

HOUSE BILL REPORT

HB 2101

As Reported by House Committee On:
Transportation

Title: An act relating to regional transportation governance.

Brief Description: Addressing regional transportation commission findings and recommendations.

Sponsors: Representatives Jarrett and Eddy.

Brief History:

Committee Activity:

Transportation: 2/22/07, 3/1/07 [DP].

Brief Summary of Bill

- Responds to the Regional Transportation Commission's (Commission) 2006 findings and recommendations related to the sufficiency of regional transportation governance in the central Puget Sound region, makes a legislative finding that the current system of regional transportation governance is inadequate to meet the needs of the region and state.
- Declares the Legislature's intent to form a new regional transportation governance entity, as recommended by the Commission, by January 1, 2009.
- Directs the Joint Transportation Committee to convene a regional governance task force to consider the impacts of a new regional governance structure, and to submit to the Legislature, by December 15, 2007, draft legislation that implements the Commission's recommendations.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 22 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Appleton, Armstrong, Campbell, Curtis, Dickerson, Eddy, Ericksen,

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.

Hailey, Hankins, Kristiansen, Lovick, Rodne, Sells, Springer, B. Sullivan, Takko, Wallace and Wood.

Minority Report: Do not pass. Signed by 4 members: Representatives Hudgins, Rolfes, Simpson and Upthegrove.

Staff: Kathryn Leathers (786-7114).

Background:

Overview - Federal, State, Local, and Regional Transportation Planning

State, local, regional, and federal transportation planning requirements and plans, in conjunction with state statutory planning schemes, like the Growth Management Act (GMA), provide a framework for the development of Washington's transportation system. However, there is no single overarching governing entity responsible for state or regional transportation system planning, funding, and prioritization of projects.

Federal Planning Requirements

The establishment and maintenance of regional governing bodies to oversee and implement transportation planning in metropolitan areas is a prerequisite to the state's receipt of federal transportation funding, including highway funding. Federal law requires that metropolitan areas greater than 50,000 persons have a metropolitan planning organization (MPO). This designation is made by the Governor and must have the concurrence of local government officials representing 75 percent of the population within the area, including the central city, or as otherwise provided for by state or local law.

Federal law requires MPOs to develop a metropolitan transportation plan with a 20-year horizon, and a three-year financially constrained transportation improvement program. Federal law also requires MPOs to have a transportation policy board which includes local elected officials, officials of agencies that administer or operate major modes or transportation systems and appropriate state officials. There are currently 11 MPOs in Washington.

State, Local, and Regional Planning

State law authorizes local governments to voluntarily form regional transportation planning organizations (RTPOs). The federally-mandated MPOs are designated as the RTPOs under the state's Growth Management Act (GMA). Under state law, RTPOs are required to certify that the transportation elements of local comprehensive plans conform with the GMA and are consistent with the regional transportation plan. In addition, numerous state, regional, and local agencies and entities exist, or are authorized to be created, that have transportation planning or financing powers and duties. Each agency or entity has a separate governance structure.

State entities with transportation planning or financing powers and duties include: the Washington State Department of Transportation (WSDOT), the Washington Transportation Commission (Commission), the Freight Mobility Strategic Investment Board, the

Transportation Improvement Board, the County Road Administration Board, the Washington Traffic Safety Commission, and the Washington State Patrol.

Regional entities with transportation planning or financing powers and duties include: metropolitan municipal corporations, regional transportation investment districts (RTID), regional transit authorities (RTA or Sound Transit), and RTPOs.

The purpose of the RTPOs is to coordinate local comprehensive planning with state transportation planning. The regional plan defines the region's transportation system; identifies existing or planned transportation facilities, services, and programs; includes a financial plan; where appropriate, sets forth the relationship of high capacity transportation providers and other public transit providers and establishes responsibility for coordination of services and facilities; and establishes a proposed regional approach, including capital investments, service improvements, programs, and transportation demand management measures. There are currently 14 RTPOs in Washington.

Local entities with transportation planning or financing powers and duties include: counties, county service districts, county road districts, county public transportation authorities, county public transportation benefit areas, transportation benefit districts, county ferry districts, county road improvement districts, port districts, cities, city local improvement districts, and city transportation authorities.

