, and shall be calculated from the date of
11 retirement.

12 (c) When a plan 1 member renders service beyond eight hundred
13 sixty-seven hours, the department shall collect from the employer the
14 applicable employer retirement contributions for the entire duration of
15 the member's employment during that calendar year.

16 (d) A retiree from plan 2 or plan 3 who has satisfied the break in
17 employment requirement of subsection (1) of this section may work up to
18 eight hundred sixty-seven hours in a calendar year in an eligible
19 position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or
20 41.40.010, or as a fire fighter or law enforcement officer, as defined
21 in RCW 41.26.030, without suspension of his or her benefit.

22 (3) If the retiree opts to reestablish membership under RCW
23 41.40.023(12), he or she terminates his or her retirement status and
24 becomes a member. Retirement benefits shall not accrue during the
25 period of membership and the individual shall make contributions and
26 receive membership credit. Such a member shall have the right to again
27 retire if eligible in accordance with RCW 41.40.180. However, if the
28 right to retire is exercised to become effective before the member has
29 rendered two uninterrupted years of service, the retirement formula and
30 survivor options the member had at the time of the member's previous
31 retirement shall be reinstated.

32 (4) The department shall collect and provide the state actuary with
33 information relevant to the use of this section for the select
34 committee on pension policy.

35 (5) The legislature reserves the right to amend or repeal this
36 section in the future and no member or beneficiary has a contractual
37 right to be employed for more than five months in a calendar year
38 without a reduction of his or her pension.

1 **Sec. 104.** RCW 43.10.101 and 1995 2nd sp.s. c 14 s 527 are each
2 amended to read as follows:

3 The attorney general shall prepare annually a report to the
4 (~~legislative transportation committee~~) transportation committees of
5 the legislature, the transportation commission, and the transportation
6 performance audit board comprising a comprehensive summary of all cases
7 involving tort claims against the department of transportation
8 involving highways which were concluded and closed in the previous
9 calendar year. The report shall include for each case closed:

10 (1) A summary of the factual background of the case;

11 (2) Identification of the attorneys representing the state and the
12 opposing parties;

13 (3) A synopsis of the legal theories asserted and the defenses
14 presented;

15 (4) Whether the case was tried, settled, or dismissed, and in whose
16 favor;

17 (5) The approximate number of attorney hours expended by the state
18 on the case, together with the corresponding dollar amount billed
19 therefore; and

20 (6) Such other matters relating to the case as the attorney general
21 deems relevant or appropriate, especially including any comments or
22 recommendations for changes in statute law or agency practice that
23 might effectively reduce the exposure of the state to such tort claims.

24 **Sec. 105.** RCW 43.79.270 and 1998 c 177 s 1 are each amended to
25 read as follows:

26 (1) Whenever any money, from the federal government, or from other
27 sources, which was not anticipated in the budget approved by the
28 legislature has actually been received and is designated to be spent
29 for a specific purpose, the head of any department, agency, board, or
30 commission through which such expenditure shall be made is to submit to
31 the governor a statement which may be in the form of a request for an
32 allotment amendment setting forth the facts constituting the need for
33 such expenditure and the estimated amount to be expended: PROVIDED,
34 That no expenditure shall be made in excess of the actual amount
35 received, and no money shall be expended for any purpose except the
36 specific purpose for which it was received. A copy of any proposal
37 submitted to the governor to expend money from an appropriated fund or

1 account in excess of appropriations provided by law which is based on
2 the receipt of unanticipated revenues shall be submitted to the joint
3 legislative audit and review committee and also to the standing
4 committees on ways and means of the house and senate if the legislature
5 is in session at the same time as it is transmitted to the governor.

6 (2) Notwithstanding subsection (1) of this section, whenever money
7 from any source that was not anticipated in the transportation budget
8 approved by the legislature has actually been received and is
9 designated to be spent for a specific purpose, the head of a
10 department, agency, board, or commission through which the expenditure
11 must be made shall submit to the governor a statement, which may be in
12 the form of a request for an allotment amendment, setting forth the
13 facts constituting the need for the expenditure and the estimated
14 amount to be expended. However, no expenditure may be made in excess
15 of the actual amount received, and no money may be expended for any
16 purpose except the specific purpose for which it was received. A copy
17 of any proposal submitted to the governor to expend money from an
18 appropriated transportation fund or account in excess of appropriations
19 provided by law that is based on the receipt of unanticipated revenues
20 must be submitted, at a minimum, to the standing committees on
21 transportation of the house and senate(~~(, if the legislature is in~~
22 ~~session,)~~) at the same time as it is transmitted to the governor.
23 (~~(During the legislative interim, any such proposal must be submitted~~
24 ~~to the legislative transportation committee.)~~)

25 **Sec. 106.** RCW 43.79.280 and 1998 c 177 s 2 are each amended to
26 read as follows:

27 (1) If the governor approves such estimate in whole or part, he
28 shall endorse on each copy of the statement his approval, together with
29 a statement of the amount approved in the form of an allotment
30 amendment, and transmit one copy to the head of the department, agency,
31 board, or commission authorizing the expenditure. An identical copy of
32 the governor's statement of approval and a statement of the amount
33 approved for expenditure shall be transmitted simultaneously to the
34 joint legislative audit and review committee and also to the standing
35 committee on ways and means of the house and senate of all executive
36 approvals of proposals to expend money in excess of appropriations
37 provided by law.

1 (2) If the governor approves an estimate with transportation
2 funding implications, in whole or part, he shall endorse on each copy
3 of the statement his approval, together with a statement of the amount
4 approved in the form of an allotment amendment, and transmit one copy
5 to the head of the department, agency, board, or commission authorizing
6 the expenditure. An identical copy of the governor's statement of
7 approval of a proposal to expend transportation money in excess of
8 appropriations provided by law and a statement of the amount approved
9 for expenditure must be transmitted simultaneously to the standing
10 committees on transportation of the house and senate. (~~During the~~
11 ~~legislative interim, all estimate approvals endorsed by the governor~~
12 ~~along with a statement of the amount approved in the form of an~~
13 ~~allotment amendment must be transmitted simultaneously to the~~
14 ~~legislative transportation committee.))~~

15 **Sec. 107.** RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each
16 amended to read as follows:

17 (1) "Budget" means a proposed plan of expenditures for a given
18 period or purpose and the proposed means for financing these
19 expenditures.

20 (2) "Budget document" means a formal statement, either written or
21 provided on any electronic media or both, offered by the governor to
22 the legislature, as provided in RCW 43.88.030.

23 (3) "Director of financial management" means the official appointed
24 by the governor to serve at the governor's pleasure and to whom the
25 governor may delegate necessary authority to carry out the governor's
26 duties as provided in this chapter. The director of financial
27 management shall be head of the office of financial management which
28 shall be in the office of the governor.

29 (4) "Agency" means and includes every state office, officer, each
30 institution, whether educational, correctional, or other, and every
31 department, division, board, and commission, except as otherwise
32 provided in this chapter.

33 (5) "Public funds", for purposes of this chapter, means all moneys,
34 including cash, checks, bills, notes, drafts, stocks, and bonds,
35 whether held in trust, for operating purposes, or for capital purposes,
36 and collected or disbursed under law, whether or not such funds are

1 otherwise subject to legislative appropriation, including funds
2 maintained outside the state treasury.

3 (6) "Regulations" means the policies, standards, and requirements,
4 stated in writing, designed to carry out the purposes of this chapter,
5 as issued by the governor or the governor's designated agent, and which
6 shall have the force and effect of law.

7 (7) "Ensuing biennium" means the fiscal biennium beginning on July
8 1st of the same year in which a regular session of the legislature is
9 held during an odd-numbered year pursuant to Article II, section 12 of
10 the Constitution and which biennium next succeeds the current biennium.

11 (8) "Dedicated fund" means a fund in the state treasury, or a
12 separate account or fund in the general fund in the state treasury,
13 that by law is dedicated, appropriated, or set aside for a limited
14 object or purpose; but "dedicated fund" does not include a revolving
15 fund or a trust fund.

16 (9) "Revolving fund" means a fund in the state treasury,
17 established by law, from which is paid the cost of goods or services
18 furnished to or by a state agency, and which is replenished through
19 charges made for such goods or services or through transfers from other
20 accounts or funds.

21 (10) "Trust fund" means a fund in the state treasury in which
22 designated persons or classes of persons have a vested beneficial
23 interest or equitable ownership, or which was created or established by
24 a gift, grant, contribution, devise, or bequest that limits the use of
25 the fund to designated objects or purposes.

26 (11) "Administrative expenses" means expenditures for: (a)
27 Salaries, wages, and related costs of personnel and (b) operations and
28 maintenance including but not limited to costs of supplies, materials,
29 services, and equipment.

30 (12) "Fiscal year" means the year beginning July 1st and ending the
31 following June 30th.

32 (13) "Lapse" means the termination of authority to expend an
33 appropriation.

34 (14) "Legislative fiscal committees" means the joint legislative
35 audit and review committee, the legislative evaluation and
36 accountability program committee, and the ways and means and
37 transportation committees of the senate and house of representatives(
38 ~~and, where appropriate, the legislative transportation committee~~)).

1 (15) "Fiscal period" means the period for which an appropriation is
2 made as specified within the act making the appropriation.

3 (16) "Primary budget driver" means the primary determinant of a
4 budget level, other than a price variable, which causes or is
5 associated with the major expenditure of an agency or budget unit
6 within an agency, such as a caseload, enrollment, workload, or
7 population statistic.

8 (17) "State tax revenue limit" means the limitation created by
9 chapter 43.135 RCW.

10 (18) "General state revenues" means the revenues defined by Article
11 VIII, section 1(c) of the state Constitution.

12 (19) "Annual growth rate in real personal income" means the
13 estimated percentage growth in personal income for the state during the
14 current fiscal year, expressed in constant value dollars, as published
15 by the office of financial management or its successor agency.

16 (20) "Estimated revenues" means estimates of revenue in the most
17 recent official economic and revenue forecast prepared under RCW
18 82.33.020, and prepared by the office of financial management for those
19 funds, accounts, and sources for which the office of the economic and
20 revenue forecast council does not prepare an official forecast
21 (~~including estimates of revenues to support financial plans under RCW~~
22 ~~44.40.070~~)), that are prepared by the office of financial management in
23 consultation with the transportation revenue forecast council.

24 (21) "Estimated receipts" means the estimated receipt of cash in
25 the most recent official economic and revenue forecast prepared under
26 RCW 82.33.020, and prepared by the office of financial management for
27 those funds, accounts, and sources for which the office of the economic
28 and revenue forecast council does not prepare an official forecast.

29 (22) "State budgeting, accounting, and reporting system" means a
30 system that gathers, maintains, and communicates fiscal information.
31 The system links fiscal information beginning with development of
32 agency budget requests through adoption of legislative appropriations
33 to tracking actual receipts and expenditures against approved plans.

34 (23) "Allotment of appropriation" means the agency's statement of
35 proposed expenditures, the director of financial management's review of
36 that statement, and the placement of the approved statement into the
37 state budgeting, accounting, and reporting system.

1 (24) "Statement of proposed expenditures" means a plan prepared by
2 each agency that breaks each appropriation out into monthly detail
3 representing the best estimate of how the appropriation will be
4 expended.

5 (25) "Undesignated fund balance (or deficit)" means unreserved and
6 undesignated current assets or other resources available for
7 expenditure over and above any current liabilities which are expected
8 to be incurred by the close of the fiscal period.

9 (26) "Internal audit" means an independent appraisal activity
10 within an agency for the review of operations as a service to
11 management, including a systematic examination of accounting and fiscal
12 controls to assure that human and material resources are guarded
13 against waste, loss, or misuse; and that reliable data are gathered,
14 maintained, and fairly disclosed in a written report of the audit
15 findings.

16 (27) "Performance verification" means an analysis that (a) verifies
17 the accuracy of data used by state agencies in quantifying intended
18 results and measuring performance toward those results, and (b)
19 verifies whether or not the reported results were achieved.

20 (28) "Performance audit" has the same meaning as it is defined in
21 RCW 44.28.005.

