

SENATE BILL REPORT

SB 6601

As Reported By Senate Committee On:
Transportation, February 1, 2006

Title: An act relating to transportation revenue.

Brief Description: Creating the freight mobility multimodal account.

Sponsors: Senators Eide and Haugen; by request of Freight Mobility Strategic Investment Board.

Brief History:

Committee Activity: Transportation: 1/23/06, 2/1/06 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Poulsen, Vice Chair; Benton, Eide, Esser, Finkbeiner, Mulliken, Oke, Sheldon, Spanel, Swecker and Weinstein.

Staff: David Ward (786-7341)

Background: The Freight Mobility Investment Strategic Board (FMSIB) Account was created in 2005. The account is scheduled to be capitalized with both 18th amendment and flexible funds starting July 1, 2006. The Attorney General's (AG) office has expressed concern about the commingling of 18th amendment, non-18th amendment, and private funds in a single account. Working with the Office of Financial Management, the AG's office, and the Department of Transportation, FMSIB is recommending creation of a separate account for the non-18th amendment and private funds to ensure the funds can be used as intended (primarily for freight rail projects).

Summary of Bill: The Freight Mobility Multimodal Account is created in the State Treasury. Distribution of dedicated, non-18th amendment revenues for freight mobility purposes are directed into the new account. The account is subject to appropriation and retains its own interest.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2006.

Testimony For: It is important that flexible, non-18th amendment monies be maintained separately from highway purposes, 18th amendment monies. Commingling the funds would likely result in all funds being classified as highway purposes money and, therefore, ineligible

for use in funding important rail and multimodal freight projects. It is also important that FMSIB have an account that can protect private, partner contributions from commingling with highway purposes funds for the same reasons.

Testimony Against: None.

Who Testified: PRO: Karen Schmidt, FMSIB.