

SENATE BILL REPORT

SB 5342

As Reported By Senate Committee On:
Transportation, March 3, 1999

Title: An act relating to railroad company regulatory fees that apply to the intrastate portion of interstate revenue.

Brief Description: Modifying the procedure for collecting fees from railroad companies that operate in this state.

Sponsors: Senators Haugen, Benton and Jacobsen; by request of Utilities & Transportation Commission.

Brief History:

Committee Activity: Transportation: 2/17/99, 3/3/99 [DP, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Costa, Eide, Finkbeiner, Horn, Jacobsen, Johnson, Oke, Prentice, Sellar, Shin and Swecker.

Minority Report: Do not pass.

Signed by Senators Benton, Heavey and T. Sheldon.

Staff: Jennifer Ziegler (786-7316)

Background: The Washington Utilities and Transportation Commission (UTC) has regulatory responsibility for railroad public safety. To fund these regulatory duties, UTC assesses and collects fees from railroad companies operating in the state.

Currently, UTC assesses a fee of 1.5 percent of the gross operating revenue on railroad routes operating within Washington, known as intrastate routes. Railroad companies do not have to pay fees on revenue generated by routes entering Washington from another state, known as interstate routes.

Summary of Bill: Railroads are exempt from the current law requiring those companies regulated by UTC to pay fees on intrastate revenue.

A specific regulatory fee is created for railroad companies. Each company must pay a fee equal to 0.2 percent of its reported gross operating revenue by May 1 of each year.

"Gross operating revenue" is defined as all revenue collected from intrastate operations and all revenue collected from the portion of an interstate route operating in Washington.

Any railroad association that qualifies as a not-for-profit charitable organization is exempt from the fee.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Rail fees are extremely unpredictable. There is tremendous inequity in the current fees paid by carriers. This legislation will ensure a consistent and equitable fee structure without increasing the fees.

Testimony Against: None.

Testified: PRO: Teresa Osinski, Utilities and Transportation Commission.