22 **Sec. 108.** RCW 43.88.030 and 2004 c 276 s 908 are each amended to
23 read as follows:

24 (1) The director of financial management shall provide all agencies
25 with a complete set of instructions for submitting biennial budget
26 requests to the director at least three months before agency budget
27 documents are due into the office of financial management. ((The
28 director shall provide agencies and committees that are required under
29 RCW 44.40.070 to develop comprehensive six-year program and financial
30 plans with a complete set of instructions for submitting these program
31 and financial plans at the same time that instructions for submitting
32 other budget requests are provided.)) The budget document or documents
33 shall consist of the governor's budget message which shall be
34 explanatory of the budget and shall contain an outline of the proposed
35 financial policies of the state for the ensuing fiscal period, as well
36 as an outline of the proposed six-year financial policies where
37 applicable, and shall describe in connection therewith the important

1 features of the budget. The message shall set forth the reasons for
2 salient changes from the previous fiscal period in expenditure and
3 revenue items and shall explain any major changes in financial policy.
4 Attached to the budget message shall be such supporting schedules,
5 exhibits and other explanatory material in respect to both current
6 operations and capital improvements as the governor shall deem to be
7 useful to the legislature. The budget document or documents shall set
8 forth a proposal for expenditures in the ensuing fiscal period, or six-
9 year period where applicable, based upon the estimated revenues and
10 caseloads as approved by the economic and revenue forecast council and
11 caseload forecast council or upon the estimated revenues and caseloads
12 of the office of financial management for those funds, accounts,
13 sources, and programs for which the forecast councils do not prepare an
14 official forecast(~~(, including those revenues anticipated to support~~
15 ~~the six-year programs and financial plans under RCW 44.40.070. In~~
16 ~~estimating revenues to support financial plans under RCW 44.40.070, the~~
17 ~~office of financial management shall rely on information and advice~~
18 ~~from the transportation revenue forecast council)). Revenues shall be
19 estimated for such fiscal period from the source and at the rates
20 existing by law at the time of submission of the budget document,
21 including the supplemental budgets submitted in the even-numbered years
22 of a biennium. However, the estimated revenues and caseloads for use
23 in the governor's budget document may be adjusted to reflect budgetary
24 revenue transfers and revenue and caseload estimates dependent upon
25 budgetary assumptions of enrollments, workloads, and caseloads. All
26 adjustments to the approved estimated revenues and caseloads must be
27 set forth in the budget document. The governor may additionally
28 submit, as an appendix to each supplemental, biennial, or six-year
29 agency budget or to the budget document or documents, a proposal for
30 expenditures in the ensuing fiscal period from revenue sources derived
31 from proposed changes in existing statutes.~~

32 Supplemental and biennial documents shall reflect a six-year
33 expenditure plan consistent with estimated revenues from existing
34 sources (~~(and at existing rates for those agencies required to submit~~
35 ~~six-year program and financial plans under RCW 44.40.070)). Any~~
36 additional revenue resulting from proposed changes to existing statutes
37 shall be separately identified within the document as well as related
38 expenditures for the six-year period.

1 The budget document or documents shall also contain:

2 (a) Revenues classified by fund and source for the immediately past
3 fiscal period, those received or anticipated for the current fiscal
4 period, and those anticipated for the ensuing biennium(~~(, and those~~
5 ~~anticipated for the ensuing six-year period to support the six-year~~
6 ~~programs and financial plans required under RCW 44.40.070))~~);

7 (b) The undesignated fund balance or deficit, by fund;

8 (c) Such additional information dealing with expenditures,
9 revenues, workload, performance, and personnel as the legislature may
10 direct by law or concurrent resolution;

11 (d) Such additional information dealing with revenues and
12 expenditures as the governor shall deem pertinent and useful to the
13 legislature;

14 (e) Tabulations showing expenditures classified by fund, function,
15 activity, and agency. However, documents submitted for the 2005-07
16 biennial budget request need not show expenditures by activity;

17 (f) A delineation of each agency's activities, including those
18 activities funded from nonbudgeted, nonappropriated sources, including
19 funds maintained outside the state treasury;

20 (g) Identification of all proposed direct expenditures to implement
21 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
22 agency and in total; and

23 (h) Tabulations showing each postretirement adjustment by
24 retirement system established after fiscal year 1991, to include, but
25 not be limited to, estimated total payments made to the end of the
26 previous biennial period, estimated payments for the present biennium,
27 and estimated payments for the ensuing biennium.

28 (2) The budget document or documents shall include detailed
29 estimates of all anticipated revenues applicable to proposed operating
30 or capital expenditures and shall also include all proposed operating
31 or capital expenditures. The total of beginning undesignated fund
32 balance and estimated revenues less working capital and other reserves
33 shall equal or exceed the total of proposed applicable expenditures.
34 The budget document or documents shall further include:

35 (a) Interest, amortization and redemption charges on the state
36 debt;

37 (b) Payments of all reliefs, judgments, and claims;

38 (c) Other statutory expenditures;

- 1 (d) Expenditures incident to the operation for each agency;
- 2 (e) Revenues derived from agency operations;
- 3 (f) Expenditures and revenues shall be given in comparative form
- 4 showing those incurred or received for the immediately past fiscal
- 5 period and those anticipated for the current biennium and next ensuing
- 6 biennium(~~(, as well as those required to support the six-year programs~~
- 7 ~~and financial plans required under RCW 44.40.070))~~);
- 8 (g) A showing and explanation of amounts of general fund and other
- 9 funds obligations for debt service and any transfers of moneys that
- 10 otherwise would have been available for appropriation;
- 11 (h) Common school expenditures on a fiscal-year basis;
- 12 (i) A showing, by agency, of the value and purpose of financing
- 13 contracts for the lease/purchase or acquisition of personal or real
- 14 property for the current and ensuing fiscal periods; and
- 15 (j) A showing and explanation of anticipated amounts of general
- 16 fund and other funds required to amortize the unfunded actuarial
- 17 accrued liability of the retirement system specified under chapter
- 18 41.45 RCW, and the contributions to meet such amortization, stated in
- 19 total dollars and as a level percentage of total compensation.
- 20 (3) A separate capital budget document or schedule shall be
- 21 submitted that will contain the following:
- 22 (a) A statement setting forth a long-range facilities plan for the
- 23 state that identifies and includes the highest priority needs within
- 24 affordable spending levels;
- 25 (b) A capital program consisting of proposed capital projects for
- 26 the next biennium and the two biennia succeeding the next biennium
- 27 consistent with the long-range facilities plan. Inasmuch as is
- 28 practical, and recognizing emergent needs, the capital program shall
- 29 reflect the priorities, projects, and spending levels proposed in
- 30 previously submitted capital budget documents in order to provide a
- 31 reliable long-range planning tool for the legislature and state
- 32 agencies;
- 33 (c) A capital plan consisting of proposed capital spending for at
- 34 least four biennia succeeding the next biennium;
- 35 (d) A strategic plan for reducing backlogs of maintenance and
- 36 repair projects. The plan shall include a prioritized list of specific
- 37 facility deficiencies and capital projects to address the deficiencies
- 38 for each agency, cost estimates for each project, a schedule for

1 completing projects over a reasonable period of time, and
2 identification of normal maintenance activities to reduce future
3 backlogs;

4 (e) A statement of the reason or purpose for a project;

5 (f) Verification that a project is consistent with the provisions
6 set forth in chapter 36.70A RCW;

7 (g) A statement about the proposed site, size, and estimated life
8 of the project, if applicable;

9 (h) Estimated total project cost;

10 (i) For major projects valued over five million dollars, estimated
11 costs for the following project components: Acquisition, consultant
12 services, construction, equipment, project management, and other costs
13 included as part of the project. Project component costs shall be
14 displayed in a standard format defined by the office of financial
15 management to allow comparisons between projects;

16 (j) Estimated total project cost for each phase of the project as
17 defined by the office of financial management;

18 (k) Estimated ensuing biennium costs;

19 (l) Estimated costs beyond the ensuing biennium;

20 (m) Estimated construction start and completion dates;

21 (n) Source and type of funds proposed;

22 (o) Estimated ongoing operating budget costs or savings resulting
23 from the project, including staffing and maintenance costs;

24 (p) For any capital appropriation requested for a state agency for
25 the acquisition of land or the capital improvement of land in which the
26 primary purpose of the acquisition or improvement is recreation or
27 wildlife habitat conservation, the capital budget document, or an
28 omnibus list of recreation and habitat acquisitions provided with the
29 governor's budget document, shall identify the projected costs of
30 operation and maintenance for at least the two biennia succeeding the
31 next biennium. Omnibus lists of habitat and recreation land
32 acquisitions shall include individual project cost estimates for
33 operation and maintenance as well as a total for all state projects
34 included in the list. The document shall identify the source of funds
35 from which the operation and maintenance costs are proposed to be
36 funded;

37 (q) Such other information bearing upon capital projects as the
38 governor deems to be useful;

1 (r) Standard terms, including a standard and uniform definition of
2 normal maintenance, for all capital projects;

3 (s) Such other information as the legislature may direct by law or
4 concurrent resolution.

5 For purposes of this subsection (3), the term "capital project"
6 shall be defined subsequent to the analysis, findings, and
7 recommendations of a joint committee comprised of representatives from
8 the house capital appropriations committee, senate ways and means
9 committee, (~~legislative transportation committee,~~) legislative
10 evaluation and accountability program committee, and office of
11 financial management.

12 (4) No change affecting the comparability of agency or program
13 information relating to expenditures, revenues, workload, performance
14 and personnel shall be made in the format of any budget document or
15 report presented to the legislature under this section or RCW
16 43.88.160(1) relative to the format of the budget document or report
17 which was presented to the previous regular session of the legislature
18 during an odd-numbered year without prior legislative concurrence.
19 Prior legislative concurrence shall consist of (a) a favorable majority
20 vote on the proposal by the standing committees on ways and means of
21 both houses if the legislature is in session or (b) a favorable
22 majority vote on the proposal by members of the legislative evaluation
23 and accountability program committee if the legislature is not in
24 session.

25 **Sec. 109.** RCW 43.88.230 and 1996 c 288 s 40 are each amended to
26 read as follows:

27 For the purposes of this chapter, the statute law committee, the
28 joint legislative audit and review committee, (~~the legislative~~
29 ~~transportation committee,~~) the legislative evaluation and
30 accountability program committee, the office of state actuary, and all
31 legislative standing committees of both houses shall be deemed a part
32 of the legislative branch of state government.

33 **Sec. 110.** RCW 43.105.160 and 1999 c 80 s 9 are each amended to
34 read as follows:

35 (1) The department shall prepare a state strategic information
36 technology plan which shall establish a statewide mission, goals, and

1 objectives for the use of information technology, including goals for
2 electronic access to government records, information, and services.
3 The plan shall be developed in accordance with the standards and
4 policies established by the board and shall be submitted to the board
5 for review, modification as necessary, and approval. The department
6 shall seek the advice of the board in the development of this plan.

7 The plan approved under this section shall be updated as necessary
8 and submitted to the governor((7)) and the chairs and ranking minority
9 members of the appropriations committees of the senate and the house of
10 representatives(~~(, and, during the legislative session, to the chairs~~
11 ~~and ranking minority members of the transportation committees of the~~
12 ~~senate and the house of representatives. During the legislative~~
13 ~~interim, the approved plan must be submitted to the legislative~~
14 ~~transportation committee, instead of the standing transportation~~
15 ~~committees)).~~

16 (2) The department shall prepare a biennial state performance
17 report on information technology based on agency performance reports
18 required under RCW 43.105.170 and other information deemed appropriate
19 by the department. The report shall include, but not be limited to:

20 (a) An analysis, based upon agency portfolios, of the state's
21 information technology infrastructure, including its value, condition,
22 and capacity;

23 (b) An evaluation of performance relating to information
24 technology;

25 (c) An assessment of progress made toward implementing the state
26 strategic information technology plan, including progress toward
27 electronic access to public information and enabling citizens to have
28 two-way access to public records, information, and services;

29 (d) An analysis of the success or failure, feasibility, progress,
30 costs, and timeliness of implementation of major information technology
31 projects under RCW 43.105.190;

32 (e) Identification of benefits, cost avoidance, and cost savings
33 generated by major information technology projects developed under RCW
34 43.105.190; and

35 (f) An inventory of state information services, equipment, and
36 proprietary software.

