

HOUSE BILL REPORT

SHB 3164

As Passed House:
February 27, 2004

Title: An act relating to transportation innovative partnerships.

Brief Description: Enacting the Transportation Innovative Partnerships Act.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Murray, Ericksen, Wallace, Jarrett, Sommers, Rockefeller, Woods, Ruderman, Hatfield, Morris, Cooper, G. Simpson and Hankins).

Brief History:

Committee Activity:

Transportation: 2/4/04, 2/24/04 [DPS].

Floor Activity:

Passed House: 2/27/04, 69-27.

Brief Summary of Substitute Bill

- Authorizes a new public-private partnership law for transportation projects.
- State or local governments are eligible to participate.
- Available for all modes of transportation.
- Transportation projects must be publicly financed.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 21 members: Representatives Murray, Chair; Rockefeller, Vice Chair; G. Simpson, Vice Chair; Jarrett, Assistant Ranking Minority Member; Bailey, Campbell, Clibborn, Cooper, Dickerson, Flannigan, Hankins, Hatfield, Hudgins, Lovick, Morris, Rodne, Romero, Shabro, Wallace, Wood and Woods.

Minority Report: Do not pass. Signed by 4 members: Representatives Armstrong, Kristiansen, Mielke and Schindler.

Staff: Jeff Doyle (786-7322).

Background:

The current public-private initiatives law (RCW 47.46) does not provide for any additional projects. Out of six projects originally identified by the Department of Transportation for development, the only project that has been undertaken is the Tacoma Narrows Bridge project.

After a development agreement between the Department of Transportation and the private developer had been signed, the Legislature analyzed the cost savings that could result from state financing, and subsequently amended the law to provide for state financing.

Summary of Substitute Bill:

The Transportation Innovative Partnerships Act is created to enable state and local governments the ability to enter into partnerships with private entities for the development of transportation facilities and programs. Projects eligible for development include road and highway facilities, structures, operations, properties, vehicles, vessels, etc., representing any mode of travel (except for recreational purposes).

State and local units of government may solicit proposals, or accept unsolicited proposals, or may survey their existing transportation project lists and plans to determine if any are suitable for development as a public-private partnership. If a unit of government identifies a proposal to develop a transportation project using a public-private partnership, the government may negotiate a tentative development agreement with the project proponent, based on the concept or the proposal. Projects proposed for development that require financing must be financed by the public sector.

After a tentative development agreement has been reached, the unit of government must conduct an analysis to determine whether it would be financially beneficial to competitively bid all or parts of the proposed project. This analysis must be presented to the approval authority before a project agreement can be executed.

Sources of repayment may include user fees, tolls, fares, lease proceeds, gross or net receipts from sales, proceeds from development rights, franchise fees, or any other lawful form of consideration. Federal, state and local fund sources (such as grants, loans, or tax revenues) may also be used for project financing.

A public involvement plan must be submitted and approved as part of any agreement. All public meetings, workshops, open houses, hearings, etc., must be administered and attended by representatives of the public sector partner, and may not be contracted out to the private developer. For projects that cost in excess of \$50 million, a citizen advisory committee must be established for the purpose of reviewing, monitoring and advising on development of the project and operations and maintenance of the project after

construction is complete.

Prevailing wages must be paid on any portion of the project that constitutes public works (as defined in chapter 39.12 RCW) where public moneys are used. Units of government must protect the proprietary financial information obtained from private partners during the course of project negotiations and development.

The Transportation Innovative Partnership account is created in the state treasury, as a depository for bond proceeds and any revenues generated from the transportation project. Funds in the account must be spent on the specific public-private project, and may not be diverted to other transportation projects.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This legislation would provide the Department of Transportation with an important tool for alternative project procurement. Several other states currently have this authority.

Testimony Against: None.

Persons Testifying: Representative Murray, prime sponsor; and Doug MacDonald, Department of Transportation.

Persons Signed In To Testify But Not Testifying: None.