
SENATE BILL 5513

State of Washington 59th Legislature 2005 Regular Session

By Senators Haugen, Shin, Kohl-Welles, Rasmussen, Fairley and Prentice

Read first time 01/26/2005. Referred to Committee on Transportation.

1 AN ACT Relating to restructuring of certain transportation
2 agencies; amending RCW 47.01.041, 47.01.071, 44.75.020, 44.75.030,
3 44.75.040, 44.75.050, 44.75.080, 44.75.090, 44.75.100, 44.75.110,
4 44.75.120, 35.58.2796, 36.78.070, 41.40.037, 43.10.101, 43.79.270,
5 43.79.280, 43.88.020, 43.88.030, 43.88.230, 43.105.160, 43.105.190,
6 44.04.260, 44.28.088, 44.40.025, 44.40.070, 44.40.100, 46.01.320,
7 46.01.325, 46.16.705, 46.16.715, 46.16.725, 46.23.040, 46.73.010,
8 47.01.145, 47.01.280, 47.04.210, 47.04.220, 47.06.110, 47.06A.020,
9 47.12.360, 47.17.850, 47.26.167, 47.26.170, 47.46.030, 47.46.040,
10 47.74.020, 47.76.340, 79A.05.125, 81.80.395, 81.104.110, 82.33.020,
11 82.70.060, and 82.80.070; reenacting and amending RCW 47.01.101 and
12 90.03.525; reenacting RCW 43.59.150; adding a new section to chapter
13 47.01 RCW; creating new sections; repealing RCW 44.28.161, 44.40.010,
14 44.40.013, 44.40.015, 44.40.030, 44.40.040, 44.40.090, 44.40.140,
15 44.40.150, 44.40.161, and 53.08.350; providing an effective date; and
16 providing an expiration date.

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

18 NEW SECTION. **Sec. 1.** The legislature finds that it is in the
19 interest of the state to restructure the roles and responsibilities of

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

14 **Departmental Governance**

15 **Sec. 2.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each
16 amended to read as follows:

17 The executive head of the department of transportation shall be the
18 secretary of transportation, who shall be appointed by the
19 ~~((transportation commission))~~ governor with the consent of the senate,
20 and shall be paid a salary to be fixed by the governor in accordance
21 with the provisions of RCW 43.03.040. The secretary shall be an ex
22 officio member of the transportation commission without a vote. ~~((The
23 secretary shall be the chief executive officer of the commission and be
24 responsible to it, and shall be guided by policies established by it.))~~
25 The secretary shall serve ~~((until removed by the commission, but only
26 for incapacity, incompetence, neglect of duty, malfeasance in office,
27 or failure to carry out the commission's policies. Before a motion for
28 dismissal shall be acted on by the commission, the secretary shall be
29 granted a hearing on formal written charges before the full commission.
30 An action by the commission to remove the secretary shall be final))~~ at
31 the pleasure of the governor.

32 **Sec. 3.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read
33 as follows:

34 The transportation commission shall have the following functions,
35 powers, and duties:

1 (1) To propose policies to be adopted by the legislature designed
2 to assure the development and maintenance of a comprehensive and
3 balanced statewide transportation system which will meet the needs of
4 the people of this state for safe and efficient transportation
5 services. Wherever appropriate the policies shall provide for the use
6 of integrated, intermodal transportation systems to implement the
7 social, economic, and environmental policies, goals, and objectives of
8 the people of the state, and especially to conserve nonrenewable
9 natural resources including land and energy. To this end the
10 commission shall:

11 (a) Develop transportation policies which are based on the
12 policies, goals, and objectives expressed and inherent in existing
13 state laws;

14 (b) Inventory the adopted policies, goals, and objectives of the
15 local and area-wide governmental bodies of the state and define the
16 role of the state, regional, and local governments in determining
17 transportation policies, in transportation planning, and in
18 implementing the state transportation plan;

19 (c) Propose a transportation policy for the state(~~(, and after~~
20 ~~notice and public hearings, submit the proposal to the legislative~~
21 ~~transportation committee and the senate and house transportation~~
22 ~~committees by January 1, 1978, for consideration in the next~~
23 ~~legislative session))~~);

24 (d) Establish a procedure for review and revision of the state
25 transportation policy and for submission of proposed changes to the
26 legislature;

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

30 (2) To establish the policy of the department to be followed by the
31 secretary on each of the following items:

32 (a) To provide for the effective coordination of state
33 transportation planning with national transportation policy, state and
34 local land use policies, and local and regional transportation plans
35 and programs;

36 (b) To provide for public involvement in transportation designed to
37 elicit the public's views both with respect to adequate transportation

1 services and appropriate means of minimizing adverse social, economic,
2 environmental, and energy impact of transportation programs;

3 (c) To provide for the administration of grants in aid and other
4 financial assistance to counties and municipal corporations for
5 transportation purposes;

6 (d) To provide for the management, sale, and lease of property or
7 property rights owned by the department which are not required for
8 transportation purposes;

9 (3) To direct the secretary to prepare and submit to the commission
10 a comprehensive and balanced statewide transportation plan which shall
11 be based on the transportation policy adopted by the legislature and
12 applicable state and federal laws. (~~After public notice and hearings,~~
13 ~~the commission shall adopt the plan and submit it to the legislative~~
14 ~~transportation committee and to the house and senate standing~~
15 ~~committees on transportation before January 1, 1980, for consideration~~
16 ~~in the 1980 regular legislative session.)) The plan shall be reviewed
17 and revised prior to each regular session of the legislature during an
18 even-numbered year thereafter. (~~A preliminary plan shall be submitted~~
19 ~~to such committees by January 1, 1979.))~~~~

20 The plan shall take into account federal law and regulations
21 relating to the planning, construction, and operation of transportation
22 facilities;

23 (4) To propose to the governor and the legislature prior to the
24 convening of each regular session held in an odd-numbered year a
25 recommended budget for the operations of the commission as required by
26 RCW 47.01.061;

27 (5) (~~To approve and propose to the governor and to the legislature~~
28 ~~prior to the convening of each regular session during an odd-numbered~~
29 ~~year a recommended budget for the operation of the department and for~~
30 ~~carrying out the program of the department for the ensuing biennium.~~
31 ~~The proposed budget shall separately state the appropriations to be~~
32 ~~made from the motor vehicle fund for highway purposes in accordance~~
33 ~~with constitutional limitations and appropriations and expenditures to~~
34 ~~be made from the general fund, or accounts thereof, and other available~~
35 ~~sources for other operations and programs of the department;~~

36 (6) ~~To review and authorize all departmental requests for~~
37 ~~legislation;~~

1 ~~(7)~~) To approve the issuance and sale of all bonds authorized by
2 the legislature for capital construction of state highways, toll
3 facilities, Columbia Basin county roads (for which reimbursement to the
4 motor vehicle fund has been provided), urban arterial projects, and
5 aviation facilities;

6 ~~((8))~~ (6) To adopt such rules, regulations, and policy directives
7 as may be necessary to carry out reasonably and properly those
8 functions expressly vested in the commission by statute;

9 ~~((9))~~ (7) To delegate any of its powers to the secretary of
10 transportation whenever it deems it desirable for the efficient
11 administration of the department and consistent with the purposes of
12 this title;

13 ~~((10))~~ (8) To contract with the office of financial management or
14 other appropriate state agencies for administrative support, accounting
15 services, computer services, and other support services necessary to
16 carry out its other statutory duties;

17 (9) To exercise such other specific powers and duties as may be
18 vested in the transportation commission by this or any other provision
19 of law.

