

HOUSE BILL REPORT

EHB 1868

As Passed Legislature

Title: An act relating to county road fund purposes for certain counties.

Brief Description: Expanding county road fund purposes for certain counties.

Sponsors: Representatives Lytton and Morris.

Brief History:

Committee Activity:

Local Government: 2/11/15, 2/18/15 [DPA].

Floor Activity:

Passed House: 3/4/15, 75-21.

Senate Amended.

Passed Senate: 4/15/15, 46-3.

House Concurred.

Passed House: 4/21/15, 81-16.

Passed Legislature.

Brief Summary of Engrossed Bill

- Establishes that county road purposes include marine uses relating to navigation and moorage in counties that consist entirely of islands.
- Authorizes counties to deposit revenue from property taxes and county road tax levies into a subaccount of the county road fund to be used for marine facilities, including mooring buoys, docks, and aids to navigation, while maintaining eligibility to receive funds from the Rural Arterial Trust Account.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass as amended. Signed by 5 members: Representatives Takko, Chair; Gregerson, Vice Chair; Fitzgibbon, McBride and Peterson.

Minority Report: Do not pass. Signed by 4 members: Representatives Taylor, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; McCaslin and Pike.

Staff: Michaela Murdock (786-7289).

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.

Background:

The Motor Vehicle Fund.

Under the 18th Amendment to the Washington Constitution, vehicle licensing fees, motor vehicle fuel taxes, and all other state revenue intended to be used for highway purposes must be paid into the State Treasury, placed in the Motor Vehicle Fund (MVF), and used only for highway purposes. Highway purposes are defined to include expenditures on construction, reconstruction, maintenance, repair, and betterment of public highways, county roads, bridges, and city streets. Highway purposes also include the operation of ferries that are a part of any public highway, county road, or city street.

The Rural Arterial Trust Account.

Within the MVF is the Rural Arterial Trust Account (RATA). All moneys in the RATA must be expended for: (1) the construction and improvement of county rural arterials and collectors; (2) the construction of replacement bridges funded by the federal bridge replacement program on access roads in rural areas; and (3) those expenses of the County Road Administration Board associated with the administration of the rural arterial program.

To be eligible to receive funds from the RATA, counties must spend all revenues collected for road purposes only for purposes allowed under statute and the Washington Constitution. Allowable road purposes specifically include removal of barriers to fish passage and accompanying streambed and stream bank repair, and traffic law enforcement. The eligibility restriction does not apply to:

- counties with a population of less than 8,000;
- counties that expend revenues collected for road purposes only on other governmental services after authorization from county voters; and
- monies diverted from the road district levy under applicable community revitalization financing statutes.

County Road Funds.

In each county, there is a fund known as the county road fund (CRF). Any funds which accrue to the county for use upon the roads must be credited and deposited into the CRF.

The CRF may receive funds from sources such as: (a) levies made by the county legislative authority for the purpose of raising revenue to establish, lay out, construct, alter, repair, improve, and maintain county roads, bridges, and wharves necessary for vehicle ferriage, and other proper county purposes; (b) the MVF; and (c) reimbursements by the federal government for expenditures made from the CRF.

Money paid to a CRF may be used for purposes enumerated in statute, such as:

- the construction, alteration, repair, improvement, or maintenance of county roads and bridges;
- wharves necessary for ferriage of motor vehicles;
- ferries;
- acquiring, operating, and maintaining machinery, equipment, quarries, or pits for the extraction of materials;
- the cost of establishing county roads, acquiring rights-of-way, and operating the county engineering office;

- programs directly related to county road purposes, specifically, insurance programs, self-insurance programs, and risk management programs; and
- any other proper county road purpose.

A county road purpose specifically includes construction, maintenance, or improvement of park-and-ride lots, and the removal of barriers to fish passage.

Summary of Engrossed Bill:

For counties that consist entirely of islands, county road purposes now specifically include marine uses relating to navigation and moorage. These counties are authorized to deposit revenue from real and personal property taxes and county road tax levies into a subaccount of their CRF to be used for marine facilities, including mooring buoys, docks, and aids to navigation.

Counties that use revenue for marine uses and facilities in accordance with this new authority are eligible to receive funds from the RATA.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Counties are limited in how they are able to use funds, including CRFs. The Legislature must authorize counties to use funding for various purposes, which is why counties often approach the Legislature to ask for spending authority and for clarification as to existing authority. Counties would like greater control over how to use money in the CRF. Counties are not asking for any money from the state, only the ability to decide how to use CRFs at the local level.

For counties with transportation infrastructure that includes more than just pavement and gravel, there are difficulties in accessing CRFs. For example, San Juan County does not have any state roads. It is a county that consists more of water than of land, and residents live on remote islands. Counties like San Juan County consider all passageways, whether road, ferry, or other direct marine travel between islands, to be county modes of transportation. The county wants to expand road access. There are a finite number of resources for maintaining and expanding docks, wharves, and other infrastructure. It is difficult to pay for these transportation options. The county wants to maintain infrastructure, as well as expand it to provide opportunities for people to come to the community and transfer goods and services back and forth. Expanding marine facilities will benefit economic development and provide greater convenience for citizens.

An amendment to the bill would be appreciated by counties with tidally influenced lands. The counties would also like flexibility in how they use their CRFs.

(Opposed) None.

Persons Testifying: Laura Merrill, Washington State Association of Counties; and Rick Hughes, San Juan County Council.

Persons Signed In To Testify But Not Testifying: None.