

SENATE BILL REPORT

SB 6044

As of December 1, 1999

Title: An act relating to construction of projects identified under the public-private transportation initiatives.

Brief Description: Guaranteeing funds for public-private initiatives.

Sponsors: Senators Roach, Rasmussen, Patterson, Haugen, Heavey and Gardner.

Brief History:

Committee Activity: Transportation: 12/2/99.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Lynn Hale (786-7346)

Background: The 1993 Legislature created the Public Private Initiatives Program (PPI) within the Department of Transportation. The purpose of the PPI program is to engender opportunities for private entities to undertake all or a portion of the study, design, finance, construction, operation and maintenance of transportation systems and facilities.

A public advisory vote for certain public private facilities, such as bridges and highways, is required before the Department of Transportation can enter into an agreement with a private entity. The public advisory vote is preceded by extensive analysis of the proposed project, including determining the project area, impacts of tolls or user fees to communities in the vicinity, and an analysis of the relationship of the project to the state's transportation needs and benefits.

In addition, a public-private local involvement committee is established that serves in an advisory capacity prior to the advisory vote.

After a public advisory vote on a project, the Department of Transportation may enter into an agreement with the private entity. The agreement is structured to provide the private entity with a reasonable rate of return through user fees or tolls. State oversight of the agreement includes project audits and limiting the user fee or toll rate to not exceed the capital outlay of the project. Capital outlay of the project can include the costs incurred to study, plan, design, finance, acquire, build, install, operate, enforce, and maintain the facility.

Summary of Bill: Public-private initiative agreements must include a provision providing that the agreement and start of construction is subject to and conditioned upon nonrevocable appropriation, authorization, or identification of all funds required to complete the preferred alternative.

Appropriation: None.

Fiscal Note: Not requested.

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