20 **Sec. 4.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are
21 each reenacted and amended to read as follows:

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

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

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

28 (3) To designate and establish such transportation district or
29 branch offices as may be necessary or convenient, and to appoint
30 assistants and delegate any powers, duties, and functions to them or
31 any officer or employee of the department as deemed necessary to
32 administer the department efficiently;

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

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

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

6 (7) To provide full staff support to the commission to assist it in
7 carrying out its functions, powers, and duties and to execute the
8 policy established by the commission pursuant to its legislative
9 authority;

10 (8) To execute and implement the biennial operating budget for the
11 operation of the department in accordance with chapter 43.88 RCW and
12 with legislative appropriation and, in such manner as prescribed
13 therein, to make and report to the commission and the chairs of the
14 transportation committees of the senate and house of representatives,
15 including one copy to the staff of each of the committees, deviations
16 from the planned biennial category A and H highway construction
17 programs necessary to adjust to unexpected delays or other
18 unanticipated circumstances((-));

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

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

23 **Transportation Policy Institute**

24 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.01 RCW
25 to read as follows:

26 (1) The transportation policy institute is established within the
27 transportation commission. The institute shall conduct research,
28 prepare studies, and periodically submit recommendations to the
29 legislature regarding transportation policy issues of statewide
30 significance.

31 (2) The institute is governed by a board of directors composed of
32 (a) the chairs and ranking minority members of the transportation
33 committees of the legislature, (b) the chair and vicechair of the
34 transportation commission, and (c) the secretary of transportation.
35 The executive director of the Washington state transportation center
36 shall serve on the board as an ex officio nonvoting member. The board

1 of directors shall establish the research priorities of the institute.
2 The board shall meet periodically and may schedule regular meetings
3 during the legislative interim. To the extent funds are appropriated,
4 the transportation commission shall provide staff support to the
5 institute, and the transportation commission administrator shall also
6 serve as administrator for the institute.

7 (3) The institute may establish working groups to conduct specific
8 research in order to report back to the institute regarding
9 recommendations as appropriate. The institute may appoint to a working
10 group any member of the transportation committees of the legislature,
11 who shall receive allowances while attending meetings of the working
12 group as provided in RCW 44.04.120.

13 (4) Legislative members of the institute shall receive allowances
14 while attending meetings of the institute, including working group
15 meetings, and while engaged in other authorized business of the
16 institute, as provided in RCW 44.04.120. Nonlegislative members of the
17 institute shall receive allowances as provided in RCW 43.03.050 and
18 43.03.060.

19 **Transportation Performance Audit Board**

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

22 The definitions in this section apply throughout this chapter.

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

25 ~~(2) ("Joint legislative audit and review committee" means the~~
26 ~~agency created in chapter 44.28 RCW, or its statutory successor.~~

27 ~~(3) "Legislative auditor" has the meaning contained in chapter~~
28 ~~44.28 RCW.~~

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

31 ~~(5))~~ "Performance audit" has the meaning contained in chapter
32 44.28 RCW.

33 ~~((6))~~ (3) "Performance review" means an outside evaluation of how
34 a state agency uses its performance measures to assess the outcomes of
35 its legislatively authorized activities.

1 ((+7)) (4) "Program audit" has the meaning contained in chapter
2 44.28 RCW.

3 ((+8)) (5) "Transportation performance audit board" or "board"
4 means the board created in RCW 44.75.030.

5 ((+9)) (6) "Transportation-related agencies" or "agency" means any
6 state or local agency, board, or commission that receives or generates
7 funding primarily for transportation-related purposes. At a minimum,
8 the department of transportation, the Washington state patrol, the
9 department of licensing, the transportation improvement board or its
10 successor entity, the county road administration board or its successor
11 entity, and the traffic safety commission are considered
12 transportation-related agencies.

13 **Sec. 7.** RCW 44.75.030 and 2003 c 362 s 3 are each amended to read
14 as follows:

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

16 (2) The board will consist of four legislative members, five
17 citizen members with transportation-related expertise, one ex officio
18 nonvoting member, and one at large member. The ~~((legislative auditor))~~
19 transportation commission administrator is the ex officio nonvoting
20 member. The majority and minority leaders of the house and senate
21 transportation committees are the legislative members. The governor
22 shall appoint the at large member to serve for a term of four years.
23 The citizen members must be nominated by professional associations
24 chosen by the board's legislative members and appointed by the governor
25 for terms of four years, except that at least half the initial
26 appointments will be for terms of two years. The citizen members may
27 not be currently, or within one year, employed by the Washington state
28 department of transportation. The citizen members will consist of:

29 (a) One member with expertise in construction project planning,
30 including permitting and assuring regulatory compliance;

31 (b) One member with expertise in construction means and methods and
32 construction management, crafting and implementing environmental
33 mitigation plans, and administration;

34 (c) One member with expertise in construction engineering services,
35 including construction management, materials testing, materials
36 documentation, contractor payments, inspection, surveying, and project
37 oversight;

1 (d) One member with expertise in project management, including
2 design estimating, contract packaging, and procurement; and

3 (e) One member with expertise in transportation planning and
4 congestion management.

5 (3) The governor may not remove members from the board before the
6 expiration of their terms unless for cause based upon a determination
7 of incapacity, incompetence, neglect of duty, of malfeasance in office
8 by the Thurston county superior court, upon petition and show cause
9 proceedings brought for that purpose in that court and directed to the
10 board member in question.

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

13 **Sec. 8.** RCW 44.75.040 and 2003 c 362 s 4 are each amended to read
14 as follows:

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

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

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

33 (4) Staff support to the transportation performance audit board
34 must be provided by the ((legislative)) transportation ((committee))
35 commission, which shall provide professional support for the duties,
36 functions, responsibilities, and activities of the board, including but
37 not limited to information technology systems; data collection,

1 processing, analysis, and reporting; project management; and office
2 space, equipment, and secretarial support. The legislative evaluation
3 and accountability program will provide data and information technology
4 support consistent with the support currently supplied to existing
5 legislative committees.

6 **Sec. 9.** RCW 44.75.050 and 2003 c 362 s 5 are each amended to read
7 as follows:

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

18 (2) In conducting these reviews, the transportation performance
19 audit board may work in consultation with the (~~legislative~~
20 ~~transportation committee, the~~) joint legislative audit and review
21 committee, the office of financial management, and other state
22 agencies.

23 **Sec. 10.** RCW 44.75.080 and 2003 c 362 s 8 are each amended to read
24 as follows:

25 After reviewing the performance or outcome measures and benchmarks
26 of an agency or department, or at any time it so determines, the
27 transportation performance audit board shall recommend to the
28 (~~executive committee of the legislative~~) transportation (~~committee~~)
29 commission whether a full performance or functional audit of the agency
30 or department, or a specific program within the agency or department,
31 is appropriate. Upon the request of the (~~legislative~~) transportation
32 (~~committee or its executive committee~~) performance audit board, the
33 (~~joint legislative audit and review committee~~) transportation
34 commission shall add the full performance or functional audit to its
35 biennial performance audit work plan. If the request duplicates or
36 overlaps audits already in the work plan, or was performed under the

1 previous biennial work plan, the ~~((executive committees of the~~
2 ~~legislative))~~ transportation ~~((committee))~~ performance audit board and
3 the ~~((joint legislative audit and review committee))~~ transportation
4 commission shall meet to discuss and resolve the duplication or
5 overlap.

6 **Sec. 11.** RCW 44.75.090 and 2003 c 362 s 9 are each amended to read
7 as follows:

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

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

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

28 **Sec. 12.** RCW 44.75.100 and 2003 c 362 s 10 are each amended to
29 read as follows:

30 Completed performance audits must be presented to the
31 transportation performance audit board ~~((and the legislative~~
32 ~~transportation committee))~~. Published performance audits must be made
33 available to the public through the ~~((legislative transportation~~
34 ~~committee and the joint legislative audit and review committee's))~~
35 transportation commission's web site and through customary public

1 communications. Final reports must also be transmitted to the
2 appropriate policy and fiscal standing committees of the legislature.