Counties and cities that plan under the GMA develop local comprehensive plans that must include both a land-use element and a transportation element. These plans must be consistent with regional and state plans.

Overview - Central Puget Sound Transportation Planning and Governance

Within the central Puget Sound region, transportation planning, funding, development, and services are provided by approximately 128 public agencies. These agencies include: the WSDOT, responsible for state highways within the region; four county governments; 87 cities; six public transportation agencies; the three-county RTA; Washington State Ferries, a division of the WSDOT, operating both auto and passenger-only ferry service; and several port districts. In addition, in 2002, a RTID was authorized, but has not yet been created, for the purpose of planning, funding, and building projects to address highway corridor needs in King, Pierce, and Snohomish counties.

The MPO and RTPO for King, Pierce, Snohomish, and Kitsap counties is the Puget Sound Regional Council (PSRC). Pursuant to both federal and state laws, the PSRC has a Transportation Policy Board which includes local elected officials, officials of agencies that administer or operate major modes or transportation systems, and appropriate state officials. The PSRC distributes about \$160 million in Federal Highway Administration and Federal Transit Administration funds each year. The PSRC does not have authority to impose fees or taxes. It also lacks authority to oversee or prioritize specific projects in its four-county region.

Most agencies involved in the planning, funding, and operation of local and regional transportation systems are separate entities with few laws or rules requiring coordination of their efforts, their development of regional transportation investment plans, or their ballot measures to be submitted to the people. In summary, the degree of coordination between the entities varies throughout the region, and there is no single overarching governing entity that coordinates or oversees the region's transportation system planning, funding, and prioritization of projects.

Regional Transportation Commission

In 2006, the Legislature created the Regional Transportation Commission (Commission) for the purpose of evaluating transportation governance in the central Puget Sound region. The Commission, comprised of nine voting members, appointed by the Governor, and one non-voting member, the Secretary of the WSDOT, was tasked with submitting a report and proposal to the Legislature by January 1, 2007, that:

- assesses the current roles of regional transportation agencies, the regional transit authority, RTIDs, county and municipal agencies operating transit services, and cities, counties, and other public agencies providing transportation services or facilities;
- develops options for a regional transportation governance proposal, including one option that provides for the formation of a regional governing entity with directly elected members, the revenue sources that will be available to such an entity, and the scope of planning authority of such an entity; and
- develops a comprehensive financing strategy for improving transportation system performance.

The Commission's final report, issued December 31, 2006, made numerous findings regarding the status of the central Puget Sound region's transportation system, including the overall finding that the current system of transportation governance in the region delivers inadequate results and will need fundamental systemic change in order to meet future needs.

While the Commission provided a range of governing options to consider, it ultimately recommended that the Legislature create a central Puget Sound regional governing entity with broad authority and responsibility for planning, prioritizing, and funding all modes of regional transportation, including roads and transit.

The Commission also recommended, as reflected in SB 5803, that the Legislature establish a statutory scheme providing for the creation of regional transportation governing entities (regional transportation commissions or RTCs) throughout the state, with the following primary characteristics, powers, and duties:

Governance Structure: A RTC is governed by a 15-member commission, with nine members apportioned to nine geographical districts and elected on a non-partisan basis, and six members appointed by the Governor, with consent of the Senate. Commissioners serve six-year, staggered terms. Initial apportionment and establishment of geographical lines are determined by the Governor. The Governor appoints the chair every three years from the six appointed commissioners.

The RTC must create a Policy Advisory Board (PAB), which provides a forum for state, regional, and local officials, transportation providers, and private citizens to deliberate issues that affect planning, prioritization, and funding. The PAB must formally review and comment on the regional mobility investment plan and other transportation planning documents. The RTC must appoint a minimum of 15, but no more than 31, voting PAB members.

Creation, Area, and Boundaries: Created by resolution of participating county legislative authorities, the RTC must include at least two contiguous counties in which the total population exceeds one million. The boundaries are county-wide. If King, Pierce, or Snohomish County do not participate in a RTC, they lose certain state transportation improvement grants.

