

SENATE BILL REPORT

EHB 1868

As Reported by Senate Committee On:
Government Operations & Security, March 24, 2015
Transportation, April 7, 2015

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: Passed House: 3/04/15, 75-21.

Committee Activity: Government Operations & Security: 3/19/15, 3/24/15 [DPA].
Transportation: 3/30/15, 4/01/15, 4/07/15 [DPA, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & SECURITY

Majority Report: Do pass as amended.

Signed by Senators Roach, Chair; Pearson, Vice Chair; Liias, Ranking Minority Member; Dansel, Habib and McCoy.

Staff: Curt Gavigan (786-7437)

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators King, Chair; Fain, Vice Chair; Hobbs, Ranking Minority Member; Liias, Assistant Ranking Minority Member; Cleveland, Habib, Litzow, Miloscia, Pedersen, Rivers and Sheldon.

Minority Report: That it be referred without recommendation.

Signed by Senator Ericksen.

Staff: Amanda Cecil (786-7429)

Background: County Road Funds (CRFs) Generally. Each county maintains a CRF to be used for county road purposes. In general, a county must deposit in the CRF any money:

- generated by the county road district levy, which is authorized at the rate of up to \$2.25 per \$1,000 of assessed property value;

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- received from state motor vehicle fuel tax revenues; and
- received as federal reimbursements for expenses paid from the CRF.

Authorized Use of CRFs. A county may generally use its CRF for county road purposes including the construction, repair, or maintenance of county roads, bridges, or ferries or ferry-related wharves.

The CRF statute specifies a number of authorized expenses, including the following:

- insurance, self-insurance, or risk management programs directly related to county road purposes;
- construction, maintenance, or improvement of park and ride lots;
- acquisition, operation, and maintenance of equipment, quarries, or pits for material extraction;
- operation of the county engineering office;
- some activities relating to fish passage barrier removal; and
- bicycle paths and pedestrian rights of way.

Rural Arterial Program (RAP). The RAP funds activities including the construction and improvement of county rural arterials and the construction of certain replacement bridges on access roads in rural areas. The RAP is administered by the County Road Administration Board. Subject to several exemptions, in order to qualify for the RAP a county must spend all revenue collected for road purposes in the preceding 12 months only for projects consistent with highway purposes as described in the state Constitution.

Summary of Bill (Recommended Amendments): A county that consists entirely of islands, including San Juan County and Island County, may deposit revenue from its road district levy into a subaccount within its CRF. For a qualifying county, marine uses relating to navigation and moorage are considered county road purposes. Monies from the subaccount can be used for marine facilities including mooring buoys, docks, and aids to navigation.

Qualifying counties may make expenditures from the subaccount for specified marine purposes and maintain RAP eligibility.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Amendments): Limits the counties that qualify to use county road levy funds for marine facilities to counties that consist entirely of islands, which includes San Juan County and Island County.

EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & SECURITY COMMITTEE (Recommended Amendments):

- Provides that county road levy money, in the amount determined by a qualifying county, may be deposited in a subaccount within the county road fund to be used for marine facilities including mooring buoys, docks, and aids to navigation.
- Specifies that counties using road levy money in this manner maintain eligibility for the RAP.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed House Bill (Government Operations & Security): PRO: Counties would like flexibility to use locally raised revenue to meet the specific needs of their community, which in many areas means marine transportation. This is a local option, so counties would not have to use any CRF money for marine facilities. Docks and other marine facilities can be expensive, and this would be another important tool for local governments.

CON: There are concerns about the current bill, but not about the goal of assisting counties. There are constitutional concerns about using CRF and fuel tax revenue for marine projects, as well as concerns about statutory conflicts with another county funding program. Additional work is needed.

Persons Testifying (Government Operations & Security): PRO: Ken Dahlstedt, Skagit County; Rick Hughes, San Juan County; Laura Merrill, WA State Assn. of Counties.

CON: Jay Weber, County Road Administration Board, Executive Director.

Persons Signed in to Testify But Not Testifying: No one.

Staff Summary of Public Testimony on Bill as Amended by Government Operations & Security (Transportation): PRO: A number of counties use waterways for transportation and this expands uses so that they are able to invest in those. In some cases in San Juan, a boat is the only way to get goods and people around. This expansion of funds would not be used lightly. The amendment separates the uses from the constitutionally restricted funds so that there would not be legal issues.

OTHER: The RAP has historically only been for counties that use all their road funds for county roads.

Persons Testifying (Transportation): PRO: Representative Lytton, prime sponsor; Laura Merrill, WA State Assn. of Counties; Rick Hughes, San Juan County.

OTHER: Walt Olsen, WA State County Road Administration Board.

Persons Signed in to Testify But Not Testifying: No one.