37 Copies of the report shall be distributed biennially to the
38 governor((7)) and the chairs and ranking minority members of the

1 appropriations committees of the senate and the house of
2 representatives(~~(, and, during the legislative session, the chairs and~~
3 ~~ranking minority members of the transportation committees of the senate~~
4 ~~and the house of representatives. During the legislative interim, the~~
5 ~~report must be submitted to the legislative transportation committee,~~
6 ~~instead of the standing transportation committees)).~~

7 **Sec. 111.** RCW 43.105.190 and 1999 c 80 s 12 are each amended to
8 read as follows:

9 (1) The department, with the approval of the board, shall establish
10 standards and policies governing the planning, implementation, and
11 evaluation of major information technology projects, including those
12 proposed by the superintendent of public instruction, in conjunction
13 with educational service districts, or statewide or regional providers
14 of K-12 education information technology services. The standards and
15 policies shall:

16 (a) Establish criteria to identify projects which are subject to
17 this section. Such criteria shall include, but not be limited to,
18 significant anticipated cost, complexity, or statewide significance of
19 the project; and

20 (b) Establish a model process and procedures which agencies shall
21 follow in developing and implementing projects within their information
22 technology portfolios. Agencies may propose, for approval by the
23 department, a process and procedures unique to the agency. The
24 department may accept or require modification of such agency proposals
25 or the department may reject such agency proposals and require use of
26 the model process and procedures established under this subsection.
27 Any process and procedures developed under this subsection shall
28 require (i) distinct and identifiable phases upon which funding may be
29 based, (ii) user validation of products through system demonstrations
30 and testing of prototypes and deliverables, and (iii) other elements
31 identified by the board.

32 The director may terminate a major project if the director
33 determines that the project is not meeting or is not expected to meet
34 anticipated performance standards.

35 (2) The office of financial management shall establish policies and
36 standards consistent with portfolio-based information technology

1 management to govern the funding of projects developed under this
2 section. The policies and standards shall provide for:

3 (a) Funding of a project under terms and conditions mutually agreed
4 to by the director, the director of financial management, and the head
5 of the agency proposing the project. However, the office of financial
6 management may require incremental funding of a project on a phase-by-
7 phase basis whereby funds for a given phase of a project may be
8 released only when the office of financial management determines, with
9 the advice of the department, that the previous phase is satisfactorily
10 completed;

11 (b) Acceptance testing of products to assure that products perform
12 satisfactorily before they are accepted and final payment is made; and

13 (c) Other elements deemed necessary by the office of financial
14 management.

15 (3) The department shall evaluate projects based on the
16 demonstrated business needs and benefits; cost; technology scope and
17 feasibility; impact on the agency's information technology portfolio
18 and on the statewide infrastructure; and final project implementation
19 plan based upon available funding.

20 Copies of project evaluations conducted under this subsection shall
21 be submitted to the office of financial management and the chairs,
22 ranking minority members, and staff coordinators of the appropriations
23 committees of the senate and house of representatives.

24 If there are projects that receive funding from a transportation
25 fund or account, copies of those projects' evaluations conducted under
26 this subsection must be submitted(~~(, during the legislative session,)~~)
27 to the chairs and ranking minority members of the transportation
28 committees of the senate and the house of representatives. (~~During~~
29 ~~the legislative interim, the project evaluations must be submitted to~~
30 ~~the legislative transportation committee.))~~

31 **Sec. 112.** RCW 44.04.260 and 2003 c 295 s 12 are each amended to
32 read as follows:

33 The joint legislative audit and review committee, (~~the legislative~~
34 ~~transportation committee,)~~) the select committee on pension policy, the
35 legislative evaluation and accountability program committee, and the
36 joint legislative systems committee are subject to such operational
37 policies, procedures, and oversight as are deemed necessary by the

1 facilities and operations committee of the senate and the executive
2 rules committee of the house of representatives to ensure operational
3 adequacy of the agencies of the legislative branch. As used in this
4 section, "operational policies, procedures, and oversight" includes the
5 development process of biennial budgets, contracting procedures,
6 personnel policies, and compensation plans, selection of a chief
7 administrator, facilities, and expenditures. This section does not
8 grant oversight authority to the facilities and operations committee of
9 the senate over any standing committee of the house of representatives
10 or oversight authority to the executive rules committee of the house of
11 representatives over any standing committee of the senate.

12 **Sec. 113.** RCW 44.28.088 and 2003 c 362 s 14 are each amended to
13 read as follows:

14 (1) When the legislative auditor has completed a performance audit
15 authorized in the performance audit work plan, the legislative auditor
16 shall transmit the preliminary performance audit report to the affected
17 state agency or local government and the office of financial management
18 for comment. The agency or local government and the office of
19 financial management shall provide any response to the legislative
20 auditor within thirty days after receipt of the preliminary performance
21 audit report unless a different time period is approved by the joint
22 committee. The legislative auditor shall incorporate the response of
23 the agency or local government and the office of financial management
24 into the final performance audit report.

25 (2) Except as provided in subsection (3) of this section, before
26 releasing the results of a performance audit to the legislature or the
27 public, the legislative auditor shall submit the preliminary
28 performance audit report to the joint committee for its review,
29 comments, and final recommendations. Any comments by the joint
30 committee must be included as a separate addendum to the final
31 performance audit report. Upon consideration and incorporation of the
32 review, comments, and recommendations of the joint committee, the
33 legislative auditor shall transmit the final performance audit report
34 to the affected agency or local government, the director of financial
35 management, the leadership of the senate and the house of
36 representatives, and the appropriate standing committees of the house
37 of representatives and the senate and shall publish the results and

1 make the report available to the public. For purposes of this section,
2 "leadership of the senate and the house of representatives" means the
3 speaker of the house, the majority leaders of the senate and the house
4 of representatives, the minority leaders of the senate and the house of
5 representatives, the caucus chairs of both major political parties of
6 the senate and the house of representatives, and the floor leaders of
7 both major political parties of the senate and the house of
8 representatives.

9 (3) If contracted to manage a transportation-related performance
10 audit under RCW 44.75.090, before releasing the results of a
11 performance audit originally ((requested)) directed by the ((executive
12 committee of the legislative transportation committee)) transportation
13 performance audit board to the legislature or the public, the
14 legislative auditor shall submit the preliminary performance audit
15 report to the ((executive committee of the joint committee and the
16 executive committee of the legislative transportation committee))
17 transportation performance audit board for review and comments solely
18 on the management of the audit. Any comments by the ((executive
19 committee of the joint committee and executive committee of the
20 legislative transportation committee)) transportation performance audit
21 board must be included as a separate addendum to the final performance
22 audit report. Upon consideration and incorporation of the review and
23 comments of the ((executive committee of the joint committee and
24 executive committee of the legislative transportation committee))
25 transportation performance audit board, the legislative auditor shall
26 transmit the final performance audit report to the affected agency or
27 local government, the director of financial management, the leadership
28 of the senate and the house of representatives, and the appropriate
29 standing committees of the house of representatives and the senate and
30 shall publish the results and make the report available to the public.

31 **Sec. 114.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
32 read as follows:

33 ((In addition to the powers and duties authorized in RCW 44.40.020,
34 the committee and)) The standing committees on transportation of the
35 house and senate shall, in coordination with the joint legislative
36 audit and review committee, the legislative evaluation and
37 accountability program committee, and the ways and means committees of

1 the senate and house of representatives, ascertain, study, ~~((and/or))~~
2 and analyze all available facts and matters relating or pertaining to
3 sources of revenue, appropriations, expenditures, and financial
4 condition of the motor vehicle fund and accounts thereof, the highway
5 safety fund, and all other funds or accounts related to transportation
6 programs of the state.

7 The joint legislative audit and review committee, the legislative
8 evaluation and accountability program committee, and the ways and means
9 committees of the senate and house of representatives shall coordinate
10 their activities with the ~~((legislative))~~ transportation committees of
11 the legislature in carrying out the committees' powers and duties under
12 chapter 43.88 RCW in matters relating to the transportation programs of
13 the state.

14 **Sec. 115.** RCW 46.01.320 and 1996 c 315 s 2 are each amended to
15 read as follows:

16 The title and registration advisory committee is created within the
17 department. The committee consists of the director or a designee, who
18 shall serve as chair, the assistant director for vehicle services, the
19 administrator of title and registration services, two members from each
20 of the house and senate transportation committees, two county auditors
21 nominated by the Washington association of county officials, and two
22 representatives of subagents nominated by an association of vehicle
23 subagents. The committee shall meet at least twice a year, and may
24 meet as often as is necessary.

25 The committee's purpose is to foster communication between the
26 legislature, the department, county auditors, and subagents. The
27 committee shall make recommendations ~~((when requested by the~~
28 ~~legislative transportation committee, or on its own initiative,))~~ about
29 revisions to fee structures, implications of fee revisions on cost
30 sharing, and the development of standard contracts provided for in RCW
31 46.01.140(3).

32 **Sec. 116.** RCW 46.01.325 and 1996 c 315 s 3 are each amended to
33 read as follows:

34 (1) The director shall prepare, with the advice of the title and
35 registration advisory committee, an annual comprehensive analysis and
36 evaluation of agent and subagent fees. The director shall make

1 recommendations for agent and subagent fee revisions approved by the
2 title and registration advisory committee to the ((legislative)) senate
3 and house transportation committees by January 1st of every third year
4 starting with 1996. Fee revision recommendations may be made more
5 frequently when justified by the annual analysis and evaluation, and
6 requested by the title and registration advisory committee.

7 (2) The annual comprehensive analysis and evaluation must consider,
8 but is not limited to:

9 (a) Unique and significant financial, legislative, or other
10 relevant developments that may impact fees;

11 (b) Current funding for ongoing operating and maintenance
12 automation project costs affecting revenue collection and service
13 delivery;

14 (c) Future system requirements including an appropriate sharing of
15 costs between the department, agents, and subagents;

16 (d) Beneficial mix of customer service delivery options based on a
17 fee structure commensurate with quality performance standards;

18 (e) Appropriate indices projecting state and national growth in
19 business and economic conditions prepared by the United States
20 department of commerce, the department of revenue, and the revenue
21 forecast council for the state of Washington.

22 **Sec. 117.** RCW 46.16.705 and 2003 c 196 s 101 are each amended to
23 read as follows:

24 (1) The special license plate review board is created.

25 (2) The board will consist of seven members: One member appointed
26 by the governor and who will serve as chair of the board; four members
27 of the legislature, one from each caucus of the house of
28 representatives and the senate; a department of licensing
29 representative appointed by the director; and a Washington state patrol
30 representative appointed by the chief.

31 (3) Members shall serve terms of four years, except that four of
32 the members initially appointed will be appointed for terms of two
33 years. No member may be appointed for more than three consecutive
34 terms.

35 (4) The ((legislative—transportation—committee)) respective
36 appointing authority may remove members from the board before the
37 expiration of their terms only for cause based upon a determination of

1 incapacity, incompetence, neglect of duty, or malfeasance in office as
2 ordered by the Thurston county superior court, upon petition and show
3 cause proceedings brought for that purpose in that court and directed
4 to the board member in question.

5 **Sec. 118.** RCW 46.16.715 and 2003 c 196 s 102 are each amended to
6 read as follows:

7 (1) The board shall meet periodically at the call of the chair, but
8 must meet at least one time each year within ninety days before an
9 upcoming regular session of the legislature. The board may adopt its
10 own rules and may establish its own procedures. It shall act
11 collectively in harmony with recorded resolutions or motions adopted by
12 a majority vote of the members, and it must have a quorum present to
13 take a vote on a special license plate application.

14 (2) The board will be compensated from the general appropriation
15 for the (~~legislative transportation committee~~) department of
16 licensing in accordance with RCW 43.03.250. Each board member will be
17 compensated in accordance with RCW 43.03.250 and reimbursed for actual
18 necessary traveling and other expenses in going to, attending, and
19 returning from meetings of the board or that are incurred in the
20 discharge of duties requested by the chair. However, in no event may
21 a board member be compensated in any year for more than one hundred
22 twenty days, except the chair may be compensated for not more than one
23 hundred fifty days. Service on the board does not qualify as a service
24 credit for the purposes of a public retirement system.

