

# HOUSE BILL REPORT

## SSB 5412

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### As Reported by House Committee On: Transportation

**Title:** An act relating to clarifying goals, objectives, and responsibilities of certain transportation agencies.

**Brief Description:** Clarifying goals, objectives, and responsibilities of certain transportation agencies.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Murray, Swecker, Marr, Clements and Haugen).

#### **Brief History:**

##### **Committee Activity:**

Transportation: 3/26/07, 3/30/07 [DPA].

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

- Establishes five overarching policy goals for the planning, operation, performance of, and investment in, the state's transportation system, and streamlines existing transportation goals and objectives.
- Directs the Office of Financial Management (OFM) to establish objectives and performance measures for all agencies with transportation-related responsibilities, and to submit performance reports on attainment of the newly-established policy goals to the Legislature.
- Shifts the responsibility for proposing a comprehensive 10-year investment program from the Washington State Transportation Commission to the OFM.
- Requires the Department of Transportation to perform certain duties in support of the newly-established policy goals.
- Provides for the dissolution of certain transportation authorities, including the Seattle Monorail Project.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 21 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Appleton, Armstrong, Curtis, Dickerson, Hailey, Hankins, Hudgins, Lovick, Rodne, Rolfes, Sells, Simpson, Springer, B. Sullivan, Takko, Upthegrove, Wallace and Wood.

**Staff:** Kathryn Leathers (786-7114).

### **Background:**

#### *Transportation System Goals and Benchmarks*

Over the years, the Legislature has adopted numerous goals, objectives, and benchmarks applicable to the state's transportation system. Responding to a recommendation made by the Blue Ribbon Commission on Transportation to adopt transportation benchmarks, the 2002 Legislature stated its intent that policy goals must be created for the operation of, performance of, and investment in the state's transportation system.

In 2005, the Legislature directed the Transportation Performance Audit Board (TPAB) to, among other things, study and make recommendations for modifying existing transportation goals and benchmarks, and to review the comprehensive 10-year investment program process and the corresponding statutory investment criteria. The resulting study made several recommendations, including the recommendations that existing statutes, benchmarks and other investment criteria be replaced by new legislation that establishes and aligns overarching goals for the state transportation system, and that the adopted goals should be those goals capable of being measured consistently from year to year.

During the 2006 interim, the Joint Transportation Committee continued the work begun by the TPAB, by commissioning a report to make specific recommendations for aligning benchmarks and goals, and adjusting reporting requirements. This recently completed report recommends revising and streamlining various existing state transportation system goals, objectives, and responsibilities, and the process by which these elements are measured and reported on.

#### *Dissolution of Certain Transportation Authorities*

City transportation authorities are separate political subdivisions. One such authority is the Seattle Monorail Project (SMP), created by Seattle voters in 2002. The SMP was financed with the proceeds of a Motor Vehicle Excise Tax, also approved by Seattle voters. Between 2002 and 2005, the SMP worked on the proposed plan and routes. When the plans and total financing package were announced, it encountered strong criticism and citizens ultimately did not support the proposed plans and routes.

Although current law is not clear regarding required procedures for dissolving a city transportation authority under circumstances similar to those encountered by the SMP, the process of dissolving the SMP began in 2006. This process included retiring \$110 million in bonded indebtedness; meeting with public agencies to ascertain interest in SMP's property and

assets; selling all parcels of property in a competitive process; and terminating the Motor Vehicle Excise Tax for vehicle registrations due after June 2006. Contracts with vendors and consultants have been terminated and staff have been let go. In addition, most of the outstanding litigation has been settled and the remainder is being concluded. The public in Seattle was informed, through a notice published in 15 newspapers, that the agency would soon be dissolved and that anyone having a claim should file it before December 4, 2006. An independent audit of 2005 financial statements was completed, as well as the State Auditor's 2005 compliance audit, and both resulted in "clean" opinions.

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### **Summary of Amended Bill:**

#### *Transportation System Goals and Benchmarks*

The state's policy goals for the investment in and the planning, operation, and performance of the state's transportation system are streamlined into the following five policy goals:

- *Preservation*: to maintain, preserve, and extend the life and utility of prior investments in transportation systems and services;
- *Safety*: to provide for and improve the safety and security of transportation customers and the transportation system;
- *Mobility*: to improve the predictable movement of goods and people throughout Washington;
- *Environment*: to enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment; and
- *Stewardship*: to continuously improve the quality, effectiveness, and efficiency of the transportation system.

