

HOUSE BILL REPORT

HB 2727

As Reported By House Committee On:

Transportation

Title: An act relating to establishing a state infrastructure bank.

Brief Description: Establishing a state infrastructure bank.

Sponsors: Representatives K. Schmidt and Blanton.

Brief History:

Committee Activity:

Transportation: 2/1/96 [DPS].

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott; Sterk and Tokuda.

Staff: Roger Horn (786-7839).

Background: In November 1995, as part of the national highway system bill, Congress authorized a pilot program that would establish state infrastructure banks in up to 10 states. A state infrastructure bank is a mechanism that allows states to use federal-aid highway and transit funds to leverage other forms of investment in transportation infrastructure by expanding the eligible uses of those funds. For example, funds could be used to support the issuance of public or private debt to construct facilities, to provide credit enhancement for such debt, or for direct loans to public or private entities building transportation facilities.

The Department of Transportation has submitted an application to be accepted as one of the states in the pilot program. The department has identified two possible projects for funding through the infrastructure bank: a group of surface transportation improvements in the south downtown Seattle area and participation in the SR 16 capacity expansion project.

Summary of Substitute Bill: The transportation infrastructure account is created in the transportation fund, and the highway infrastructure account is created in the motor vehicle fund. Money from public or private entities or from bonds may be deposited into the accounts. Funds from the accounts may be used to support the issuance of public or private debt, to provide credit enhancement for such debt, for direct loans to public and private entities, or for other purposes necessary to facilitate investment in surface transportation facilities in the state.

Substitute Bill Compared to Original Bill: The substitute bill clarifies the purposes for which revenue from the accounts may be used.

Appropriation: None.

Fiscal Note: Requested on January 23, 1996.

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

Testimony For: This bill will help in Washington's bid to become one of the 10 states chosen for the state infrastructure bank program. It will position the state to tap into future federal funds. The program would be a tool to leverage available funds for large transportation projects.

Testimony Against: None.

Testified: Representative Karen Schmidt, prime sponsor; Amy Arnis, Department of Transportation; and Eric Berger, County Road Administration Board.