25 (3) The board shall keep proper records and is subject to audit by
26 the state auditor or other auditing entities.

27 (4) The department of licensing shall provide administrative
28 support to the board, which must include at least the following:

29 (a) Provide general staffing to meet the administrative needs of
30 the board;

31 (b) Report to the board on the reimbursement status of any new
32 special license plate series for which the state had to pay the start-
33 up costs;

34 (c) Process special license plate applications and confirm that the
35 sponsoring organization has submitted all required documentation. If
36 an incomplete application is received, the department must return it to
37 the sponsoring organization;

1 (d) Compile the annual financial reports submitted by sponsoring
2 organizations with active special license plate series and present
3 those reports to the board for review and approval.

4 ~~((5) The legislative transportation committee shall provide
5 general oversight of the board, which must include at least the
6 following:~~

7 ~~(a) Process and approve board member compensation requests;~~

8 ~~(b) Review the annual financial reports submitted to the board by
9 sponsoring organizations;~~

10 ~~(c) Review annually the list of the board's approved and rejected
11 special license plate proposals submitted by sponsoring
12 organizations.))~~

13 **Sec. 119.** RCW 46.16.725 and 2003 c 196 s 103 are each amended to
14 read as follows:

15 (1) The creation of the board does not in any way preclude the
16 authority of the legislature to independently propose and enact special
17 license plate legislation.

18 (2) The board must review and either approve or reject special
19 license plate applications submitted by sponsoring organizations.

20 (3) Duties of the board include but are not limited to the
21 following:

22 (a) Review and approve the annual financial reports submitted by
23 sponsoring organizations with active special license plate series and
24 present those annual financial reports to the ~~((legislative))~~ senate
25 and house transportation committees;

26 (b) Report annually to the ~~((legislative))~~ senate and house
27 transportation committees on the special license plate applications
28 that were considered by the board;

29 (c) Issue approval and rejection notification letters to sponsoring
30 organizations, the department, the chairs of the senate and house of
31 representatives transportation committees, and the legislative sponsors
32 identified in each application. The letters must be issued within
33 seven days of making a determination on the status of an application;

34 (d) Review annually the number of plates sold for each special
35 license plate series created after January 1, 2003. The board may
36 submit a recommendation to discontinue a special plate series to the

1 chairs of the senate and house of representatives transportation
2 committees.

3 **Sec. 120.** RCW 46.73.010 and 1985 c 333 s 1 are each amended to
4 read as follows:

5 The Washington state patrol may adopt rules establishing standards
6 for qualifications and hours of service of drivers for private carriers
7 as defined by RCW 81.80.010(6). Such standards shall correlate with
8 and, as far as reasonable, conform to the regulations contained in
9 Title 49 C.F.R., Chapter 3, Subchapter B, Parts 391 and 395, on July
10 28, 1985. (~~At least thirty days before filing notice of the proposed~~
11 ~~rules with the code reviser, the state patrol shall submit them to the~~
12 ~~legislative transportation committee for review.~~)

13 **Sec. 121.** RCW 47.01.280 and 1999 c 94 s 10 are each amended to
14 read as follows:

15 (1) Upon receiving an application for improvements to an existing
16 state highway or highways pursuant to RCW 43.160.074 from the community
17 economic revitalization board, the transportation commission shall, in
18 a timely manner, determine whether or not the proposed state highway
19 improvements:

20 (a) Meet the safety and design criteria of the department of
21 transportation;

22 (b) Will impair the operational integrity of the existing highway
23 system;

24 (c) Will affect any other improvements planned by the department;
25 and

26 (d) Will be consistent with its policies developed pursuant to RCW
27 47.01.071.

28 (2) Upon completion of its determination of the factors contained
29 in subsection (1) of this section and any other factors it deems
30 pertinent, the transportation commission shall forward its approval, as
31 submitted or amended or disapproval of the proposed improvements to the
32 board, along with any recommendation it may wish to make concerning the
33 desirability and feasibility of the proposed development. If the
34 transportation commission disapproves any proposed improvements, it
35 shall specify its reasons for disapproval.

1 (3) Upon notification from the board of an application's approval
2 pursuant to RCW 43.160.074, the transportation commission shall direct
3 the department of transportation to carry out the improvements in
4 coordination with the applicant.

5 ~~((4) The transportation commission shall notify the legislative
6 transportation committee of all state highway improvements to be
7 carried out pursuant to RCW 43.160.074 and this section.))~~

8 **Sec. 122.** RCW 47.04.210 and 2001 2nd sp.s. c 14 s 601 are each
9 amended to read as follows:

10 Federal funds that are administered by the department of
11 transportation and are passed through to municipal corporations or
12 political subdivisions of the state and moneys that are received as
13 total reimbursement for goods, services, or projects constructed by the
14 department of transportation are removed from the transportation
15 budget. To process and account for these expenditures a new treasury
16 trust account is created to be used for all department of
17 transportation one hundred percent federal and local reimbursable
18 transportation expenditures. This new account is nonbudgeted and
19 nonappropriated. At the same time, federal and private local
20 appropriations and full-time equivalents in subprograms R2, R3, T6, Y6,
21 and Z2 processed through this new account are removed from the
22 department of transportation's 1997-99 budget.

23 The department of transportation may make expenditures from the
24 account before receiving federal and local reimbursements. However, at
25 the end of each biennium, the account must maintain a zero or positive
26 cash balance. In the twenty-fourth month of each biennium the
27 department of transportation shall calculate and transfer sufficient
28 cash from either the motor vehicle fund or the multimodal
29 transportation account to cover any negative cash balances. The amount
30 transferred is calculated based on expenditures from each fund. In
31 addition, any interest charges accruing to the new account must be
32 distributed to the motor vehicle fund and the multimodal transportation
33 account.

34 The department of transportation shall provide an annual report to
35 the ~~((legislative))~~ senate and house transportation committees and the
36 office of financial management on expenditures and full-time

1 equivalents processed through the new account. The report must also
2 include recommendations for process changes, if needed.

3 **Sec. 123.** RCW 47.04.220 and 2001 2nd sp.s. c 14 s 602 are each
4 amended to read as follows:

5 (1) The miscellaneous transportation programs account is created in
6 the custody of the state treasurer.

7 (2) Moneys from the account may be used only for the costs of:

8 (a) Miscellaneous transportation services provided by the
9 department that are reimbursed by other public and private entities;

10 (b) Local transportation projects for which the department is a
11 conduit for federal reimbursement to a municipal corporation or
12 political subdivision; or

13 (c) Other reimbursable activities as recommended by the
14 ((legislative)) senate and house transportation committees and approved
15 by the office of financial management.

16 (3) Moneys received as reimbursement for expenditures under
17 subsection (2) of this section must be deposited into the account.

18 (4) No appropriation is required for expenditures from this
19 account. This fund is not subject to allotment procedures provided
20 under chapter 43.88 RCW.

21 (5) Only the secretary of transportation or the secretary's
22 designee may authorize expenditures from the account.

23 (6) It is the intent of the legislature that this account maintain
24 a zero or positive cash balance at the end of each biennium. Toward
25 this purpose the department may make expenditures from the account
26 before receiving reimbursements under subsection (2) of this section.
27 Before the end of the biennium, the department shall transfer
28 sufficient cash to cover any negative cash balances from the motor
29 vehicle fund and the multimodal transportation account to the
30 miscellaneous transportation programs account for unrecovered
31 reimbursements. The department shall calculate the distribution of
32 this transfer based on expenditures. In the ensuing biennium the
33 department shall transfer the reimbursements received in the
34 miscellaneous transportation programs account back to the motor vehicle
35 fund and the multimodal transportation account to the extent of the
36 cash transferred at biennium end. The department shall also distribute
37 any interest charges accruing to the miscellaneous transportation

1 programs account to the motor vehicle fund and the multimodal
2 transportation account. Adjustments for any indirect cost recoveries
3 may also be made at this time.

4 (7) The department shall provide an annual report to the
5 (~~legislative~~) senate and house transportation committees and the
6 office of financial management on the expenditures and full-time
7 equivalents processed through the miscellaneous transportation programs
8 account. The report must also include recommendations for changes to
9 the process, if needed.

10 **Sec. 124.** RCW 47.06.110 and 1996 c 186 s 512 are each amended to
11 read as follows:

12 The state-interest component of the statewide multimodal
13 transportation plan shall include a state public transportation plan
14 that:

15 (1) Articulates the state vision of an interest in public
16 transportation and provides quantifiable objectives, including benefits
17 indicators;

18 (2) Identifies the goals for public transit and the roles of
19 federal, state, regional, and local entities in achieving those goals;

20 (3) Recommends mechanisms for coordinating state, regional, and
21 local planning for public transportation;

22 (4) Recommends mechanisms for coordinating public transportation
23 with other transportation services and modes;

24 (5) Recommends criteria, consistent with the goals identified in
25 subsection (2) of this section and with RCW 82.44.180 (2) and (3), for
26 existing federal authorizations administered by the department to
27 transit agencies; and

28 (6) Recommends a statewide public transportation facilities and
29 equipment management system as required by federal law.

30 In developing the state public transportation plan, the department
31 shall involve local jurisdictions, public and private providers of
32 transportation services, nonmotorized interests, and state agencies
33 with an interest in public transportation, including but not limited to
34 the departments of community, trade, and economic development, social
35 and health services, and ecology, the office of the superintendent of
36 public instruction, the office of the governor, and the office of
37 financial management.

1 The department shall submit (~~(an initial report)~~) to the
2 (~~(legislative)~~) senate and house transportation committees by December
3 (~~(1, 1993, and shall provide annual)~~) 1st of each year, reports
4 summarizing the plan's progress (~~(each year thereafter)~~).

5 **Sec. 125.** RCW 47.06A.020 and 1999 c 216 s 1 are each amended to
6 read as follows:

7 (1) The board shall:

8 (a) Adopt rules and procedures necessary to implement the freight
9 mobility strategic investment program;

10 (b) Solicit from public entities proposed projects that meet
11 eligibility criteria established in accordance with subsection (4) of
12 this section; and

13 (c) Review and evaluate project applications based on criteria
14 established under this section, and prioritize and select projects
15 comprising a portfolio to be funded in part with grants from state
16 funds appropriated for the freight mobility strategic investment
17 program. In determining the appropriate level of state funding for a
18 project, the board shall ensure that state funds are allocated to
19 leverage the greatest amount of partnership funding possible. After
20 selecting projects comprising the portfolio, the board shall submit
21 them as part of its budget request to the office of financial
22 management and the legislature. The board shall ensure that projects
23 submitted as part of the portfolio are not more appropriately funded
24 with other federal, state, or local government funding mechanisms or
25 programs. The board shall reject those projects that appear to improve
26 overall general mobility with limited enhancement for freight mobility.

27 The board shall provide periodic progress reports on its activities
28 to the office of financial management and the (~~(legislative)~~) senate
29 and house transportation committees.

30 (2) The board may:

31 (a) Accept from any state or federal agency, loans or grants for
32 the financing of any transportation project and enter into agreements
33 with any such agency concerning the loans or grants;

34 (b) Provide technical assistance to project applicants;

35 (c) Accept any gifts, grants, or loans of funds, property, or
36 financial, or other aid in any form from any other source on any terms
37 and conditions which are not in conflict with this chapter;

1 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out
2 the purposes of this chapter; and

3 (e) Do all things necessary or convenient to carry out the powers
4 expressly granted or implied under this chapter.

5 (3) The board shall designate strategic freight corridors within
6 the state. The board shall update the list of designated strategic
7 corridors not less than every two years, and shall establish a method
8 of collecting and verifying data, including information on city and
9 county-owned roadways.

10 (4) (~~From June 11, 1998, through the biennium ending June 30,~~
11 ~~2001,~~) The board shall utilize threshold project eligibility criteria
12 that, at a minimum, includes the following:

13 (a) The project must be on a strategic freight corridor;

14 (b) The project must meet one of the following conditions:

15 (i) It is primarily aimed at reducing identified barriers to
16 freight movement with only incidental benefits to general or personal
17 mobility; or

18 (ii) It is primarily aimed at increasing capacity for the movement
19 of freight with only incidental benefits to general or personal
20 mobility; or

21 (iii) It is primarily aimed at mitigating the impact on communities
22 of increasing freight movement, including roadway/railway conflicts;
23 and

24 (c) The project must have a total public benefit/total public cost
25 ratio of equal to or greater than one.