3 **Sec. 13.** RCW 44.75.110 and 2003 c 362 s 11 are each amended to
4 read as follows:

5 The (~~legislative auditor~~) transportation commission administrator
6 shall determine in writing the scope of any performance audit requested
7 by the (~~legislative transportation committee or its executive~~
8 ~~committee~~) transportation performance audit board, subject to the
9 review and approval of the final scope of the audit by the
10 transportation performance audit board(~~, and the legislative~~
11 ~~transportation committee or its executive committee~~). In doing so,
12 the (~~legislative auditor,~~) transportation commission administrator
13 and the transportation performance audit board(~~, and the legislative~~
14 ~~transportation committee or its executive committee~~) shall consider
15 inclusion of the following elements in the scope of the audit:

- 16 (1) Identification of potential cost savings in the agency, its
17 programs, and its services;
- 18 (2) Identification and recognition of best practices;
- 19 (3) Identification of funding to the agency, to programs, and to
20 services that can be eliminated or reduced;
- 21 (4) Identification of programs and services that can be eliminated,
22 reduced, or transferred to the private sector;
- 23 (5) Analysis of gaps and overlaps in programs and services and
24 recommendations for improving, dropping, blending, or separating
25 functions to correct gaps or overlaps;
- 26 (6) Analysis and recommendations for pooling information technology
27 systems;
- 28 (7) Analysis of the roles and functions of the agency, its
29 programs, and its services and their compliance with statutory
30 authority and recommendations for eliminating or changing those roles
31 and functions and ensuring compliance with statutory authority;
- 32 (8) Recommendations for eliminating or changing statutes, rules,
33 and policy directives as may be necessary to ensure that the agency
34 carry out reasonably and properly those functions expressly vested in
35 the department by statute; and
- 36 (9) Verification of the reliability and validity of department

1 performance data, self-assessments, and performance measurement systems
2 as required under RCW 43.88.090.

3 **Sec. 14.** RCW 44.75.120 and 2003 c 362 s 12 are each amended to
4 read as follows:

5 When conducting a full performance audit of an agency or
6 department, or a specific program within an agency or department, or
7 multiple agencies, in accordance with RCW 44.75.110, the (~~legislative~~
8 ~~auditor~~) transportation commission administrator shall solicit input
9 from appropriate industry representatives or experts. The audit report
10 must make recommendations regarding the continuation, abolition,
11 consolidation, or reorganization of each affected agency, department,
12 or program. The audit report must identify opportunities to develop
13 government partnerships, and eliminate program redundancies that will
14 result in increased quality, effectiveness, and efficiency of state
15 agencies.

16 **Transfer**

17 NEW SECTION. **Sec. 15.** (1)(a) All reports, documents, surveys,
18 books, records, files, papers, or written material in the possession of
19 the legislative transportation committee shall be delivered to the
20 custody of the transportation commission for the exclusive support of
21 the transportation policy institute. All cabinets, furniture, office
22 equipment, motor vehicles, and other tangible property employed by the
23 legislative transportation committee shall be made available to the
24 transportation commission for the exclusive support of the
25 transportation policy institute. All funds, credits, or other assets
26 held by the legislative transportation committee shall be assigned to
27 the transportation commission for the exclusive support of the
28 transportation policy institute.

29 (b) Any appropriations made to the legislative transportation
30 committee shall, on the effective date of this section, be transferred
31 and credited to the transportation commission for the exclusive support
32 of the transportation policy institute.

33 (c) If any question arises as to the transfer of any personnel,
34 funds, books, documents, records, papers, files, equipment, or other
35 tangible property used or held in the exercise of the powers and the

1 performance of the duties and functions transferred, the director of
2 financial management shall make a determination as to the proper
3 allocation and certify the same to the state agencies concerned.

4 (2) All employees of the legislative transportation committee are
5 transferred to the jurisdiction of the transportation commission for
6 the exclusive support of the transportation policy institute. All
7 employees classified under chapter 41.06 RCW, the state civil service
8 law, are assigned to the transportation commission to perform their
9 usual duties upon the same terms as formerly, without any loss of
10 rights, subject to any action that may be appropriate thereafter in
11 accordance with the laws and rules governing state civil service.

12 (3) All rules and all pending business before the legislative
13 transportation committee shall be continued and acted upon by the
14 transportation commission. All existing contracts and obligations
15 shall remain in full force and shall be performed by the transportation
16 commission.

17 (4) The transfer of the powers, duties, functions, and personnel of
18 the legislative transportation committee shall not affect the validity
19 of any act performed before the effective date of this section.

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

26 (6) Nothing contained in this section may be construed to alter any
27 existing collective bargaining unit or the provisions of any existing
28 collective bargaining agreement until the agreement has expired or
29 until the bargaining unit has been modified by action of the personnel
30 resources board as provided by law.

31 **References to LTC**

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

34 The department of transportation shall develop an annual report
35 summarizing the status of public transportation systems in the state.
36 By September 1st of each year, copies of the report shall be submitted

1 to the (~~legislative transportation committee~~) transportation
2 performance audit board and to each municipality, as defined in RCW
3 35.58.272, and to individual members of the municipality's legislative
4 authority. (~~The department shall prepare and submit a preliminary~~
5 ~~report by December 1, 1989.~~)

6 To assist the department with preparation of the report, each
7 municipality shall file a system report by April 1st of each year with
8 the state department of transportation identifying its public
9 transportation services for the previous calendar year and its
10 objectives for improving the efficiency and effectiveness of those
11 services. The system report shall address those items required for
12 each public transportation system in the department's report.

13 The department report shall describe individual public
14 transportation systems, including contracted transportation services
15 and dial-a-ride services, and include a statewide summary of public
16 transportation issues and data. The descriptions shall include the
17 following elements and such other elements as the department deems
18 appropriate after consultation with the municipalities and the
19 (~~legislative transportation committee~~) transportation performance
20 audit board:

- 21 (1) Equipment and facilities, including vehicle replacement
22 standards;
- 23 (2) Services and service standards;
- 24 (3) Revenues, expenses, and ending balances, by fund source;
- 25 (4) Policy issues and system improvement objectives, including
26 community participation in development of those objectives and how
27 those objectives address statewide transportation priorities;
- 28 (5) Operating indicators applied to public transportation services,
29 revenues, and expenses. Operating indicators shall include operating
30 cost per passenger trip, operating cost per revenue vehicle service
31 hour, passenger trips per revenue service hour, passenger trips per
32 vehicle service mile, vehicle service hours per employee, and farebox
33 revenue as a percent of operating costs.

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

36 The county road administration board shall:

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

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

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

9 (4) Advise counties on issues relating to county roads and the safe
10 and efficient movement of people and goods over county roads and assist
11 counties in developing uniform and efficient transportation-related
12 information technology resources;

13 (5) Report annually before the fifteenth day of January, and
14 throughout the year as appropriate, to the state department of
15 transportation and to the chairs of the (~~legislative transportation~~
16 ~~committee and the~~) house and senate transportation committees, and to
17 other entities as appropriate on the status of county road
18 administration in each county, including one copy to the staff of each
19 of the committees. The annual report shall contain recommendations for
20 improving administration of the county road programs;

21 (6) Administer the rural arterial program established by chapter
22 36.79 RCW and the program funded by the county arterial preservation
23 account established by RCW 46.68.090, as well as any other programs
24 provided for in law.

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

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

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

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

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

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

11 (ii) Is hired through the established process for the position with
12 the approval of: A school board for a school district; the chief
13 executive officer of a state agency employer; the secretary of the
14 senate for the senate; the chief clerk of the house of representatives
15 for the house of representatives; the secretary of the senate and the
16 chief clerk of the house of representatives jointly for the joint
17 legislative audit and review committee, (~~the legislative~~
18 ~~transportation committee,~~) the joint committee on pension policy, the
19 legislative evaluation and accountability program, the legislative
20 systems committee, and the statute law committee; or according to rules
21 adopted for the rehiring of retired plan 1 members for a local
22 government employer;

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

26 (iv) The employee has not already rendered a cumulative total of
27 more than one thousand nine hundred hours of service while in receipt
28 of pension payments beyond an annual threshold of eight hundred sixty-
29 seven hours;

30 shall cease to receive pension payments while engaged in that service
31 after the retiree has rendered service for more than one thousand five
32 hundred hours in a calendar year. The one thousand nine hundred hour
33 cumulative total under this subsection applies prospectively to those
34 retiring after July 27, 2003, and retroactively to those who retired
35 prior to July 27, 2003, and shall be calculated from the date of
36 retirement.

37 (c) When a plan 1 member renders service beyond eight hundred

1 sixty-seven hours, the department shall collect from the employer the
2 applicable employer retirement contributions for the entire duration of
3 the member's employment during that calendar year.