General Process and Planning Responsibilities: The RTC has broad authority to plan, prioritize, and fund all modes of regional transportation projects within its boundaries, including roads and transit, and it assumes any existing regional transit authority's planning functions. The RTC may serve as the RTPO and, if federal requirements are met, it may also serve as the MPO.

It must prepare a regional mobility investment plan for highways, streets, roads, and public transportation, that creates a prioritized list of regional mobility projects and public transportation projects.

- The plan must also identify which funding sources will be levied or imposed to carry out the plan. The RTC has broad authority to prioritize all state transportation projects within its boundaries, and to control the disbursement of state funds.
- An initial plan must be approved by a majority of the voters within the RTC's boundaries.

Revenue Authority: The RTC has the following revenue authority and may recommend imposition of some or all of the following revenue sources, if they are contained in the regional mobility investment plan and approved by a majority of the voters (*except for tolls, fares, and user fees, which do not require voter approval; in addition, a RTC does not need approval by the Legislature or the Washington Transportation Commission to impose tolls*):

- sales tax of up to 1.0 percent;
- motor vehicle excise tax (MVET) of up to 0.8 percent;
- up to \$100 vehicle license fee at registration renewal;
- parking tax;
- 10 percent local option gas tax;
- employer excise tax of up to \$2 per month per employee;
- user fees (e.g., high-occupancy tolls);
- impact fees;
- setting vehicle tolls on mobility projects of regional significance, including state or federal highways; and
- setting fares for regionally-significant transit routes, including coordinating route and fare setting for local transit agencies on regionally significant routes.

Limitations: If a regional transit authority already imposes certain taxes or fees within the boundaries of a RTC, the RTC may not impose similar fees or taxes.

Bonding Authority: A RTC may issue general obligation bonds for public transportation and mobility project capital purposes, with a non-voter approved debt limit of 1.5 percent of taxable property within its boundaries and a voter-approved debt limit of 5 percent. Revenue bond authorization need not be submitted to voters. Pledges of revenues may not exceed 40 years.

Ballot Measures: The RTC serves as a gatekeeper for local transportation project ballot measures funding regionally-significant projects. Local governments submitting local transportation measures to their voters may choose to incorporate their plan into the RTC plan, subject to RTC approval.

Miscellaneous Provisions: A RTC, any taxes, fees, charges, and tolls it collects, and transactions it enters into, are not subject to utility, business and occupation, or other taxes imposed by municipal corporations within the RTC's boundaries. A RTC and its transactions are not subject to state sales, excise, property, or other taxes imposed by the state. Each commissioner of the PAB may receive a per diem compensation, as determined by the Washington Citizens' Commission on Salaries for Elected Officials. A RTC may create and fill positions, and fix wages and salaries.

Summary of Bill:

A legislative finding is made that the current system of regional transportation governance in the central Puget Sound region is inadequate to meet the needs of the region and state, and the Legislature declares its intent to form a new regional transportation governance entity, as recommended by the Regional Transportation Commission (Commission), by January 1, 2009.

The Joint Transportation Committee (JTC) is directed to convene a regional governance task force to consider the impacts of a regional governance entity, and to draft legislation that implements the Commission's recommendations.

The task force will be composed of legislative members, chosen by the co-chairs of the JTC, and a representative of the Governor's office. The co-chairs of the JTC, or their designees, will be the co-chairs of the task force.

The task force must submit draft legislation and supporting materials to the Legislature by December 15, 2007.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) This bill is an alternative to the Regional Transportation Commission's (Commission) recommendation to immediately create a regional transportation commission (RTC) in the Puget Sound region. The really important issue for the region this year is convincing voters that there needs to be a big investment in transportation infrastructure. Governance will be a key part of that discussion. The notion that the public will be willing to approve large funding propositions, given the kinds of problems there have been with transportation governing bodies in the last few years, seems to be strained. While the preference is to establish a regional governing body quickly, this is a fairly complicated issue and there are questions that need to be answered before putting together the implementing legislation. The intent is not simply to create another study, but to write legislation that can be implemented and to end up with a new governing structure on January 1, 2009.