26 (5) From June 11, 1998, through the biennium ending June 30, 2001,
27 the board shall use the multicriteria analysis and scoring framework
28 for evaluating and ranking eligible freight mobility and freight
29 mitigation projects developed by the freight mobility project
30 prioritization committee and contained in the January 16, 1998, report
31 entitled "Project Eligibility, Priority and Selection Process for a
32 Strategic Freight Investment Program." The prioritization process
33 shall measure the degree to which projects address important program
34 objectives and shall generate a project score that reflects a project's
35 priority compared to other projects. The board shall assign scoring
36 points to each criterion that indicate the relative importance of the
37 criterion in the overall determination of project priority. After June
38 30, 2001, the board may supplement and refine the initial project

1 priority criteria and scoring framework developed by the freight
2 mobility project prioritization committee as expertise and experience
3 is gained in administering the freight mobility program.

4 (6) It is the intent of the legislature that each freight mobility
5 project contained in the project portfolio submitted by the board
6 utilize the greatest amount of nonstate funding possible. The board
7 shall adopt rules that give preference to projects that contain the
8 greatest levels of financial participation from nonprogram fund
9 sources. The board shall consider twenty percent as the minimum
10 partnership contribution, but shall also ensure that there are
11 provisions allowing exceptions for projects that are located in areas
12 where minimal local funding capacity exists or where the magnitude of
13 the project makes the adopted partnership contribution financially
14 unfeasible.

15 (7) The board shall develop and recommend policies that address
16 operational improvements that primarily benefit and enhance freight
17 movement, including, but not limited to, policies that reduce
18 congestion in truck lanes at border crossings and weigh stations and
19 provide for access to ports during nonpeak hours.

20 **Sec. 126.** RCW 47.10.790 and 1985 c 406 s 1 are each amended to
21 read as follows:

22 (1) In order to provide funds for the location, design, right of
23 way, and construction of selected interstate highway improvements,
24 there shall be issued and sold upon the request of the Washington state
25 transportation commission, a total of one hundred million dollars of
26 general obligation bonds of the state of Washington to pay the state's
27 share of costs for completion of state route 90 (state route 5 to state
28 route 405) and other related state highway projects eligible for
29 regular federal interstate funding and until December 31, 1989, to
30 temporarily pay the regular federal share of construction of completion
31 projects on state route 90 (state route 5 to state route 405) and other
32 related state highway projects eligible for regular interstate funding
33 in advance of federal-aid apportionments under the provisions of 23
34 U.S.C. Secs. 115 or 122: PROVIDED, That the total amount of bonds
35 issued to temporarily pay the regular federal share of construction of
36 federal-aid interstate highways in advance of federal-aid
37 apportionments as authorized by this section and RCW 47.10.801 shall

1 not exceed one hundred twenty million dollars: PROVIDED FURTHER, That
2 the transportation commission shall (~~consult with the legislative~~
3 ~~transportation committee prior to the adoption of~~) adopt plans for the
4 obligation of federal-aid apportionments received in federal fiscal
5 year 1985 and subsequent years to pay the regular federal share of
6 federal-aid interstate highway construction projects or to convert such
7 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122.

8 (2) The transportation commission(~~, in consultation with the~~
9 ~~legislative transportation committee,~~) may at any time find and
10 determine that any amount of the bonds authorized in subsection (1) of
11 this section, and not then sold, are no longer required to be issued
12 and sold for the purposes described in subsection (1) of this section.

13 (3) Any bonds authorized by subsection (1) of this section that the
14 transportation commission determines are no longer required for the
15 purpose of paying the cost of the designated interstate highway
16 improvements described therein shall be issued and sold, upon the
17 request of the Washington state transportation commission, to provide
18 funds for the location, design, right of way, and construction of major
19 transportation improvements throughout the state (~~that are identified~~
20 ~~as category C improvements in RCW 47.05.030~~)).

21 **Sec. 127.** RCW 47.10.801 and 1999 c 94 s 13 are each amended to
22 read as follows:

23 (1) In order to provide funds necessary for the location, design,
24 right of way, and construction of selected interstate and other state
25 highway improvements, there shall be issued and sold, subject to
26 subsections (2), (3), and (4) of this section, upon the request of the
27 Washington state transportation commission a total of four hundred
28 sixty million dollars of general obligation bonds of the state of
29 Washington for the following purposes and specified sums:

30 (a) Not to exceed two hundred twenty-five million dollars to pay
31 the state's share of costs for federal-aid interstate highway
32 improvements and until December 31, 1989, to temporarily pay the
33 regular federal share of construction of federal-aid interstate highway
34 improvements to complete state routes 82, 90, 182, and 705 in advance
35 of federal-aid apportionments under the provisions of 23 U.S.C. Secs.
36 115 or 122: PROVIDED, That the total amount of bonds issued to
37 temporarily pay the regular federal share of construction of federal-

1 aid interstate highways in advance of federal-aid apportionments as
2 authorized by this section and RCW 47.10.790 shall not exceed one
3 hundred twenty million dollars: PROVIDED FURTHER, That the
4 transportation commission shall (~~consult with the legislative~~
5 ~~transportation committee prior to the adoption of~~) adopt plans for the
6 obligation of federal-aid apportionments received in federal fiscal
7 year 1985 and subsequent years to pay the regular federal share of
8 federal-aid interstate highway construction projects or to convert such
9 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122;

10 (b) Two hundred twenty-five million dollars for major
11 transportation improvements throughout the state that are identified as
12 category C improvements and for selected major non-interstate
13 construction and reconstruction projects that are included as Category
14 A Improvements (~~in RCW 47.05.030~~);

15 (c) Ten million dollars for state highway improvements necessitated
16 by planned economic development, as determined through the procedures
17 set forth in RCW 43.160.074 and 47.01.280.

18 (2) The amount of bonds authorized in subsection (1)(a) of this
19 section shall be reduced if the transportation commission(~~, in~~
20 ~~consultation with the legislative transportation committee,~~)
21 determines that any of the bonds that have not been sold are no longer
22 required.

23 (3) The amount of bonds authorized in subsection (1)(b) of this
24 section shall be increased by an amount not to exceed, and concurrent
25 with, any reduction of bonds authorized under subsection (1)(a) of this
26 section in the manner prescribed in subsection (2) of this section.

27 (4) The transportation commission may decrease the amount of bonds
28 authorized in subsection (1)(c) of this section and increase the amount
29 of bonds authorized in subsection (1)(a) or (b) of this section, or
30 both by an amount equal to the decrease in subsection (1)(c) of this
31 section. The transportation commission may decrease the amount of
32 bonds authorized in subsection (1)(c) of this section only if the
33 legislature appropriates an equal amount of funds from the motor
34 vehicle fund - basic account for the purposes enumerated in subsection
35 (1)(c) of this section.

36 **Sec. 128.** RCW 47.10.802 and 1986 c 290 s 1 are each amended to
37 read as follows:

1 Upon request being made by the transportation commission, the state
2 finance committee shall supervise and provide for the issuance, sale,
3 and retirement of the bonds authorized by RCW 47.10.801 in accordance
4 with chapter 39.42 RCW. The amount of such bonds issued and sold under
5 RCW 47.10.801 through 47.10.809 in any biennium may not exceed the
6 amount of a specific appropriation therefor. Such bonds may be sold
7 from time to time in such amounts as may be necessary for the orderly
8 progress of the state highway improvements specified in RCW 47.10.801.
9 The amount of bonds issued and sold under RCW 47.10.801(1)(a) in any
10 biennium shall not, except as provided in that section, exceed the
11 amount required to match federal-aid interstate funds available to the
12 state of Washington. (~~The transportation commission shall give notice
13 of its intent to sell bonds to the legislative transportation committee
14 before requesting the state finance committee to issue and sell bonds
15 authorized by RCW 47.10.801(1)(a).~~) The bonds shall be sold in such
16 manner, at such time or times, in such amounts, and at such price or
17 prices as the state finance committee shall determine. The state
18 finance committee may obtain insurance, letters of credit, or other
19 credit facility devices with respect to the bonds and may authorize the
20 execution and delivery of agreements, promissory notes, and other
21 obligations for the purpose of insuring the payment or enhancing the
22 marketability of the bonds. Promissory notes or other obligations
23 issued under this section shall not constitute a debt or the
24 contracting of indebtedness under any constitutional or statutory
25 indebtedness limitation if their payment is conditioned upon the
26 failure of the state to pay the principal of or interest on the bonds
27 with respect to which the promissory notes or other obligations relate.
28 The state finance committee may authorize the issuance of short-term
29 obligations in lieu of long-term obligations for the purposes of more
30 favorable interest rates, lower total interest costs, and increased
31 marketability and for the purposes of retiring the bonds during the
32 life of the project for which they were issued.

33 **Sec. 129.** RCW 47.17.850 and 1984 c 7 s 139 are each amended to
34 read as follows:

35 A state highway to be known as state route number 906 is
36 established as follows:

1 Beginning at a junction with state route number 90 at the West
2 Summit interchange of Snoqualmie Pass, thence along the alignment of
3 the state route number 90 as it existed on May 11, 1967, in a
4 southeasterly direction to a junction with state route number 90 at the
5 Hyak interchange.

6 ~~((The legislative transportation committee, the house and senate
7 transportation committees, and the department shall undertake
8 appropriate studies to evaluate state route number 906 to determine
9 whether or not it should permanently remain on the state system.))~~

10 **Sec. 130.** RCW 47.26.167 and 1991 c 342 s 62 are each amended to
11 read as follows:

12 The legislature recognizes the need for a multijurisdictional body
13 to review future requests for jurisdictional transfers. The board is
14 hereby directed, beginning September 1, 1991, to receive petitions from
15 cities, counties, or the state requesting any addition or deletion from
16 the state highway system. The board is required to utilize the
17 criteria established in RCW 47.17.001 in evaluating petitions and to
18 adopt rules for implementation of this process. The board shall
19 forward to the ~~((legislative))~~ senate and house transportation
20 committees by November 15 each year any recommended jurisdictional
21 transfers.

22 **Sec. 131.** RCW 47.26.170 and 1994 c 179 s 16 are each amended to
23 read as follows:

24 Each county having within its boundaries an urban area and cities
25 and towns shall prepare and submit to the transportation improvement
26 board arterial inventory data required to determine the long-range
27 arterial construction needs. The counties, cities, and towns shall
28 revise the arterial inventory data every four years to show the current
29 arterial construction needs through the advanced planning period, and
30 as revised shall submit them to the transportation improvement board
31 during the first week of January every four years beginning in 1996.
32 The inventory data shall be prepared pursuant to guidelines established
33 by the transportation improvement board. As information is updated, it
34 shall be made available to the commission ~~((and the legislative
35 transportation committee))~~.

1 **Sec. 132.** RCW 47.46.030 and 2002 c 114 s 3 are each amended to
2 read as follows:

3 (1) The secretary or a designee shall solicit proposals from, and
4 negotiate and enter into agreements with, private entities to undertake
5 as appropriate, together with the department and other public entities,
6 all or a portion of the study, planning, design, construction,
7 operation, and maintenance of transportation systems and facilities,
8 using in whole or in part public or private sources of financing.

9 The public-private initiatives program may develop up to six
10 demonstration projects. Each proposal shall be weighed on its own
11 merits, and each of the six agreements shall be negotiated
12 individually, and as a stand-alone project.

13 (2) If project proposals selected prior to September 1, 1994, are
14 terminated by the public or private sectors, the department shall not
15 select any new projects, including project proposals submitted to the
16 department prior to September 1, 1994, and designated by the
17 transportation commission as placeholder projects, after June 16, 1995,
18 until June 30, 1997.

19 The department, in consultation with the legislative transportation
20 committee, shall conduct a program and fiscal audit of the public-
21 private initiatives program for the biennium ending June 30, 1997. The
22 department shall submit a progress report to the legislative
23 transportation committee on the program and fiscal audit by June 30,
24 1996, with preliminary and final audit reports due December 1, 1996,
25 and June 30, 1997, respectively.