4 (d) A retiree from plan 2 or plan 3 who has satisfied the break in
5 employment requirement of subsection (1) of this section may work up to
6 eight hundred sixty-seven hours in a calendar year in an eligible
7 position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or
8 41.40.010, or as a fire fighter or law enforcement officer, as defined
9 in RCW 41.26.030, without suspension of his or her benefit.

10 (3) If the retiree opts to reestablish membership under RCW
11 41.40.023(12), he or she terminates his or her retirement status and
12 becomes a member. Retirement benefits shall not accrue during the
13 period of membership and the individual shall make contributions and
14 receive membership credit. Such a member shall have the right to again
15 retire if eligible in accordance with RCW 41.40.180. However, if the
16 right to retire is exercised to become effective before the member has
17 rendered two uninterrupted years of service, the retirement formula and
18 survivor options the member had at the time of the member's previous
19 retirement shall be reinstated.

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

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

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

29 The attorney general shall prepare annually a report to the
30 (~~legislative transportation committee~~) transportation performance
31 audit board comprising a comprehensive summary of all cases involving
32 tort claims against the department of transportation involving highways
33 which were concluded and closed in the previous calendar year. The
34 report shall include for each case closed:

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

36 (2) Identification of the attorneys representing the state and the
37 opposing parties;

1 (3) A synopsis of the legal theories asserted and the defenses
2 presented;

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

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

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

12 **Sec. 105.** RCW 43.59.150 and 1999 c 372 s 9 and 1999 c 351 s 1 are
13 each reenacted to read as follows:

14 (1) The Washington state traffic safety commission shall establish
15 a program for improving bicycle and pedestrian safety, and shall
16 cooperate with the stakeholders and independent representatives to form
17 an advisory committee to develop programs and create public private
18 partnerships which promote bicycle and pedestrian safety.

19 (2) The bicycle and pedestrian safety account is created in the
20 state treasury to support bicycle and pedestrian education or safety
21 programs.

22 **Sec. 106.** RCW 43.79.270 and 1998 c 177 s 1 are each amended to
23 read as follows:

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

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

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

24 **Sec. 107.** RCW 43.79.280 and 1998 c 177 s 2 are each amended to
25 read as follows:

26 (1) If the governor approves such estimate in whole or part, he
27 shall endorse on each copy of the statement his approval, together with
28 a statement of the amount approved in the form of an allotment
29 amendment, and transmit one copy to the head of the department, agency,
30 board, or commission authorizing the expenditure. An identical copy of
31 the governor's statement of approval and a statement of the amount
32 approved for expenditure shall be transmitted simultaneously to the
33 joint legislative audit and review committee and also to the standing
34 committee on ways and means of the house and senate of all executive
35 approvals of proposals to expend money in excess of appropriations
36 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. 108.** 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. 109.** 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 the
15 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, 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. 110.** 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. 111.** 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, the chairs and ranking minority members
9 of the appropriations committees of the senate and the house of
10 representatives, and, during the legislative session, to the chairs and
11 ranking minority members of the transportation committees of the senate
12 and the house of representatives. ~~((During the legislative interim,
13 the approved plan must be submitted to the legislative transportation
14 committee, instead of the standing transportation committees.))~~

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

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

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

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

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

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

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

36 Copies of the report shall be distributed biennially to the
37 governor, the chairs and ranking minority members of the appropriations
38 committees of the senate and the house of representatives, and, during

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

6 **Sec. 112.** RCW 43.105.190 and 1999 c 80 s 12 are each amended to
7 read as follows:

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

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

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

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

34 (2) The office of financial management shall establish policies and
35 standards consistent with portfolio-based information technology
36 management to govern the funding of projects developed under this
37 section. The policies and standards shall provide for:

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

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

11 (c) Other elements deemed necessary by the office of financial
12 management.

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

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

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

29 **Sec. 113.** RCW 44.04.260 and 2003 c 295 s 12 are each amended to
30 read as follows:

31 The joint legislative audit and review committee, (~~the legislative~~
32 ~~transportation committee,~~) the select committee on pension policy, the
33 legislative evaluation and accountability program committee, and the
34 joint legislative systems committee are subject to such operational
35 policies, procedures, and oversight as are deemed necessary by the
36 facilities and operations committee of the senate and the executive
37 rules committee of the house of representatives to ensure operational

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

10 **Sec. 114.** RCW 44.28.088 and 2003 c 362 s 14 are each amended to
11 read as follows:

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

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

1 speaker of the house, the majority leaders of the senate and the house
2 of representatives, the minority leaders of the senate and the house of
3 representatives, the caucus chairs of both major political parties of
4 the senate and the house of representatives, and the floor leaders of
5 both major political parties of the senate and the house of
6 representatives.

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

26 **Sec. 115.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
27 read as follows:

28 ~~((In addition to the powers and duties authorized in RCW 44.40.020,
29 the committee and))~~ The standing committees on transportation of the
30 house and senate shall, in coordination with the joint legislative
31 audit and review committee, the legislative evaluation and
32 accountability program committee, and the ways and means committees of
33 the senate and house of representatives, ascertain, study, ~~((and/or))~~
34 and analyze all available facts and matters relating or pertaining to
35 sources of revenue, appropriations, expenditures, and financial
36 condition of the motor vehicle fund and accounts thereof, the highway

1 safety fund, and all other funds or accounts related to transportation
2 programs of the state.

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

9 **Sec. 116.** RCW 44.40.070 and 1998 c 245 s 87 are each amended to
10 read as follows:

11 ~~((Prior to))~~ Before October 1st of each even-numbered year all
12 state agencies whose major programs consist of transportation
13 activities, including the department of transportation, the
14 transportation improvement board, the Washington state patrol, the
15 department of licensing, the traffic safety commission, the county road
16 administration board, and the board of pilotage commissioners, shall
17 adopt or revise, after consultation with the ~~((legislative))~~ senate and
18 house transportation committees, a comprehensive six-year program and
19 financial plan for all transportation activities under each agency's
20 jurisdiction.

21 The comprehensive six-year program and financial plan shall state
22 the general objectives and needs of each agency's major transportation
23 programs, including workload and performance estimates.

24 **Sec. 117.** RCW 44.40.100 and 2001 c 259 s 9 are each amended to
25 read as follows:

26 Subject to RCW 44.04.260, ~~((the legislative transportation
27 committee and))~~ the senate and house transportation committees may
28 enter into contracts on behalf of the state to carry out the purposes
29 of this chapter; and ~~((it or))~~ they may act for the state in the
30 initiation of or participation in any multigovernmental program
31 relative to transportation planning or programming; and ~~((it or))~~ they
32 may enter into contracts to receive federal or other funds, grants, or
33 gifts to carry out said purposes and to be used in preference to or in
34 combination with state funds. When federal or other funds are
35 received, they shall be deposited with the state treasurer and

1 thereafter expended only upon approval by the ((committee or))
2 committees.

3 **Sec. 118.** RCW 46.01.320 and 1996 c 315 s 2 are each amended to
4 read as follows:

5 The title and registration advisory committee is created within the
6 department. The committee consists of the director or a designee, who
7 shall serve as chair, the assistant director for vehicle services, the
8 administrator of title and registration services, two members from each
9 of the house and senate transportation committees, two county auditors
10 nominated by the Washington association of county officials, and two
11 representatives of subagents nominated by an association of vehicle
12 subagents. The committee shall meet at least twice a year, and may
13 meet as often as is necessary.

14 The committee's purpose is to foster communication between the
15 legislature, the department, county auditors, and subagents. The
16 committee shall make recommendations when requested by either the
17 ((legislative)) senate or house transportation committee, or on its own
18 initiative, about revisions to fee structures, implications of fee
19 revisions on cost sharing, and the development of standard contracts
20 provided for in RCW 46.01.140(3).

21 **Sec. 119.** RCW 46.01.325 and 1996 c 315 s 3 are each amended to
22 read as follows:

23 (1) The director shall prepare, with the advice of the title and
24 registration advisory committee, an annual comprehensive analysis and
25 evaluation of agent and subagent fees. The director shall make
26 recommendations for agent and subagent fee revisions approved by the
27 title and registration advisory committee to the ((legislative)) senate
28 and house transportation committees by January 1st of every third year
29 starting with 1996. Fee revision recommendations may be made more
30 frequently when justified by the annual analysis and evaluation, and
31 requested by the title and registration advisory committee.

