HOUSE BILL REPORT
HB 1361

As Reported by House Committee On:
Local Government

Title: An act relating to dedicating existing revenue to infrastructure funding.

Brief Description: Dedicating existing revenue to infrastructure funding.

Sponsors: Representatives Miloscia, B. Sullivan and Chase.

Brief History:
Committee Activity:
Local Government: 1/25/07, 2/15/07 [DPS].

Brief Summary of Substitute Bill

- Establishes factors that must be considered by the Transportation Improvement Board (TIB) when determining whether to make grants to local governments through its Urban Corridor Program (UCP).

- Establishes preference criteria related to evaluating local government proposals for funds from the UCP.

- Appropriates $20 million, $10 million for Fiscal Year 2008 and $10 million for Fiscal Year 2009, from the General Fund to the TIB for issuing grants to local governments to accommodate growth.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Simpson, Chair; Eddy, Vice Chair; Ross, B. Sullivan and Takko.

Staff: Ethan Moreno (786-7386).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The 21-member Transportation Improvement Board (TIB) distributes grant funds from revenues collected through the state's motor vehicle fuel tax to cities and counties for qualifying transportation projects. The primary purpose of the TIB is to select and administer transportation projects that best address the criteria it establishes.

The Urban Corridor Program (UCP) of the TIB is funded from Washington's Transportation Improvement Account. The UCP receives 1.3 cents from the state's 34-cent per gallon motor vehicle fuel tax. The UCP has annual awards ranging from $35 million to $40 million that are distributed across the state through a competitive selection process.

Qualifying cities, urban areas within counties, and transportation benefit districts are eligible to receive UCP grants. Eligible projects must meet specified criteria developed by the TIB, be consistent with state, regional, and local transportation plans, and be partially funded by local contributions.

Summary of Substitute Bill:

The TIB, in addition to other considerations required by law, must consider the following factors when determining whether to make grants from the UCP to local governments to accommodate projected growth:

- whether the project will improve the minimum levels of service on transportation facilities that will accommodate planned growth; "Minimum levels of service" means an "a" through "d" level of service on an "a" to "f" scale or other generally accepted transportation measurement scale.
- whether the project will enable the local government to implement its comprehensive and capital facilities plans to accommodate projected population and employment growth; and
- whether the local government has sufficient quantities of buildable land and development regulations to accommodate projected population and employment growth related to the project.

In addition to the previously mentioned criteria, the TIB must give preference to proposals from local governments with adopted policies that:

- provide or encourage the provision of housing for all economic segments of the community;
- ensure that land use regulations will not result in a net loss of housing capacity; and
- provide receiving zones for the transfer of development rights.

Substitute Bill Compared to Original Bill:

All provisions of the original bill are deleted. The substitute bill: establishes factors that must be considered by the TIB when determining whether to make grants to local governments through its UCP; establishes preference criteria related to evaluating local government proposals for funds from the UCP; and appropriates $20 million, $10 million for Fiscal Year

2008 and $10 million for Fiscal Year 2009, from the General Fund to the TIB for issuing grants to local governments to accommodate growth.

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Appropriation: The sum of $20 million, $10 million for Fiscal Year 2008 and $10 million for Fiscal Year 2009, is appropriated from the General Fund to the TIB for the purpose of issuing grants to local governments to accommodate growth.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support of original bill) The source of funding for the proposed infrastructure account is the state real estate excise tax (REET). The Public Works Assistance Account (Account), which currently uses funds from this REET, is not directed toward accommodating growth. People are not opposed to growth, but they are opposed to its negative effects. Setting aside money for good planning would be beneficial and will make communities better. If cities planning under the Growth Management Act can apply for funds from the Account, benefits will be realized and the supply of affordable housing will be increased. Infrastructure is a city priority. This bill is a step in the right direction, as support exists for funding transportation infrastructure. The bill could be improved by modifying its funding provisions, as concerns exist about the practical accessibility of its funding mechanisms. The bill could be modified to direct funds to the Urban Arterial Program of the TIB.

(With concerns on original bill) The Legislature should ensure that the allowable uses of the proposed account are not too narrow, as the bill focuses on roads and bridges.

(Opposed) None.

Persons Testifying: (In support of original bill) Bill Clarke and Phil Harlan, Washington Realtors; and Ashley Probart, Association of Washington Cities.

(With concerns on original bill) Kaleen Cottingham, Futurewise.

Persons Signed In To Testify But Not Testifying: None.