26 The department shall develop and submit a proposed public
27 involvement plan to the 1997 legislature to identify the process for
28 selecting new potential projects and the associated costs of
29 implementing the plan. The legislature must adopt the public
30 involvement plan before the department may proceed with any activity
31 related to project identification and selection. Following legislative
32 adoption of the public involvement plan, the department is authorized
33 to implement the plan and to identify potential new projects.

34 The public involvement plan for projects selected after June 30,
35 1997, shall, at a minimum, identify projects that: (a) Have the
36 potential of achieving overall public support among users of the
37 projects, residents of communities in the vicinity of the projects, and
38 residents of communities impacted by the projects; (b) meet a state

1 transportation need; (c) provide a significant state benefit; and (d)
2 provide competition among proposers and maximum cost benefits to users.
3 Prospective projects may include projects identified by the department
4 or submitted by the private sector.

5 Projects that meet the minimum criteria established under this
6 section and the requirements of the public involvement plan developed
7 by the department and approved by the legislature shall be submitted to
8 the Washington state transportation commission for its review. ~~((The~~
9 ~~commission, in turn, shall submit a list of eligible projects to the~~
10 ~~legislative transportation committee for its consideration.))~~ Forty-
11 five days after the submission to the ~~((legislative transportation~~
12 ~~committee))~~ commission of the list of eligible projects, the secretary
13 is authorized to solicit proposals for the eligible project.

14 (3) Prior to entering into agreements with private entities under
15 the requirements of RCW 47.46.040 for any project proposal selected
16 before September 1, 1994, or after June 30, 1997, except as provided
17 for in subsections ~~((+12+))~~ (11) and ~~((+13+))~~ (12) of this section, the
18 department shall require an advisory vote as provided under subsections
19 (5) through ~~((+10+))~~ (9) of this section.

20 (4) The advisory vote shall apply to project proposals selected
21 prior to September 1, 1994, or after June 30, 1997, that receive public
22 opposition as demonstrated by the submission to the department of
23 original petitions bearing at least five thousand signatures of
24 individuals opposing the project collected and submitted in accordance
25 with the dates established in subsections ~~((+12+))~~ (11) and ~~((+13+))~~
26 (12) of this section. The advisory vote shall be on the preferred
27 alternative identified under the requirements of chapter 43.21C RCW
28 and, if applicable, the national environmental policy act, 42 U.S.C.
29 4321 et seq. The execution by the department of the advisory vote
30 process established in this section is subject to the prior
31 appropriation of funds by the legislature for the purpose of conducting
32 environmental impact studies, a public involvement program, local
33 involvement committee activities, traffic and economic impact analyses,
34 engineering and technical studies, and the advisory vote.

35 (5) In preparing for the advisory vote, the department shall
36 conduct a comprehensive analysis of traffic patterns and economic
37 impact to define the geographical boundary of the project area that is
38 affected by the imposition of tolls or user fees authorized under this

1 chapter. The area so defined is referred to in this section as the
2 affected project area. In defining the affected project area, the
3 department shall, at a minimum, undertake: (a) A comparison of the
4 estimated percentage of residents of communities in the vicinity of the
5 project and in other communities impacted by the project who could be
6 subject to tolls or user fees and the estimated percentage of other
7 users and transient traffic that could be subject to tolls or user
8 fees; (b) an analysis of the anticipated traffic diversion patterns;
9 (c) an analysis of the potential economic impact resulting from
10 proposed toll rates or user fee rates imposed on residents, commercial
11 traffic, and commercial entities in communities in the vicinity of and
12 impacted by the project; (d) an analysis of the economic impact of
13 tolls or user fees on the price of goods and services generally; and
14 (e) an analysis of the relationship of the project to state
15 transportation needs and benefits.

16 (6)(a) After determining the definition of the affected project
17 area, the department shall establish a committee comprised of
18 individuals who represent cities and counties in the affected project
19 area; organizations formed to support or oppose the project; and users
20 of the project. The committee shall be named the public-private local
21 involvement committee, and be known as the local involvement committee.

22 (b) The members of the local involvement committee shall be: (i)
23 An elected official from each city within the affected project area;
24 (ii) an elected official from each county within the affected project
25 area; (iii) two persons from each county within the affected project
26 area who represent an organization formed in support of the project, if
27 the organization exists; (iv) two persons from each county within the
28 affected project area who represent an organization formed to oppose
29 the project, if the organization exists; and (v) four public members
30 active in a statewide transportation organization. If the committee
31 makeup results in an even number of committee members, there shall be
32 an additional appointment of an elected official from the county in
33 which all, or the greatest portion of the project is located.

34 (c) City and county elected officials shall be appointed by a
35 majority of the members of the city or county legislative authorities
36 of each city or county within the affected project area, respectively.
37 The county legislative authority of each county within the affected
38 project area shall identify and validate organizations officially

1 formed in support of or in opposition to the project and shall make the
2 appointments required under this section from a list submitted by the
3 chair of the organizations. Public members shall be appointed by the
4 governor. All appointments to the local involvement committee shall be
5 made and submitted to the department of transportation no later than
6 January 1, 1996, for projects selected prior to September 1, 1994, and
7 no later than thirty days after the affected project area is defined
8 for projects selected after June 30, 1997. Vacancies in the membership
9 of the local involvement committee shall be filled by the appointing
10 authority under (b)(i) through (v) of this subsection for each position
11 on the committee.

12 (d) The local involvement committee shall serve in an advisory
13 capacity to the department on all matters related to the execution of
14 the advisory vote.

15 (e) Members of the local involvement committee serve without
16 compensation and may not receive subsistence, lodging expenses, or
17 travel expenses.

18 (7) The department shall conduct a minimum thirty-day public
19 comment period on the definition of the geographical boundary of the
20 project area. The department, in consultation with the local
21 involvement committee, shall make adjustments, if required, to the
22 definition of the geographical boundary of the affected project area,
23 based on comments received from the public. Within fourteen calendar
24 days after the public comment period, the department shall set the
25 boundaries of the affected project area in units no smaller than a
26 precinct as defined in RCW ((29.01.120)) 29A.04.121.

27 (8) The department, in consultation with the local involvement
28 committee, shall develop a description for selected project proposals.
29 After developing the description of the project proposal, the
30 department shall publish the project proposal description in newspapers
31 of general circulation for seven calendar days in the affected project
32 area. Within fourteen calendar days after the last day of the
33 publication of the project proposal description, the department shall
34 transmit a copy of the map depicting the affected project area and the
35 description of the project proposal to the county auditor of the county
36 in which any portion of the affected project area is located.

37 (9) ((The department shall provide the legislative transportation

1 ~~committee with progress reports on the status of the definition of the~~
2 ~~affected project area and the description of the project proposal.~~

3 ~~(10))~~ Upon receipt of the map and the description of the project
4 proposal, the county auditor shall, within thirty days, verify the
5 precincts that are located within the affected project area. The
6 county auditor shall prepare the text identifying and describing the
7 affected project area and the project proposal using the definition of
8 the geographical boundary of the affected project area and the project
9 description submitted by the department and shall set an election date
10 for the submission of a ballot proposition authorizing the imposition
11 of tolls or user fees to implement the proposed project within the
12 affected project area, which date may be the next succeeding general
13 election to be held in the state, or at a special election, if
14 requested by the department. The text of the project proposal must
15 appear in a voter's pamphlet for the affected project area. The
16 department shall pay the costs of publication and distribution. The
17 special election date must be the next date for a special election
18 provided under RCW ~~((29.13.020))~~ 29A.04.330 that is at least sixty days
19 but, if authorized under RCW ~~((29.13.020))~~ 29A.04.330, no more than
20 ninety days after the receipt of the final map and project description
21 by the auditor. The department shall pay the cost of an election held
22 under this section.

23 ~~((11))~~ (10) Notwithstanding any other provision of law, the
24 department may contract with a private developer of a selected project
25 proposal to conduct environmental impact studies, a public involvement
26 program, and engineering and technical studies funded by the
27 legislature. For projects subject to this subsection, the department
28 shall not enter into an agreement under RCW 47.46.040 prior to the
29 advisory vote on the preferred alternative.

30 ~~((12))~~ (11) Subsections (5) through ~~((10))~~ (9) of this section
31 shall not apply to project proposals selected prior to September 1,
32 1994, that have no organized public opposition as demonstrated by the
33 submission to the department of original petitions bearing at least
34 five thousand signatures of individuals opposing the project, collected
35 and submitted after September 1, 1994, and by thirty calendar days
36 after June 16, 1995.

37 ~~((13))~~ (12) Subsections (5) through ~~((10))~~ (9) of this section
38 shall not apply to project proposals selected after June 30, 1997, that

1 have no organized public opposition as demonstrated by the submission
2 to the department of original petitions bearing at least five thousand
3 signatures of individuals opposing the project, collected and submitted
4 by ninety calendar days after project selection.

5 **Sec. 133.** RCW 47.46.040 and 2002 c 114 s 16 are each amended to
6 read as follows:

7 (1) The secretary or a designee shall consult with legal,
8 financial, and other experts within and outside state government in the
9 negotiation and development of the agreements.

10 (2) Agreements may provide for private ownership of the projects
11 during the construction period. After completion and final acceptance
12 of each project or discrete segment thereof, the agreement may provide
13 for state ownership of the transportation systems and facilities and
14 lease to the private entity unless the state elects to provide for
15 ownership of the facility by the private entity during the term of the
16 agreement.

17 The state may lease each of the demonstration projects, or
18 applicable project segments, to the private entities for operating
19 purposes for up to fifty years.

20 (3) The department may exercise any power possessed by it to
21 facilitate the development, construction, financing operation, and
22 maintenance of transportation projects under this section. Agreements
23 for maintenance services entered into under this section shall provide
24 for full reimbursement for services rendered by the department or other
25 state agencies. Agreements for police services for projects, involving
26 state highway routes, developed under agreements shall be entered into
27 with the Washington state patrol. The agreement for police services
28 shall provide that the state patrol will be reimbursed for costs on a
29 comparable basis with the costs incurred for comparable service on
30 other state highway routes. The department may provide services for
31 which it is reimbursed, including but not limited to preliminary
32 planning, environmental certification, and preliminary design of the
33 demonstration projects.

34 (4) The plans and specifications for each project constructed under
35 this section shall comply with the department's standards for state
36 projects. A facility constructed by and leased to a private entity is
37 deemed to be a part of the state highway system for purposes of

1 identification, maintenance, and enforcement of traffic laws and for
2 the purposes of applicable sections of this title. Upon reversion of
3 the facility to the state, the project must meet all applicable state
4 standards. Agreements shall address responsibility for reconstruction
5 or renovations that are required in order for a facility to meet all
6 applicable state standards upon reversion of the facility to the state.

7 (5) For the purpose of facilitating these projects and to assist
8 the private entity in the financing, development, construction, and
9 operation of the transportation systems and facilities, the agreements
10 may include provisions for the department to exercise its authority,
11 including the lease of facilities, rights of way, and airspace,
12 exercise of the power of eminent domain, granting of development rights
13 and opportunities, granting of necessary easements and rights of
14 access, issuance of permits and other authorizations, protection from
15 competition, remedies in the event of default of either of the parties,
16 granting of contractual and real property rights, liability during
17 construction and the term of the lease, authority to negotiate
18 acquisition of rights of way in excess of appraised value, and any
19 other provision deemed necessary by the secretary.

20 (6) The agreements entered into under this section may include
21 provisions authorizing the state to grant necessary easements and lease
22 to a private entity existing rights of way or rights of way
23 subsequently acquired with public or private financing. The agreements
24 may also include provisions to lease to the entity airspace above or
25 below the right of way associated or to be associated with the private
26 entity's transportation facility. In consideration for the reversion
27 rights in these privately constructed facilities, the department may
28 negotiate a charge for the lease of airspace rights during the term of
29 the agreement for a period not to exceed fifty years. If, after the
30 expiration of this period, the department continues to lease these
31 airspace rights to the private entity, it shall do so only at fair
32 market value. The agreement may also provide the private entity the
33 right of first refusal to undertake projects utilizing airspace owned
34 by the state in the vicinity of the public-private project.

