

HOUSE BILL REPORT

ESHB 2331

As Passed House:

January 28, 2008

Title: An act relating to funding qualifying projects through the urban corridor program of the transportation improvement board.

Brief Description: Funding qualifying projects through the urban corridor program of the transportation improvement board.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Simpson and Wood).

Brief History:

Committee Activity:

Transportation: 2/27/07, 3/1/07 [DPS].

Floor Activity:

Passed House: 1/28/08, 68-24.

Brief Summary of Engrossed Substitute Bill

- Establishes a new Transportation Improvement Board (TIB) program entitled the City Planning and Growth Program.
- Establishes additional criteria for the TIB to consider when evaluating grant proposals for this new program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Appleton, Armstrong, Campbell, Dickerson, Eddy, Hankins, Hudgins, Lovick, Rodne, Rolfes, Sells, Simpson, Springer, B. Sullivan, Takko, Upthegrove, Wallace and Wood.

Minority Report: Do not pass. Signed by 4 members: Representatives Curtis, Ericksen, Hailey and Kristiansen.

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.

Staff: Jerry Long (786-7306).

Background:

The Transportation Improvement Board (TIB) administers grants for Washington cities. One of the grant programs is the Urban Corridor Program. The Urban Corridor Program receives 1.3 cents of the state's motor vehicle fuel tax. The program has annual grants of \$40 to \$45 million. Applications are due at the end of August and projects are selected in November.

- Eligible agencies are cities with a population greater than 5,000.
- Projects must be consistent with state, regional, and local transportation plans.
- Project selection criteria includes: funding partners, mobility, economic growth and development, safety, and mode accessibility.
- Projects must be partially funded by local contributions.
- The local match requirement is determined by the city's valuation, or in the case of counties, by its road levy valuation. Minimum local match ranges from 10 to 20 percent.
- Funds are distributed across three regions based on arterial lane miles.

Summary of Engrossed Substitute Bill:

A new TIB program is established entitled City Planning and Growth Program. The funding for the program will be provided from the newly-created City Planning and Growth Account (Account). Money in the Account may be used only after appropriation. Expenditures from the Account can only be used for the TIB grants identified in the omnibus transportation act, including any principal and interest on bonds authorized for the projects or improvements. The Account will retain 100 percent of its interest earned.

In any project funded through the City Planning and Growth Program, the TIB will develop grant criteria in addition to existing requirements to determine whether:

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

Section 5 of the act takes effect July 1, 2008; Section 6 of the act takes effect July 1, 2009; Section 4 of the act expires July 1, 2008; and Section 5 of the act expires July 1, 2009.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed, except section 5, relating to the newly created city planning and growth account receiving the account's share of interest earnings, which takes effect July 1, 2008, and section 6, relating to the interest earnings which replaces section 5, which takes effect July 1, 2009 when section 5 expires on July 1, 2009.

Staff Summary of Public Testimony:

(In support) There needs to be a way to accommodate growth for cities and towns. Funding is needed to assist in paying for growth and ensuring that the transportation infrastructure is in place. The Motor Vehicle Account does not have the extra \$20 million to fund the requirements in the bill. The stakeholders have been looking for another funding source for the bill, for example, the real estate excise tax or another revenue source closely related to concurrence issues. The housing, land-use regulations, and development rights are not appropriate for the TIB since the agency administers transportation grants and these are more regulatory roles.

(Opposed) None.

Persons Testifying: (In support) Representative Simpson, prime sponsor; Bill Clarke, Washington Realtors; and Ashley Probart, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.