The revised policy goals are intended to be the basis for establishing detailed and measurable objectives and related performance measures. The Legislature states its intent that the Office of Financial Management (OFM) establish objectives and performance measures for all state transportation agencies in order to assure that transportation system performance attains the five policy goals established in statute. Initial objectives and performance measures must be submitted to the Legislature for its review and copies of the same must be provided to the Washington State Transportation Commission (Commission) during the 2008 legislative session. Thereafter, the OFM must submit objectives and performance measures to the Legislature for its review and provide copies to the Commission on a biennial basis.

The OFM is required to submit to the Legislature a baseline performance report on attainment of the newly established policy goals by December 2007. Thereafter, a biennial attainment report must be submitted to the Legislature and the Governor, with the first report due by October 1, 2008. The report must include the degree to which state transportation projects and programs attained the policy goals.

The Department of Transportation (Department) is required to perform certain duties to support attainment of the newly-established policy goals, including: maintaining an inventory

of the condition of structures and corridors in most urgent need of retrofit or rehabilitation; developing strategies to gradually reduce the per capita vehicle miles traveled; utilizing efficiency tools; promoting integrated multimodal planning; and selecting engineers and architects to design environmentally sustainable, context sensitive transportation systems. Existing transportation goals, objectives, and benchmarks are streamlined, consolidated, and aligned. Various duties applicable to certain transportation agencies are revised to ensure they are performed consistent with the revised policy goals, objectives, and performance measures. Additionally, provisions regarding the establishment of the state's proposed 10-year investment program are revised, and the responsibility for proposing a comprehensive 10-year investment plan is shifted from the Commission to the OFM. It is clarified that improvements to highways of statewide significance are essential public facilities.

#### *Dissolution of Certain Transportation Authorities*

A city transportation authority (authority) is dissolved and terminated if specific events occur. Those events include, but are not limited to: (1) a majority of the qualified electors voting at a regular or special election determine that new public transportation facilities must not be built; and (2) the governing body of the authority adopts a resolution and publishes a notice of the proposed dissolution at least once each week for three consecutive weeks in a local newspaper of general circulation, and the resolution and notice contain certain required information.

A claim against a city transportation authority is barred if: the claimant fails to deliver a notice of claim to the authority within a specified period; or, if a claimant whose claim was rejected by the authority fails to commence a proceeding to enforce the claim within 60 days from receipt of the rejection notice.

The governing body of the authority is authorized to transfer net assets to one or more political subdivisions with instructions as to their use or disposition. The governing body is directed to authorize this transfer in the resolution that dissolves and terminates the authority. Former officers, directors, employees, and agents of the authority are immune from personal liability in connection with any claims brought against them arising from their service to the authority.

#### **Amended Bill Compared to Substitute Bill:**

The stewardship goal is modified such that the goal is now expressed as follows: to continuously improve the quality, effectiveness, and efficiency of the transportation system.

Performance measures and objectives developed by the OFM must be submitted to the Legislature for its review. The OFM, not the Commission, is responsible for reporting on attainment of the policy goals.

The Department is required to perform certain duties to support attainment of the new policy goals.

Dissolution procedures for a city transportation authority are provided.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) The Senate version does a very effective job of establishing the new overarching goals for our state transportation system, and then providing a technique for providing another set of eyes -- in this case, the Commission -- to review and report on attainment of the new goals. The House version delegated the attainment report duties to the OFM. Providing this new set of eyes through the Commission is one of the main differences between the House and Senate versions of the bill. The established priorities are very consistent with the Washington Transportation Plan (Plan). It is a good idea to change the Plan reporting period to every four years, and it is also a good idea to include consideration of the Growth Management Act.

There are many similarities between the Senate and House versions of the bill. However, the House language is preferred because it is a fuller version that reflects the need for updating the goals. There is strong support for including the House language that addresses other more specific goals not stated in the overarching goals. In particular, the specific goals that should be incorporated in the Senate version address the need for the Department to develop long-term financing plans, to develop strategies to reduce per capita vehicle miles traveled, to promote integrated multimodal planning, and to promote context-sensitive design excellence into transportation projects.

(Opposed) None.

**Persons Testifying:** Dan O'Neal, Washington State Transportation Commission; Stan Bowman, American Institute of Architects, Washington Council; and Genesee Adkins, Transportation Choices Coalition.

**Persons Signed In To Testify But Not Testifying:** None.