35 (7) Agreements under this section may include any contractual
36 provision that is necessary to protect the project revenues required to
37 repay the costs incurred to study, plan, design, finance, acquire,
38 build, install, operate, enforce laws, and maintain toll highways,

1 bridges, and tunnels and which will not unreasonably inhibit or
2 prohibit the development of additional public transportation systems
3 and facilities. Agreements under this section must secure and maintain
4 liability insurance coverage in amounts appropriate to protect the
5 project's viability and may address state indemnification of the
6 private entity for design and construction liability where the state
7 has approved relevant design and construction plans.

8 (8) Agreements entered into under this section shall include a
9 process that provides for public involvement in decision making with
10 respect to the development of the projects.

11 (9)(a) In carrying out the public involvement process required in
12 subsection (8) of this section, the private entity shall proactively
13 seek public participation through a process appropriate to the
14 characteristics of the project that assesses and demonstrates public
15 support among: Users of the project, residents of communities in the
16 vicinity of the project, and residents of communities impacted by the
17 project.

18 (b) The private entity shall conduct a comprehensive public
19 involvement process that provides, periodically throughout the
20 development and implementation of the project, users and residents of
21 communities in the affected project area an opportunity to comment upon
22 key issues regarding the project including, but not limited to: (i)
23 Alternative sizes and scopes; (ii) design; (iii) environmental
24 assessment; (iv) right of way and access plans; (v) traffic impacts;
25 (vi) tolling or user fee strategies and tolling or user fee ranges;
26 (vii) project cost; (viii) construction impacts; (ix) facility
27 operation; and (x) any other salient characteristics.

28 (c) If the affected project area has not been defined, the private
29 entity shall define the affected project area by conducting, at a
30 minimum: (i) A comparison of the estimated percentage of residents of
31 communities in the vicinity of the project and in other communities
32 impacted by the project who could be subject to tolls or user fees and
33 the estimated percentage of other users and transient traffic that
34 could be subject to tolls or user fees; (ii) an analysis of the
35 anticipated traffic diversion patterns; (iii) an analysis of the
36 potential economic impact resulting from proposed toll rates or user
37 fee rates imposed on residents, commercial traffic, and commercial
38 entities in communities in the vicinity of and impacted by the project;

1 (iv) an analysis of the economic impact of tolls or user fees on the
2 price of goods and services generally; and (v) an analysis of the
3 relationship of the project to state transportation needs and benefits.

4 The agreement may require an advisory vote by users of and
5 residents in the affected project area.

6 (d) In seeking public participation, the private entity shall
7 establish a local involvement committee or committees comprised of
8 residents of the affected project area, individuals who represent
9 cities and counties in the affected project area, organizations formed
10 to support or oppose the project, if such organizations exist, and
11 users of the project. The private entity shall, at a minimum,
12 establish a committee as required under the specifications of RCW
13 47.46.030(6)(b) (ii) and (iii) and appointments to such committee shall
14 be made no later than thirty days after the project area is defined.

15 (e) Local involvement committees shall act in an advisory capacity
16 to the department and the private entity on all issues related to the
17 development and implementation of the public involvement process
18 established under this section.

19 (f) The department and the private entity shall provide the
20 (~~legislative transportation committee and~~) local involvement
21 committees with progress reports on the status of the public
22 involvement process including the results of an advisory vote, if any
23 occurs.

24 (10) Nothing in this chapter limits the right of the secretary and
25 his or her agents to render such advice and to make such
26 recommendations as they deem to be in the best interests of the state
27 and the public.

28 **Sec. 134.** RCW 79A.05.125 and 1999 c 301 s 3 are each amended to
29 read as follows:

30 (1) The department of transportation shall negotiate a franchise
31 with a rail carrier to establish and maintain a rail line over portions
32 of the Milwaukee Road corridor owned by the state between Ellensburg
33 and Lind. The department of transportation may negotiate such a
34 franchise with any qualified rail carrier. Criteria for negotiating
35 the franchise and establishing the right of way include:

36 (a) Assurances that resources from the franchise will be sufficient

1 to compensate the state for use of the property, including completion
2 of a cross-state trail between Easton and the Idaho border;

3 (b) Types of payment for use of the franchise, including payment
4 for the use of federally granted trust lands in the transportation
5 corridor;

6 (c) Standards for maintenance of the line;

7 (d) Provisions ensuring that both the conventional and intermodal
8 rail service needs of local shippers are met. Such accommodations may
9 comprise agreements with the franchisee to offer or maintain adequate
10 service or to provide service by other carriers at commercially
11 reasonable rates;

12 (e) Provisions requiring the franchisee, upon reasonable request of
13 any other rail operator, to provide rail service and interchange
14 freight over what is commonly known as the Stampede Pass rail line from
15 Cle Elum to Auburn at commercially reasonable rates;

16 (f) If any part of the franchise agreement is invalidated by
17 actions or rulings of the federal surface transportation board or a
18 court of competent jurisdiction, the remaining portions of the
19 franchise agreement are not affected;

20 (g) Compliance with environmental standards; and

21 (h) Provisions for insurance and the coverage of liability.

22 (2) The franchise may provide for periodic review of financial
23 arrangements under the franchise.

24 (3) The department of transportation, in consultation with the
25 parks and recreation commission and the ((legislative)) senate and
26 house transportation committees, shall negotiate the terms of the
27 franchise, and shall present the agreement to the parks and recreation
28 commission for approval of as to terms and provisions affecting the
29 cross-state trail or affecting the commission.

30 (4) This section expires July 1, 2006, if the department of
31 transportation does not enter into a franchise agreement for a rail
32 line over portions of the Milwaukee Road corridor by July 1, 2006.

33 **Sec. 135.** RCW 81.80.395 and 1988 c 138 s 1 are each amended to
34 read as follows:

35 The Washington utilities and transportation commission may enter
36 into an agreement or arrangement with a duly authorized representative
37 of the state of Idaho, for the purpose of granting to operators of

1 commercial vehicles that are properly registered in the state of Idaho,
2 the privilege of operating their vehicles in this state within a
3 designated area near the border of their state without the need for
4 registration as required by chapter 81.80 RCW if the state of Idaho
5 grants a similar privilege to operators of commercial vehicles from
6 this state. The initial designated area shall be limited to state
7 route 195 from the Idaho border to Lewiston, and SR 12 from Lewiston to
8 Clarkston. (~~The utilities and transportation commission shall submit
9 other proposed reciprocal agreements in designated border areas to the
10 legislative transportation committee for approval.~~)

11 **Sec. 136.** RCW 81.104.110 and 1998 c 245 s 165 are each amended to
12 read as follows:

13 The legislature recognizes that the planning processes described in
14 RCW 81.104.100 provide a recognized framework for guiding high capacity
15 transportation studies. However, the process cannot guarantee
16 appropriate decisions unless key study assumptions are reasonable.

17 To assure appropriate system plan assumptions and to provide for
18 review of system plan results, an expert review panel shall be
19 appointed to provide independent technical review for development of
20 any system plan which is to be funded in whole or in part by the
21 imposition of any voter-approved local option funding sources
22 enumerated in RCW 81.104.140.

23 (1) The expert review panel shall consist of five to ten members
24 who are recognized experts in relevant fields, such as transit
25 operations, planning, emerging transportation technologies,
26 engineering, finance, law, the environment, geography, economics, and
27 political science.

28 (2) The expert review panel shall be selected cooperatively by the
29 chairs of the (~~legislative~~) senate and house transportation
30 committees, the secretary of the department of transportation, and the
31 governor to assure a balance of disciplines. In the case of counties
32 adjoining another state or Canadian province the expert review panel
33 membership shall be selected cooperatively with representatives of the
34 adjoining state or Canadian province.

35 (3) The chair of the expert review panel shall be designated by the
36 appointing authorities.

1 (4) The expert review panel shall serve without compensation but
2 shall be reimbursed for expenses according to (~~chapter 43.03~~) RCW
3 43.03.050 and 43.03.060. Reimbursement shall be paid from within the
4 existing resources of the local authority planning under this chapter.

5 (5) The panel shall carry out the duties set forth in subsections
6 (6) and (7) of this section until the date on which an election is held
7 to consider the high capacity transportation system and financing
8 plans. (~~Funds appropriated for expenses of the expert panel shall be~~
9 ~~administered by the department of transportation.~~)

10 (6) The expert panel shall review all reports required in RCW
11 81.104.100(2) and shall concentrate on service modes and concepts,
12 costs, patronage and financing evaluations.

13 (7) The expert panel shall provide timely reviews and comments on
14 individual reports and study conclusions to the department of
15 transportation, the regional transportation planning organization, the
16 joint regional policy committee, and the submitting lead transit
17 agency. In the case of counties adjoining another state or Canadian
18 province, the expert review panel shall provide its reviews, comments,
19 and conclusions to the representatives of the adjoining state or
20 Canadian province.

21 (8) The (~~legislative transportation committee~~) local authority
22 planning under this chapter shall contract for consulting services for
23 expert review panels. The amount of consultant support shall be
24 negotiated with each expert review panel by the (~~legislative~~
25 ~~transportation committee~~) local authority and shall be paid from
26 (~~appropriations for that purpose from the high capacity transportation~~
27 ~~account~~) within the local authority's existing resources.

28 **Sec. 137.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to
29 read as follows:

30 (1) Four times each year the supervisor shall prepare, subject to
31 the approval of the economic and revenue forecast council under RCW
32 82.33.010:

33 (a) An official state economic and revenue forecast;

34 (b) An unofficial state economic and revenue forecast based on
35 optimistic economic and revenue projections; and

36 (c) An unofficial state economic and revenue forecast based on
37 pessimistic economic and revenue projections.

1 (2) The supervisor shall submit forecasts prepared under this
2 section, along with any unofficial forecasts provided under RCW
3 82.33.010, to the governor and the members of the committees on ways
4 and means and the chairs of the committees on transportation of the
5 senate and house of representatives (~~and the chair of the legislative~~
6 ~~transportation committee~~), including one copy to the staff of each of
7 the committees, on or before November 20th, February 20th in the even-
8 numbered years, March 20th in the odd-numbered years, June 20th, and
9 September 20th. All forecasts shall include both estimated receipts
10 and estimated revenues in conformance with generally accepted
11 accounting principles as provided by RCW 43.88.037.

12 (3) All agencies of state government shall provide to the
13 supervisor immediate access to all information relating to economic and
14 revenue forecasts. Revenue collection information shall be available
15 to the supervisor the first business day following the conclusion of
16 each collection period.

17 (4) The economic and revenue forecast supervisor and staff shall
18 co-locate and share information, data, and files with the tax research
19 section of the department of revenue but shall not duplicate the duties
20 and functions of one another.

21 (5) As part of its forecasts under subsection (1) of this section,
22 the supervisor shall provide estimated revenue from tuition fees as
23 defined in RCW 28B.15.020.

24 **Sec. 138.** RCW 82.70.060 and 2003 c 364 s 6 are each amended to
25 read as follows:

26 The commute trip reduction task force shall determine the
27 effectiveness of the tax credit under RCW 82.70.020, the grant program
28 in RCW 70.94.996, and the relative effectiveness of the tax credit and
29 the grant program as part of its ongoing evaluation of the commute trip
30 reduction law and report to the (~~legislative~~) senate and house
31 transportation committees and to the fiscal committees of the house of
32 representatives and the senate. The report must include information on
33 the amount of tax credits claimed to date and recommendations on future
34 funding between the tax credit program and the grant program. The
35 report must be incorporated into the recommendations required in RCW
36 70.94.537(5).

1 **Sec. 139.** RCW 82.80.070 and 2002 c 56 s 413 are each amended to
2 read as follows:

3 (1) The proceeds collected pursuant to the exercise of the local
4 option authority of RCW 82.80.010, (~~(82.80.020,)~~) 82.80.030, and
5 82.80.050 (hereafter called "local option transportation revenues")
6 shall be used for transportation purposes only, including but not
7 limited to the following: The operation and preservation of roads,
8 streets, and other transportation improvements; new construction,
9 reconstruction, and expansion of city streets, county roads, and state
10 highways and other transportation improvements; development and
11 implementation of public transportation and high-capacity transit
12 improvements and programs; and planning, design, and acquisition of
13 right of way and sites for such transportation purposes. The proceeds
14 collected from excise taxes on the sale, distribution, or use of motor
15 vehicle fuel and special fuel under RCW 82.80.010 shall be used
16 exclusively for "highway purposes" as that term is construed in Article
17 II, section 40 of the state Constitution.