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

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

1 (b) Current funding for ongoing operating and maintenance
2 automation project costs affecting revenue collection and service
3 delivery;

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

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

8 (e) Appropriate indices projecting state and national growth in
9 business and economic conditions prepared by the United States
10 department of commerce, the department of revenue, and the revenue
11 forecast council for the state of Washington.

12 **Sec. 120.** RCW 46.16.705 and 2003 c 196 s 101 are each amended to
13 read as follows:

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

15 (2) The board will consist of seven members: One member appointed
16 by the governor and who will serve as chair of the board; four members
17 of the legislature, one from each caucus of the house of
18 representatives and the senate; a department of licensing
19 representative appointed by the director; and a Washington state patrol
20 representative appointed by the chief.

21 (3) Members shall serve terms of four years, except that four of
22 the members initially appointed will be appointed for terms of two
23 years. No member may be appointed for more than three consecutive
24 terms.

25 (4) The (~~legislative transportation committee~~) respective
26 appointing authority may remove members from the board before the
27 expiration of their terms only for cause based upon a determination of
28 incapacity, incompetence, neglect of duty, or malfeasance in office as
29 ordered by the Thurston county superior court, upon petition and show
30 cause proceedings brought for that purpose in that court and directed
31 to the board member in question.

32 **Sec. 121.** RCW 46.16.715 and 2003 c 196 s 102 are each amended to
33 read as follows:

34 (1) The board shall meet periodically at the call of the chair, but
35 must meet at least one time each year within ninety days before an
36 upcoming regular session of the legislature. The board may adopt its

1 own rules and may establish its own procedures. It shall act
2 collectively in harmony with recorded resolutions or motions adopted by
3 a majority vote of the members, and it must have a quorum present to
4 take a vote on a special license plate application.

5 (2) The board will be compensated from the general appropriation
6 for the (~~legislative transportation committee~~) senate and house
7 committees on transportation in accordance with RCW 43.03.250. Each
8 board member will be compensated in accordance with RCW 43.03.250 and
9 reimbursed for actual necessary traveling and other expenses in going
10 to, attending, and returning from meetings of the board or that are
11 incurred in the discharge of duties requested by the chair. However,
12 in no event may a board member be compensated in any year for more than
13 one hundred twenty days, except the chair may be compensated for not
14 more than one hundred fifty days. Service on the board does not
15 qualify as a service credit for the purposes of a public retirement
16 system.

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

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

21 (a) Provide general staffing to meet the administrative needs of
22 the board;

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

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

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

33 (5) The (~~legislative~~) chairs of the senate and house
34 transportation committees shall provide general oversight of the board,
35 which must include at least the following:

36 (a) Process and approve board member compensation requests;

37 (b) Review the annual financial reports submitted to the board by
38 sponsoring organizations;

1 (c) Review annually the list of the board's approved and rejected
2 special license plate proposals submitted by sponsoring organizations.

3 **Sec. 122.** RCW 46.16.725 and 2003 c 196 s 103 are each amended to
4 read as follows:

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

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

10 (3) Duties of the board include but are not limited to the
11 following:

12 (a) Review and approve the annual financial reports submitted by
13 sponsoring organizations with active special license plate series and
14 present those annual financial reports to the ((legislative)) senate
15 and house transportation committees;

16 (b) Report annually to the ((legislative)) senate and house
17 transportation committees on the special license plate applications
18 that were considered by the board;

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

24 (d) Review annually the number of plates sold for each special
25 license plate series created after January 1, 2003. The board may
26 submit a recommendation to discontinue a special plate series to the
27 chairs of the senate and house of representatives transportation
28 committees.

29 **Sec. 123.** RCW 46.23.040 and 1982 c 212 s 4 are each amended to
30 read as follows:

31 Before any agreement made pursuant to RCW 46.23.010 or 46.23.020
32 may be formally executed and become effective, it shall first be
33 submitted for review by the ((legislative)) senate and house
34 transportation committees.

1 **Sec. 124.** RCW 46.73.010 and 1985 c 333 s 1 are each amended to
2 read as follows:

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

11 **Sec. 125.** RCW 47.01.145 and 1984 c 7 s 76 are each amended to read
12 as follows:

13 Whenever a study report prepared by the department for the
14 (~~legislative~~) senate and house transportation committees is made
15 available to the committees or (~~its~~) their members, the report shall,
16 upon request, be made available to any member of the Washington state
17 legislature.

18 **Sec. 126.** RCW 47.01.280 and 1999 c 94 s 10 are each amended to
19 read as follows:

20 (1) Upon receiving an application for improvements to an existing
21 state highway or highways pursuant to RCW 43.160.074 from the community
22 economic revitalization board, the transportation commission shall, in
23 a timely manner, determine whether or not the proposed state highway
24 improvements:

25 (a) Meet the safety and design criteria of the department of
26 transportation;

27 (b) Will impair the operational integrity of the existing highway
28 system;

29 (c) Will affect any other improvements planned by the department;
30 and

31 (d) Will be consistent with its policies developed pursuant to RCW
32 47.01.071.

33 (2) Upon completion of its determination of the factors contained
34 in subsection (1) of this section and any other factors it deems
35 pertinent, the transportation commission shall forward its approval, as
36 submitted or amended or disapproval of the proposed improvements to the

1 board, along with any recommendation it may wish to make concerning the
2 desirability and feasibility of the proposed development. If the
3 transportation commission disapproves any proposed improvements, it
4 shall specify its reasons for disapproval.

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

9 (4) The transportation commission shall notify the ((legislative))
10 senate and house transportation committees of all state highway
11 improvements to be carried out pursuant to RCW 43.160.074 and this
12 section.

13 **Sec. 127.** RCW 47.04.210 and 2001 2nd sp.s. c 14 s 601 are each
14 amended to read as follows:

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

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

1 distributed to the motor vehicle fund and the multimodal transportation
2 account.

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

8 **Sec. 128.** RCW 47.04.220 and 2001 2nd sp.s. c 14 s 602 are each
9 amended to read as follows:

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

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

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

15 (b) Local transportation projects for which the department is a
16 conduit for federal reimbursement to a municipal corporation or
17 political subdivision; or

18 (c) Other reimbursable activities as recommended by the
19 ((legislative)) senate and house transportation committees and approved
20 by the office of financial management.

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

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

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

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

1 department shall transfer the reimbursements received in the
2 miscellaneous transportation programs account back to the motor vehicle
3 fund and the multimodal transportation account to the extent of the
4 cash transferred at biennium end. The department shall also distribute
5 any interest charges accruing to the miscellaneous transportation
6 programs account to the motor vehicle fund and the multimodal
7 transportation account. Adjustments for any indirect cost recoveries
8 may also be made at this time.

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

15 **Sec. 129.** RCW 47.06.110 and 1996 c 186 s 512 are each amended to
16 read as follows:

17 The state-interest component of the statewide multimodal
18 transportation plan shall include a state public transportation plan
19 that:

20 (1) Articulates the state vision of an interest in public
21 transportation and provides quantifiable objectives, including benefits
22 indicators;

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

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

27 (4) Recommends mechanisms for coordinating public transportation
28 with other transportation services and modes;

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

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

35 In developing the state public transportation plan, the department
36 shall involve local jurisdictions, public and private providers of
37 transportation services, nonmotorized interests, and state agencies

1 with an interest in public transportation, including but not limited to
2 the departments of community, trade, and economic development, social
3 and health services, and ecology, the office of the superintendent of
4 public instruction, the office of the governor, and the office of
5 financial management.

6 The department shall submit ~~((an initial report))~~ to the
7 ~~((legislative))~~ senate and house transportation committees by December
8 ~~((1, 1993, and shall provide annual))~~ 1st of each year, reports
9 summarizing the plan's progress ~~((each year thereafter))~~.

