

HOUSE BILL REPORT

ESSB 6839

As Reported by House Committee On:
Transportation

Title: An act relating to transportation accounts and revenue distributions.

Brief Description: Modifying transportation accounts and revenue distributions.

Sponsors: Senate Committee on Transportation (originally sponsored by Senator Haugen).

Brief History:

Committee Activity:

Transportation: 2/21/06, 2/23/06 [DPA].

**Brief Summary of Engrossed Substitute Bill
(As Amended by House Committee)**

- Implements technical corrections and future planned fund transfers are codified as statutory distributions.
- Freight Mobility Multimodal Account and the Regional Mobility Grant Program Account are created.
- State Auditor funding is reduced from \$4 million to \$2 million.
- Language to reprioritize the financial plan if a regional transportation funding plan is not adopted by 2007 is repealed.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 28 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Skinner, Assistant Ranking Minority Member; Appleton, Buck, Clibborn, Curtis, Dickerson, Erickson, Flannigan, Hankins, Holmquist, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Sells, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

Staff: Jerry Long (786-7306).

Background:

The 16-year transportation financial plan enacted by the Legislature in 2005 relies on numerous, ongoing budgetary transfers to support planned expenditures. The 2005

transportation revenue bill (ESSB 6103) authorized the State Auditor to conduct performance audits for transportation-related agencies and appropriated \$4 million for this purpose. However, on November 8, 2005, voters approved Initiative 900 (I-900) requiring the State Auditor to conduct performance audits of state and local governments, including "state and local transportation governmental entities and each of their agencies, accounts and programs." Initiative 900 dedicates a percentage of the state sales and use tax for this purpose. Engrossed Substitute Senate Bill 6103 also included language stating that if a regional transportation funding plan has not been adopted by 2007, the Legislature intends to reprioritize allocation of funding for projects identified in the 2005 financial plan.

Summary of Amended Bill:

Planned, future transfers in support of the 2005 financial plan are codified as statutory distributions. Two funds are also created in support of the financial plan including the Freight Mobility Multimodal Account and the Regional Mobility Grant Program Account. Both accounts are subject to appropriation and retain their own interest.

The \$4 million appropriation authorized in ESSB 6103 for the State Auditor to conduct performance audits of transportation-related agencies is reduced to \$2 million. Language concerning legislative intent to reprioritize the state transportation financial plan if a regional transportation funding plan is not adopted by 2007 is also repealed.

Amended Bill Compared to Engrossed Substitute Bill:

Restores the \$4 million in funding for audits of transportation agencies by the State Auditor's Office. The Freight Mobility Multimodal Account will be established on March 24, 2006, and be able to receive existing private funds immediately.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill contains multiple effective dates. The bill takes effect 90 days after adjournment of session in which bill is passed, except for section 11 which reinstates prior law related to account earnings after a scheduled expiration and takes effect July 1, 2006. Section 7, relating to setting up the Freight Mobility Multimodal Account, contains an emergency clause and takes effect on March 24, 2006.

Testimony For: The new accounts are important to setup to make sure that freight project funds are properly deposited. Support codifying the transfers to make sure that in the future the distributions happened as projected in the 16 year transportation financial plan.

Testimony Against: None.

Persons Testifying: Karen Schmidt, Freight Mobility Strategic Investment Board; and Steve Gorcester, Transportation Improvement Board.

Persons Signed In To Testify But Not Testifying: None.