18 (2) The local option transportation revenues shall be expended for
19 transportation uses consistent with the adopted transportation and land
20 use plans of the jurisdiction expending the funds and consistent with
21 any applicable and adopted regional transportation plan for
22 metropolitan planning areas.

23 (3) Each local government with a population greater than eight
24 thousand that levies or expends local option transportation funds, is
25 also required to develop and adopt a specific transportation program
26 that contains the following elements:

27 (a) The program shall identify the geographic boundaries of the
28 entire area or areas within which local option transportation revenues
29 will be levied and expended.

30 (b) The program shall be based on an adopted transportation plan
31 for the geographic areas covered and shall identify the proposed
32 operation and construction of transportation improvements and services
33 in the designated plan area intended to be funded in whole or in part
34 by local option transportation revenues and shall identify the annual
35 costs applicable to the program.

36 (c) The program shall indicate how the local transportation plan is
37 coordinated with applicable transportation plans for the region and for
38 adjacent jurisdictions.

1 (d) The program shall include at least a six-year funding plan,
2 updated annually, identifying the specific public and private sources
3 and amounts of revenue necessary to fund the program. The program
4 shall include a proposed schedule for construction of projects and
5 expenditure of revenues. The funding plan shall consider the
6 additional local tax revenue estimated to be generated by new
7 development within the plan area if all or a portion of the additional
8 revenue is proposed to be earmarked as future appropriations for
9 transportation improvements in the program.

10 (4) Local governments with a population greater than eight thousand
11 exercising the authority for local option transportation funds shall
12 periodically review and update their transportation program to ensure
13 that it is consistent with applicable local and regional transportation
14 and land use plans and within the means of estimated public and private
15 revenue available.

16 (5) In the case of expenditure for new or expanded transportation
17 facilities, improvements, and services, priorities in the use of local
18 option transportation revenues shall be identified in the
19 transportation program and expenditures shall be made based upon the
20 following criteria, which are stated in descending order of weight to
21 be attributed:

22 (a) First, the project serves a multijurisdictional function;

23 (b) Second, it is necessitated by existing or reasonably
24 foreseeable congestion;

25 (c) Third, it has the greatest person-carrying capacity;

26 (d) Fourth, it is partially funded by other government funds, such
27 as from the state transportation improvement board, or by private
28 sector contributions, such as those from the local transportation act,
29 chapter 39.92 RCW; and

30 (e) Fifth, it meets such other criteria as the local government
31 determines is appropriate.

32 (6) It is the intent of the legislature that as a condition of
33 levying, receiving, and expending local option transportation revenues,
34 no local government agency use the revenues to replace, divert, or loan
35 any revenues currently being used for transportation purposes to
36 nontransportation purposes. (~~The association of Washington cities and
37 the Washington state association of counties, in consultation with the
38 legislative transportation committee, shall study the issue of~~

1 ~~nondiversion and make recommendations to the legislative transportation~~
2 ~~committee for language implementing the intent of this section by~~
3 ~~December 1, 1990.)~~)

4 (7) Local governments are encouraged to enter into interlocal
5 agreements to jointly develop and adopt with other local governments
6 the transportation programs required by this section for the purpose of
7 accomplishing regional transportation planning and development.

8 (8) Local governments may use all or a part of the local option
9 transportation revenues for the amortization of local government
10 general obligation and revenue bonds issued for transportation purposes
11 consistent with the requirements of this section.

12 (9) Subsections (1) through (8) of this section do not apply to a
13 regional transportation investment district imposing a tax or fee under
14 the local option authority of this chapter. Proceeds collected under
15 the exercise of local option authority under this chapter by a district
16 must be used in accordance with chapter 36.120 RCW.

17 **Sec. 140.** RCW 90.03.525 and 1996 c 285 s 1 and 1996 c 230 s 1617
18 are each reenacted and amended to read as follows:

19 (1) The rate charged by a local government utility to the
20 department of transportation with respect to state highway right of way
21 or any section of state highway right of way for the construction,
22 operation, and maintenance of storm water control facilities under
23 chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be
24 thirty percent of the rate for comparable real property, except as
25 otherwise provided in this section. The rate charged to the department
26 with respect to state highway right of way or any section of state
27 highway right of way within a local government utility's jurisdiction
28 shall not, however, exceed the rate charged for comparable city street
29 or county road right of way within the same jurisdiction. The
30 legislature finds that the aforesaid rates are presumptively fair and
31 equitable because of the traditional and continuing expenditures of the
32 department of transportation for the construction, operation, and
33 maintenance of storm water control facilities designed to control
34 surface water or storm water runoff from state highway rights of way.

35 (2) Charges paid under subsection (1) of this section by the
36 department of transportation must be used solely for storm water
37 control facilities that directly reduce state highway runoff impacts or

1 implementation of best management practices that will reduce the need
2 for such facilities. By January 1st of each year, beginning with
3 calendar year 1997, the local government utility, in coordination with
4 the department, shall develop a plan for the expenditure of the charges
5 for that calendar year. The plan must be consistent with the
6 objectives identified in RCW 90.78.010. In addition, beginning with
7 the submittal for 1998, the utility shall provide a progress report on
8 the use of charges assessed for the prior year. No charges may be paid
9 until the plan and report have been submitted to the department.

10 (3) The utility imposing the charge and the department of
11 transportation may, however, agree to either higher or lower rates with
12 respect to the construction, operation, or maintenance of any specific
13 storm water control facilities based upon the annual plan prescribed in
14 subsection (2) of this section. ~~((If a different rate is agreed to, a
15 report so stating shall be submitted to the legislative transportation
16 committee.))~~ If, after mediation, the local government utility and the
17 department of transportation cannot agree upon the proper rate, ~~((and
18 after a report has been submitted to the legislative transportation
19 committee and after ninety days from submission of such report,))~~
20 either may commence an action in the superior court for the county in
21 which the state highway right of way is located to establish the proper
22 rate. The court in establishing the proper rate shall take into
23 account the extent and adequacy of storm water control facilities
24 constructed by the department and the actual benefits to the sections
25 of state highway rights of way from storm water control facilities
26 constructed, operated, and maintained by the local government utility.
27 Control of surface water runoff and storm water runoff from state
28 highway rights of way shall be deemed an actual benefit to the state
29 highway rights of way. The rate for sections of state highway right of
30 way as determined by the court shall be set forth in terms of the
31 percentage of the rate for comparable real property, but shall in no
32 event exceed the rate charged for comparable city street or county road
33 right of way within the same jurisdiction.

34 (4) The legislature finds that the federal clean water act
35 (national ~~((pollution [pollutant]))~~ pollutant discharge elimination
36 system, 40 C.F.R. parts 122-124), the state water pollution control
37 act, chapter 90.48 RCW, and the highway runoff program under chapter
38 ~~((90.70))~~ 90.71 RCW, mandate the treatment and control of storm water

1 runoff from state highway rights of way owned by the department of
2 transportation. Appropriations made by the legislature to the
3 department of transportation for the construction, operation, and
4 maintenance of storm water control facilities are intended to address
5 applicable federal and state mandates related to storm water control
6 and treatment. This section is not intended to limit opportunities for
7 sharing the costs of storm water improvements between cities, counties,
8 and the state.

9 NEW SECTION. **Sec. 141.** The following acts or parts of acts are
10 each repealed:

11 (1) RCW 44.40.010 (Creation--Composition--Appointments--
12 Vacancies--Rules) and 1999 sp.s. c 1 s 616, 1980 c 87 s 39, 1971 ex.s.
13 c 195 s 1, 1967 ex.s. c 145 s 68, 1965 ex.s. c 170 s 64, & 1963 ex.s.
14 c 3 s 35;

15 (2) RCW 44.40.013 (Administration) and 2001 c 259 s 5;

16 (3) RCW 44.40.015 (Executive committee--Selection--Duties) and 2001
17 c 259 s 6 & 1999 sp.s. c 1 s 617;

18 (4) RCW 44.40.030 (Participation in activities of other
19 organizations) and 1982 c 227 s 17, 1977 ex.s. c 235 s 7, 1971 ex.s. c
20 195 s 3, & 1963 ex.s. c 3 s 38;

21 (5) RCW 44.40.040 (Members' allowances--Procedure for payment of
22 committee's expenses) and 2001 c 259 s 7, 1979 c 151 s 157, 1977 ex.s.
23 c 235 s 8, 1975 1st ex.s. c 268 s 3, 1971 ex.s. c 195 s 4, & 1963 ex.s.
24 c 3 s 39;

25 (6) RCW 44.40.090 (Delegation of powers and duties to senate and
26 house transportation committees) and 2001 c 259 s 8, 1977 ex.s. c 235
27 s 10, & 1973 1st ex.s. c 210 s 2;

28 (7) RCW 44.40.140 (Review of policy on fees imposed on nonpolluting
29 fuels--Report) and 1983 c 212 s 2;

30 (8) RCW 44.40.150 (Study--Recommendations for consideration--
31 Staffing) and 1998 c 245 s 88 & 1989 1st ex.s. c 6 s 14;

32 (9) RCW 44.40.161 (Audit review of transportation-related agencies)
33 and 2003 c 362 s 16;

34 (10) RCW 53.08.350 (Moratorium on runway construction or extension,
35 or initiation of new service--Certain counties affected) and 1992 c 190
36 s 2;

1 (11) RCW 44.40.020 (Powers, duties, and studies) and 1996 c 129 s
2 9, 1977 ex.s. c 235 s 5, 1975 1st ex.s. c 268 s 1, & 1963 ex.s. c 3 s
3 36;

4 (12) RCW 44.40.070 (State transportation agencies--Comprehensive
5 programs and financial plans) and 1998 c 245 s 87, 1988 c 167 s 10,
6 1979 ex.s. c 192 s 3, 1979 c 158 s 112, 1977 ex.s. c 235 s 9, & 1973
7 1st ex.s. c 201 s 1;

8 (13) RCW 44.40.080 (State transportation agencies--Recommended
9 budget--Preparation and presentation--Contents) and 1973 1st ex.s. c
10 201 s 2;

11 (14) RCW 44.40.100 (Contracts and programs authorized) and 2001 c
12 259 s 9, 1977 ex.s. c 235 s 11, 1975 1st ex.s. c 268 s 7, & 1973 1st
13 ex.s. c 210 s 3;

14 (15) RCW 46.23.040 (Review of agreement by legislative
15 transportation committee) and 1982 c 212 s 4;

16 (16) RCW 47.01.145 (Study reports available to legislators upon
17 request) and 1984 c 7 s 76, 1971 ex.s. c 195 s 6, & 1967 ex.s. c 145 s
18 78;

19 (17) RCW 47.05.090 (Application of 1993 c 490--Deviations) and 1993
20 c 490 s 6;

21 (18) RCW 47.12.360 (Advanced environmental mitigation--Reports) and
22 1997 c 140 s 5;

23 (19) RCW 47.76.340 (Evaluating program performance) and 1993 c 224
24 s 13 & 1990 c 43 s 8;

25 (20) RCW 47.74.010 (Multistate Highway Transportation Agreement
26 enacted, terms) and 1983 c 82 s 1; and

27 (21) RCW 47.74.020 (Appointment of delegates to represent state)
28 and 1983 c 82 s 2.

29 NEW SECTION. **Sec. 142.** Part headings used in this act are no part
30 of the law.

31 NEW SECTION. **Sec. 143.** (1) RCW 44.40.120 is recodified as a
32 section in chapter 44.04 RCW.

33 (2) RCW 44.40.025 is recodified as a section in chapter 43.88 RCW.

34 NEW SECTION. **Sec. 144.** This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2005, except for section 103 of this act which takes effect
3 July 1, 2006.

4 NEW SECTION. **Sec. 145.** Section 138 of this act expires July 1,
5 2013.

--- END ---