10 **Sec. 130.** RCW 47.06A.020 and 1999 c 216 s 1 are each amended to
11 read as follows:

12 (1) The board shall:

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

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

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

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

35 (2) The board may:

36 (a) Accept from any state or federal agency, loans or grants for

1 the financing of any transportation project and enter into agreements
2 with any such agency concerning the loans or grants;

3 (b) Provide technical assistance to project applicants;

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

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

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

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

16 (4) (~~From June 11, 1998, through the biennium ending June 30,~~
17 ~~2001, the board shall utilize threshold project eligibility criteria~~
18 ~~that, at a minimum, includes the following:~~

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

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

21 ~~(i) It is primarily aimed at reducing identified barriers to~~
22 ~~freight movement with only incidental benefits to general or personal~~
23 ~~mobility; or~~

24 ~~(ii) It is primarily aimed at increasing capacity for the movement~~
25 ~~of freight with only incidental benefits to general or personal~~
26 ~~mobility; or~~

27 ~~(iii) It is primarily aimed at mitigating the impact on communities~~
28 ~~of increasing freight movement, including roadway/railway conflicts;~~
29 ~~and~~

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

32 (5)) From June 11, 1998, through the biennium ending June 30,
33 2001, the board shall use the multicriteria analysis and scoring
34 framework for evaluating and ranking eligible freight mobility and
35 freight mitigation projects developed by the freight mobility project
36 prioritization committee and contained in the January 16, 1998, report
37 entitled "Project Eligibility, Priority and Selection Process for a
38 Strategic Freight Investment Program." The prioritization process

1 shall measure the degree to which projects address important program
2 objectives and shall generate a project score that reflects a project's
3 priority compared to other projects. The board shall assign scoring
4 points to each criterion that indicate the relative importance of the
5 criterion in the overall determination of project priority. After June
6 30, 2001, the board may supplement and refine the initial project
7 priority criteria and scoring framework developed by the freight
8 mobility project prioritization committee as expertise and experience
9 is gained in administering the freight mobility program.

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

21 ((+7)) (6) The board shall develop and recommend policies that
22 address operational improvements that primarily benefit and enhance
23 freight movement, including, but not limited to, policies that reduce
24 congestion in truck lanes at border crossings and weigh stations and
25 provide for access to ports during nonpeak hours.

26 **Sec. 131.** RCW 47.12.360 and 1997 c 140 s 5 are each amended to
27 read as follows:

28 By January 1st of each odd-numbered year, the department shall
29 report to the ((legislative)) senate and house transportation
30 committees and the office of financial management:

- 31 (1) Which properties were purchased and why;
- 32 (2) Expenditures for the acquired parcels; and
- 33 (3) Estimated savings from these actions.

34 **Sec. 132.** RCW 47.17.850 and 1984 c 7 s 139 are each amended to
35 read as follows:

1 A state highway to be known as state route number 906 is
2 established as follows:

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

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

12 **Sec. 133.** RCW 47.26.167 and 1991 c 342 s 62 are each amended to
13 read as follows:

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

24 **Sec. 134.** RCW 47.26.170 and 1994 c 179 s 16 are each amended to
25 read as follows:

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

1 shall be made available to the commission and the ((legislative))
2 senate and house transportation committees.

3 **Sec. 135.** RCW 47.46.030 and 2002 c 114 s 3 are each amended to
4 read as follows:

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

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

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

21 The department, in consultation with the legislative transportation
22 committee, shall conduct a program and fiscal audit of the public-
23 private initiatives program for the biennium ending June 30, 1997. The
24 department shall submit a progress report to the legislative
25 transportation committee on the program and fiscal audit by June 30,
26 1996, with preliminary and final audit reports due December 1, 1996,
27 and June 30, 1997, respectively.

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

36 The public involvement plan for projects selected after June 30,
37 1997, shall, at a minimum, identify projects that: (a) Have the

1 potential of achieving overall public support among users of the
2 projects, residents of communities in the vicinity of the projects, and
3 residents of communities impacted by the projects; (b) meet a state
4 transportation need; (c) provide a significant state benefit; and (d)
5 provide competition among proposers and maximum cost benefits to users.
6 Prospective projects may include projects identified by the department
7 or submitted by the private sector.

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

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

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

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

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

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

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

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

20 (e) Members of the local involvement committee serve without
21 compensation and may not receive subsistence, lodging expenses, or
22 travel expenses.

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

32 (8) The department, in consultation with the local involvement
33 committee, shall develop a description for selected project proposals.
34 After developing the description of the project proposal, the
35 department shall publish the project proposal description in newspapers
36 of general circulation for seven calendar days in the affected project
37 area. Within fourteen calendar days after the last day of the
38 publication of the project proposal description, the department shall

1 transmit a copy of the map depicting the affected project area and the
2 description of the project proposal to the county auditor of the county
3 in which any portion of the affected project area is located.

4 (9) The department shall provide the (~~legislative~~) senate and
5 house transportation committees with progress reports on the status of
6 the definition of the affected project area and the description of the
7 project proposal.

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

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

35 (12) Subsections (5) through (10) of this section shall not apply
36 to project proposals selected prior to September 1, 1994, that have no
37 organized public opposition as demonstrated by the submission to the
38 department of original petitions bearing at least five thousand

1 signatures of individuals opposing the project, collected and submitted
2 after September 1, 1994, and by thirty calendar days after June 16,
3 1995.

4 (13) Subsections (5) through (10) of this section shall not apply
5 to project proposals selected after June 30, 1997, that have no
6 organized public opposition as demonstrated by the submission to the
7 department of original petitions bearing at least five thousand
8 signatures of individuals opposing the project, collected and submitted
9 by ninety calendar days after project selection.

10 **Sec. 136.** RCW 47.46.040 and 2002 c 114 s 16 are each amended to
11 read as follows:

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

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

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

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

1 planning, environmental certification, and preliminary design of the
2 demonstration projects.

3 (4) The plans and specifications for each project constructed under
4 this section shall comply with the department's standards for state
5 projects. A facility constructed by and leased to a private entity is
6 deemed to be a part of the state highway system for purposes of
7 identification, maintenance, and enforcement of traffic laws and for
8 the purposes of applicable sections of this title. Upon reversion of
9 the facility to the state, the project must meet all applicable state
10 standards. Agreements shall address responsibility for reconstruction
11 or renovations that are required in order for a facility to meet all
12 applicable state standards upon reversion of the facility to the state.

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

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

1 market value. The agreement may also provide the private entity the
2 right of first refusal to undertake projects utilizing airspace owned
3 by the state in the vicinity of the public-private project.

4 (7) Agreements under this section may include any contractual
5 provision that is necessary to protect the project revenues required to
6 repay the costs incurred to study, plan, design, finance, acquire,
7 build, install, operate, enforce laws, and maintain toll highways,
8 bridges, and tunnels and which will not unreasonably inhibit or
9 prohibit the development of additional public transportation systems
10 and facilities. Agreements under this section must secure and maintain
11 liability insurance coverage in amounts appropriate to protect the
12 project's viability and may address state indemnification of the
13 private entity for design and construction liability where the state
14 has approved relevant design and construction plans.

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

18 (9)(a) In carrying out the public involvement process required in
19 subsection (8) of this section, the private entity shall proactively
20 seek public participation through a process appropriate to the
21 characteristics of the project that assesses and demonstrates public
22 support among: Users of the project, residents of communities in the
23 vicinity of the project, and residents of communities impacted by the
24 project.

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

35 (c) If the affected project area has not been defined, the private
36 entity shall define the affected project area by conducting, at a
37 minimum: (i) A comparison of the estimated percentage of residents of
38 communities in the vicinity of the project and in other communities

1 impacted by the project who could be subject to tolls or user fees and
2 the estimated percentage of other users and transient traffic that
3 could be subject to tolls or user fees; (ii) an analysis of the
4 anticipated traffic diversion patterns; (iii) an analysis of the
5 potential economic impact resulting from proposed toll rates or user
6 fee rates imposed on residents, commercial traffic, and commercial
7 entities in communities in the vicinity of and impacted by the project;
8 (iv) an analysis of the economic impact of tolls or user fees on the
9 price of goods and services generally; and (v) an analysis of the
10 relationship of the project to state transportation needs and benefits.