This legislation is a way to build on the Commission's recommendations. The Commission was only given four and a half months to review our transportation system and make its recommendations. This is an opportunity to put meat on the bones, and is not just another study. This bill is a thoughtful and deliberative approach to transportation governance issues. It does what we need to do, without doing harm to the current transportation efforts that are ongoing, and it avoids any errors we might make if we created a RTC just to have a commission up and running.

There needs to be more thought put into the recommendations of the Commission. The Commission did not answer a few central questions: What is a "regional project?" What is the jurisdiction of a RTC? What are the specific goals of any such regional entity, and how would this entity achieve those goals? This bill is necessary in order to avoid the fits and starts that the Regional Transportation Investment District (RTID) went through. A regional transportation body's primary purpose should be to invest in integrated, multimodal corridor projects.

The Puget Sound Regional Council (PSRC) does not oppose changes to regional governance, and knows that the region can do things better. It is a good idea to make sure any new regional governance body can adequately meet the long-term needs of the region before creating a new body. One of the PSRC's own rules applies well to this situation: no new toys without the batteries. A new systemic tolling approach might be one of the best ways to help meet future needs, but it not clear in the Commission's report that tolls are a silver bullet to meet all of the region's funding needs.

(With concerns) There is a concern regarding the timing of any legislation related to transportation governance, given the Sound Transit and the RTID joint ballot that will be brought to the voters this fall. The core transportation problem in the central Puget Sound region is not so much a looming crisis in governance, but a lack of historic investment in the transportation system. The Commission did not hear that prioritization is absent in the region. The problem is funding. If this bill is enacted, the task force members should

consider whether there is a need to institute a whole new bureaucracy or whether the real need is to resolve questions surrounding a couple of high profile projects. There is no guarantee that a new bureaucracy would handle prioritization of projects any better than Sound Transit and the RTID have done over the past three years.

If this legislation is passed, the issues and questions to be answered by the study, as listed in the bill, need more development. For example: each transit system's operating and capital profiles should be examined to thoroughly understand how each system works and what markets are served. The study should also analyze how roads and transit agencies could collaborate more, and what would happen if all transportation funds became flexible. The task force should define what "regional" means, and how a regional governance body would be created with minimal disruption to transit customers. The task force members should also be modified to include credentialed transit and other transportation experts, so that the impacts of such legislation can be delineated. The primary mission of transit agencies is to provide effective service to its customers, and the focus of the study should be on the customer, not solely on governance and consolidation issues. Transit agencies should be at the table with the Legislature and the RTC to solve this problem jointly.

In light of the Sound Transit and RTID joint ballot measure, having a regional governance structure in place is a better way to approach the needs of the region than to delay having a structure in place. Although further study could be done, if there is an honest and concerted effort underway to establish a governing entity, there could be no better message to the voters in November than that there will be good stewardship of their dollars. The Commission's strong recommendation is that an appointed RTC should be put in place now. The Commission's findings and recommendations confirmed the recommendations made in 2000 by the Blue Ribbon Commission on Transportation. Currently, we do not have an integrated, multimodal, multi-jurisdictional system in place that addresses prioritization, planning, and funding. The Commission is recommending a better system of prioritization, integration, and fairness, in how we move our transportation system forward.

There is a transportation crisis in the region and state. Deterioration of the transportation infrastructure poses serious risks to safety, mobility, and the region's economic health. The central Puget Sound region's fragmented approach to planning, prioritizing, funding, and building projects is fundamentally flawed, making it difficult, if not impossible, to solve our problems. Moving forward on governance reform is one of the key steps necessary to give a ballot measure this fall a chance of success. The public needs to know who is in charge of transportation in the region.

Persons Testifying: (In support) Representative Jarrett, prime sponsor; Claudia Balducci, City of Bellevue; Ashley Probart and Julie Murray, Association of Washington Counties; and Mark Olson, City of Everett.

(With concerns) Norman Rice and Reid Shockey, Regional Transportation Commission; Mark Frazier, Washington Roundtable; Lynn Griffith, Pierce Transit; Jim Turpie, Community Transit; Tom Hingson, Everett Transit; Kevin Desmond, Metro; Rick Olson, Puget Sound Regional Council; and Genesee Adkins, Transportation Choices Coalition.

Persons Signed In To Testify But Not Testifying: None.