

SENATE BILL REPORT

ESHB 1512

As Reported by Senate Committee On:
Transportation, April 1, 2009

Title: An act relating to funding rail freight service through grants.

Brief Description: Authorizing the funding of rail freight service through grants.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Haler, Roach and Klippert).

Brief History: Passed House: 3/12/09, 96-0.

Committee Activity: Transportation: 4/01/09 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Jacobsen, Jarrett, Kauffman, Kilmer, King, Ranker and Sheldon.

Staff: Dory Nicpon (786-7321)

Background: The Department of Transportation (DOT) administers a rail grant program referred to as the Emergent Freight Rail Assistance Program. Each biennium, DOT issues a call for projects, analyzes grant applications, and ranks applications based upon the ratio of public benefit to grant request amount.

The Emergent Freight Rail Assistance Program is funded, in part, through the Essential Rail Assistance Account. Current law requires funds in the Essential Rail Assistance Account to be distributed as loans wherever practicable, and if funds are to be distributed to private entities, then they may be distributed solely as loans. Article 8, Section 5 of the Constitution of the state of Washington prohibits lending of state credit.

Summary of Bill: Privately- or publicly-owned railroads are added to the list of eligible recipients of funds in the Essential Rail Assistance Account. If funds in the account are granted to a private entity, then the entity's project must:

- meet eligibility criteria for state rail assistance under RCW 47.76.240;

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- include contractual consideration with defined public benefits that are greater than the grant amount; and
- provide the state a contingent interest adequate to ensure that such public benefits are realized.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: By expanding eligibility in the Emergent Freight Rail Assistance program, this bill enables greater economic development. The majority of railroad property within the state is privately-owned. Current law directs grant resources to a relatively small subset of rail infrastructure (i.e. publicly-owned railroads). This bill includes appropriate assurances that funds granted to private entities would deliver adequate public benefits.

Persons Testifying: PRO: Representative Haler, prime sponsor; Ed Revell, City of Richland; Pete Rogalsky, City of Richland; Carol Moser, Washington State Transportation Commission/community activist.