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

13 (d) In seeking public participation, the private entity shall
14 establish a local involvement committee or committees comprised of
15 residents of the affected project area, individuals who represent
16 cities and counties in the affected project area, organizations formed
17 to support or oppose the project, if such organizations exist, and
18 users of the project. The private entity shall, at a minimum,
19 establish a committee as required under the specifications of RCW
20 47.46.030(6)(b) (ii) and (iii) and appointments to such committee shall
21 be made no later than thirty days after the project area is defined.

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

26 (f) The department and the private entity shall provide the
27 (~~legislative~~) senate and house transportation committees and local
28 involvement committees with progress reports on the status of the
29 public involvement process including the results of an advisory vote,
30 if any occurs.

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

35 **Sec. 137.** RCW 47.74.020 and 1983 c 82 s 2 are each amended to read
36 as follows:

37 The (~~chairman~~) chairs of the (~~legislative~~) senate and house

1 transportation committees shall jointly appoint a delegate and such
2 alternates as may be appropriate to represent the state on the
3 cooperating committee established by the Multistate Highway
4 Transportation Agreement.

5 **Sec. 138.** RCW 47.76.340 and 1993 c 224 s 13 are each amended to
6 read as follows:

7 The department shall evaluate the state freight rail program
8 performance at the end of six years (in 1996) with respect to past and
9 current conditions and future needs. The results of this evaluation
10 shall be presented to the ((legislative)) senate and house
11 transportation committees.

12 **Sec. 139.** RCW 79A.05.125 and 1999 c 301 s 3 are each amended to
13 read as follows:

14 (1) The department of transportation shall negotiate a franchise
15 with a rail carrier to establish and maintain a rail line over portions
16 of the Milwaukee Road corridor owned by the state between Ellensburg
17 and Lind. The department of transportation may negotiate such a
18 franchise with any qualified rail carrier. Criteria for negotiating
19 the franchise and establishing the right of way include:

20 (a) Assurances that resources from the franchise will be sufficient
21 to compensate the state for use of the property, including completion
22 of a cross-state trail between Easton and the Idaho border;

23 (b) Types of payment for use of the franchise, including payment
24 for the use of federally granted trust lands in the transportation
25 corridor;

26 (c) Standards for maintenance of the line;

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

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

1 (f) If any part of the franchise agreement is invalidated by
2 actions or rulings of the federal surface transportation board or a
3 court of competent jurisdiction, the remaining portions of the
4 franchise agreement are not affected;

5 (g) Compliance with environmental standards; and

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

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

9 (3) The department of transportation, in consultation with the
10 parks and recreation commission and the ((legislative)) senate and
11 house transportation committees, shall negotiate the terms of the
12 franchise, and shall present the agreement to the parks and recreation
13 commission for approval of as to terms and provisions affecting the
14 cross-state trail or affecting the commission.

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

18 **Sec. 140.** RCW 81.80.395 and 1988 c 138 s 1 are each amended to
19 read as follows:

20 The Washington utilities and transportation commission may enter
21 into an agreement or arrangement with a duly authorized representative
22 of the state of Idaho, for the purpose of granting to operators of
23 commercial vehicles that are properly registered in the state of Idaho,
24 the privilege of operating their vehicles in this state within a
25 designated area near the border of their state without the need for
26 registration as required by chapter 81.80 RCW if the state of Idaho
27 grants a similar privilege to operators of commercial vehicles from
28 this state. The initial designated area shall be limited to state
29 route 195 from the Idaho border to Lewiston, and SR 12 from Lewiston to
30 Clarkston. The utilities and transportation commission shall submit
31 other proposed reciprocal agreements in designated border areas to the
32 ((legislative)) senate and house transportation committees for
33 approval.

34 **Sec. 141.** RCW 81.104.110 and 1998 c 245 s 165 are each amended to
35 read as follows:

36 The legislature recognizes that the planning processes described in

1 RCW 81.104.100 provide a recognized framework for guiding high capacity
2 transportation studies. However, the process cannot guarantee
3 appropriate decisions unless key study assumptions are reasonable.

4 To assure appropriate system plan assumptions and to provide for
5 review of system plan results, an expert review panel shall be
6 appointed to provide independent technical review for development of
7 any system plan which is to be funded in whole or in part by the
8 imposition of any voter-approved local option funding sources
9 enumerated in RCW 81.104.140.

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

15 (2) The expert review panel shall be selected cooperatively by the
16 chairs of the (~~legislative~~) senate and house transportation
17 committees, the secretary of the department of transportation, and the
18 governor to assure a balance of disciplines. In the case of counties
19 adjoining another state or Canadian province the expert review panel
20 membership shall be selected cooperatively with representatives of the
21 adjoining state or Canadian province.

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

24 (4) The expert review panel shall serve without compensation but
25 shall be reimbursed for expenses according to chapter 43.03 RCW.

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

31 (6) The expert panel shall review all reports required in RCW
32 81.104.100(2) and shall concentrate on service modes and concepts,
33 costs, patronage and financing evaluations.

34 (7) The expert panel shall provide timely reviews and comments on
35 individual reports and study conclusions to the department of
36 transportation, the regional transportation planning organization, the
37 joint regional policy committee, and the submitting lead transit
38 agency. In the case of counties adjoining another state or Canadian

1 province, the expert review panel shall provide its reviews, comments,
2 and conclusions to the representatives of the adjoining state or
3 Canadian province.

4 (8) The ~~((legislative))~~ transportation ~~((committee))~~ policy
5 institute shall contract for consulting services for expert review
6 panels. The amount of consultant support shall be negotiated with each
7 expert review panel by the ~~((legislative))~~ transportation ~~((committee))~~
8 policy institute and shall be paid from appropriations for that purpose
9 from the high capacity transportation account.

10 **Sec. 142.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to
11 read as follows:

12 (1) Four times each year the supervisor shall prepare, subject to
13 the approval of the economic and revenue forecast council under RCW
14 82.33.010:

- 15 (a) An official state economic and revenue forecast;
- 16 (b) An unofficial state economic and revenue forecast based on
17 optimistic economic and revenue projections; and
- 18 (c) An unofficial state economic and revenue forecast based on
19 pessimistic economic and revenue projections.

20 (2) The supervisor shall submit forecasts prepared under this
21 section, along with any unofficial forecasts provided under RCW
22 82.33.010, to the governor and the members of the committees on ways
23 and means and the chairs of the committees on transportation of the
24 senate and house of representatives ~~((and the chair of the legislative~~
25 ~~transportation committee))~~, including one copy to the staff of each of
26 the committees, on or before November 20th, February 20th in the even-
27 numbered years, March 20th in the odd-numbered years, June 20th, and
28 September 20th. All forecasts shall include both estimated receipts
29 and estimated revenues in conformance with generally accepted
30 accounting principles as provided by RCW 43.88.037.

31 (3) All agencies of state government shall provide to the
32 supervisor immediate access to all information relating to economic and
33 revenue forecasts. Revenue collection information shall be available
34 to the supervisor the first business day following the conclusion of
35 each collection period.

36 (4) The economic and revenue forecast supervisor and staff shall

1 co-locate and share information, data, and files with the tax research
2 section of the department of revenue but shall not duplicate the duties
3 and functions of one another.

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

7 **Sec. 143.** RCW 82.70.060 and 2003 c 364 s 6 are each amended to
8 read as follows:

9 The commute trip reduction task force shall determine the
10 effectiveness of the tax credit under RCW 82.70.020, the grant program
11 in RCW 70.94.996, and the relative effectiveness of the tax credit and
12 the grant program as part of its ongoing evaluation of the commute trip
13 reduction law and report to the (~~legislative~~) senate and house
14 transportation committees and to the fiscal committees of the house of
15 representatives and the senate. The report must include information on
16 the amount of tax credits claimed to date and recommendations on future
17 funding between the tax credit program and the grant program. The
18 report must be incorporated into the recommendations required in RCW
19 70.94.537(5).

20 **Sec. 144.** RCW 82.80.070 and 2002 c 56 s 413 are each amended to
21 read as follows:

22 (1) The proceeds collected pursuant to the exercise of the local
23 option authority of RCW 82.80.010, (~~(82.80.020,)~~) 82.80.030, and
24 82.80.050 (hereafter called "local option transportation revenues")
25 shall be used for transportation purposes only, including but not
26 limited to the following: The operation and preservation of roads,
27 streets, and other transportation improvements; new construction,
28 reconstruction, and expansion of city streets, county roads, and state
29 highways and other transportation improvements; development and
30 implementation of public transportation and high-capacity transit
31 improvements and programs; and planning, design, and acquisition of
32 right of way and sites for such transportation purposes. The proceeds
33 collected from excise taxes on the sale, distribution, or use of motor
34 vehicle fuel and special fuel under RCW 82.80.010 shall be used
35 exclusively for "highway purposes" as that term is construed in Article
36 II, section 40 of the state Constitution.

1 (2) The local option transportation revenues shall be expended for
2 transportation uses consistent with the adopted transportation and land
3 use plans of the jurisdiction expending the funds and consistent with
4 any applicable and adopted regional transportation plan for
5 metropolitan planning areas.

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

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

13 (b) The program shall be based on an adopted transportation plan
14 for the geographic areas covered and shall identify the proposed
15 operation and construction of transportation improvements and services
16 in the designated plan area intended to be funded in whole or in part
17 by local option transportation revenues and shall identify the annual
18 costs applicable to the program.

19 (c) The program shall indicate how the local transportation plan is
20 coordinated with applicable transportation plans for the region and for
21 adjacent jurisdictions.

22 (d) The program shall include at least a six-year funding plan,
23 updated annually, identifying the specific public and private sources
24 and amounts of revenue necessary to fund the program. The program
25 shall include a proposed schedule for construction of projects and
26 expenditure of revenues. The funding plan shall consider the
27 additional local tax revenue estimated to be generated by new
28 development within the plan area if all or a portion of the additional
29 revenue is proposed to be earmarked as future appropriations for
30 transportation improvements in the program.

31 (4) Local governments with a population greater than eight thousand
32 exercising the authority for local option transportation funds shall
33 periodically review and update their transportation program to ensure
34 that it is consistent with applicable local and regional transportation
35 and land use plans and within the means of estimated public and private
36 revenue available.

37 (5) In the case of expenditure for new or expanded transportation
38 facilities, improvements, and services, priorities in the use of local

1 option transportation revenues shall be identified in the
2 transportation program and expenditures shall be made based upon the
3 following criteria, which are stated in descending order of weight to
4 be attributed:

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

6 (b) Second, it is necessitated by existing or reasonably
7 foreseeable congestion;

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

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

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

15 (6) It is the intent of the legislature that as a condition of
16 levying, receiving, and expending local option transportation revenues,
17 no local government agency use the revenues to replace, divert, or loan
18 any revenues currently being used for transportation purposes to
19 nontransportation purposes. (~~The association of Washington cities and
20 the Washington state association of counties, in consultation with the
21 legislative transportation committee, shall study the issue of
22 nondiversion and make recommendations to the legislative transportation
23 committee for language implementing the intent of this section by
24 December 1, 1990.~~)

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

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

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

1 **Sec. 145.** RCW 90.03.525 and 1996 c 285 s 1 and 1996 c 230 s 1617
2 are each reenacted and amended to read as follows:

3 (1) The rate charged by a local government utility to the
4 department of transportation with respect to state highway right of way
5 or any section of state highway right of way for the construction,
6 operation, and maintenance of storm water control facilities under
7 chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be
8 thirty percent of the rate for comparable real property, except as
9 otherwise provided in this section. The rate charged to the department
10 with respect to state highway right of way or any section of state
11 highway right of way within a local government utility's jurisdiction
12 shall not, however, exceed the rate charged for comparable city street
13 or county road right of way within the same jurisdiction. The
14 legislature finds that the aforesaid rates are presumptively fair and
15 equitable because of the traditional and continuing expenditures of the
16 department of transportation for the construction, operation, and
17 maintenance of storm water control facilities designed to control
18 surface water or storm water runoff from state highway rights of way.

19 (2) Charges paid under subsection (1) of this section by the
20 department of transportation must be used solely for storm water
21 control facilities that directly reduce state highway runoff impacts or
22 implementation of best management practices that will reduce the need
23 for such facilities. By January 1st of each year, beginning with
24 calendar year 1997, the local government utility, in coordination with
25 the department, shall develop a plan for the expenditure of the charges
26 for that calendar year. The plan must be consistent with the
27 objectives identified in RCW 90.78.010. In addition, beginning with
28 the submittal for 1998, the utility shall provide a progress report on
29 the use of charges assessed for the prior year. No charges may be paid
30 until the plan and report have been submitted to the department.

31 (3) The utility imposing the charge and the department of
32 transportation may, however, agree to either higher or lower rates with
33 respect to the construction, operation, or maintenance of any specific
34 storm water control facilities based upon the annual plan prescribed in
35 subsection (2) of this section. If a different rate is agreed to, a
36 report so stating shall be submitted to the ((legislative)) senate and
37 house transportation committees. If, after mediation, the local
38 government utility and the department of transportation cannot agree

1 upon the proper rate, and after a report has been submitted to the
2 ((legislative)) senate and house transportation committees and after
3 ninety days from submission of such report, either may commence an
4 action in the superior court for the county in which the state highway
5 right of way is located to establish the proper rate. The court in
6 establishing the proper rate shall take into account the extent and
7 adequacy of storm water control facilities constructed by the
8 department and the actual benefits to the sections of state highway
9 rights of way from storm water control facilities constructed,
10 operated, and maintained by the local government utility. Control of
11 surface water runoff and storm water runoff from state highway rights
12 of way shall be deemed an actual benefit to the state highway rights of
13 way. The rate for sections of state highway right of way as determined
14 by the court shall be set forth in terms of the percentage of the rate
15 for comparable real property, but shall in no event exceed the rate
16 charged for comparable city street or county road right of way within
17 the same jurisdiction.

18 (4) The legislature finds that the federal clean water act
19 (national ((~~pollution~~ [pollutant])) pollutant discharge elimination
20 system, 40 C.F.R. parts 122-124), the state water pollution control
21 act, chapter 90.48 RCW, and the highway runoff program under chapter
22 ((90.70)) 90.71 RCW, mandate the treatment and control of storm water
23 runoff from state highway rights of way owned by the department of
24 transportation. Appropriations made by the legislature to the
25 department of transportation for the construction, operation, and
26 maintenance of storm water control facilities are intended to address
27 applicable federal and state mandates related to storm water control
28 and treatment. This section is not intended to limit opportunities for
29 sharing the costs of storm water improvements between cities, counties,
30 and the state.

31 NEW SECTION. **Sec. 146.** The following acts or parts of acts are
32 each repealed:

33 (1) RCW 44.28.161 (Legislative transportation committee-directed
34 audits) and 2003 c 362 s 13;

35 (2) RCW 44.40.010 (Creation--Composition--Appointments--
36 Vacancies--Rules) and 1999 sp.s. c 1 s 616, 1980 c 87 s 39, 1971 ex.s.

1 c 195 s 1, 1967 ex.s. c 145 s 68, 1965 ex.s. c 170 s 64, & 1963 ex.s.
2 c 3 s 35;

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

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

6 (5) RCW 44.40.030 (Participation in activities of other
7 organizations) and 1982 c 227 s 17, 1977 ex.s. c 235 s 7, 1971 ex.s. c
8 195 s 3, & 1963 ex.s. c 3 s 38;

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

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

16 (8) RCW 44.40.140 (Review of policy on fees imposed on nonpolluting
17 fuels--Report) and 1983 c 212 s 2;

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

20 (10) RCW 44.40.161 (Audit review of transportation-related
21 agencies) and 2003 c 362 s 16; and

22 (11) RCW 53.08.350 (Moratorium on runway construction or extension,
23 or initiation of new service--Certain counties affected) and 1992 c 190
24 s 2.

25 NEW SECTION. **Sec. 147.** Part headings used in this act are no part
26 of the law.

27 NEW SECTION. **Sec. 148.** Section 103 of this act takes effect July
28 1, 2006.

29 NEW SECTION. **Sec. 149.** Section 143 of this act expires July 1,
30 2013.

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