

FINAL BILL REPORT

ESHB 1163

PARTIAL VETO

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Synopsis as Enacted

Brief Description: Making 2001-03 and 2003-05 transportation appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by Representative Murray; by request of Governor Locke).

House Committee on Transportation

Background:

The transportation budget provides appropriations to the major transportation agencies including: the Department of Transportation (DOT); the Washington State Patrol (WSP); the Department of Licensing (DOL); the Traffic Safety Commission, the Transportation Improvement Board, the County Road Administration Board, and the Freight Mobility Strategic Investment Board. The budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary:

Appropriations for the 2003 Supplemental Transportation Budget and the 2003-05 Biennial Transportation Budget are provided.

2003 Supplemental Transportation Budget

Department of Transportation (DOT)	\$5.956 million
Washington State Patrol (WSP)	\$(359,000)
Department of Licensing (DOL)	\$911,000
Bond Retirement and Interest Reduction	<u>\$(16.830 million)</u>

Total Revisions to the 2001-03 Biennial Appropriations \$ (10.322 million)

- \$5.626 million is provided for increased indemnity and tort defense with biennium to date spending and actuarial supported projections.
- \$1.938 million is provided for increased ferry fuel costs and increased insurance premiums.
- Reductions of \$1.056 million were included for deferred DOT projects, WSP federal

unanticipated revenue, budget reductions and maintenance level adjustments for the DOT, the WSP and the DOL.

- Bond retirement and interest were reduced \$16.830 million for reduction in interest rates.

2003-05 Biennial Transportation Budget

Department of Transportation	\$3.609 billion
Transportation Improvement Board	\$201 million
County Road Administration Board	\$94 million
Washington State Patrol	\$251 million
Department of Licensing	\$186 million
Traffic Safety Commission	\$ 21 million
Small agencies with transportation functions	<u>\$13 million</u>
Total Agency Appropriations	\$ 4.375 billion
Bond Retirement and Interest	<u>\$352 million</u>
Total Appropriations	\$ 4.727 billion

- The Transportation Improvement Board, the County Road Administration Board and the Freight Mobility Strategic Investment Board remain as separate agencies.
- The 2003-05 appropriations includes existing revenues, new revenues and re-appropriations of \$742 million of which \$613 million is for the Tacoma Narrows Bridge.
- \$315 million is provided for the operation of the ferry system. The budget maintains passenger-only service to Vashon and temporary service to Bremerton. The budget maintains existing auto ferry routes.
- \$289 million is provided for highway maintenance.
- \$428 million is provided for traffic operations, information technology, transportation planning, data and research, management, and other support costs associated with the operation of the DOT.
- \$661 million is provided for highway preservation, \$183 million for ferry capital, and \$1.597 billion for highway improvements of which \$613 million is the Tacoma Narrows Bridge.
- \$29 million is provided for traffic operations capital, \$46 million for rail capital, \$17 million for plant construction and \$44 million for local capital needs.
- \$288 million is provided for capital projects through the Transportation Improvement Board and the County Road Administration Board.
- \$251 million is provided for operations and capital for the Washington State Patrol.
- \$186 million is provided for the operations of Department of Licensing.

- \$21 million is provided for the operations of the Traffic Safety Commission.
- \$20 million is provided for the operations of agencies with transportation related activities for the state's share of the net increase in medical and pension rates.
- \$352 million is provided for debt payments (principle and interest) on bonds.

Engrossed Substitute House Bill 2231 provides new revenue and the revenue is assumed to implement the 2003-05 appropriations.

- The Transportation 2003 Account is created in the Motor Vehicle Fund. Money in the Account may only be spent on projects identified as Transportation 2003 projects and the debt service on the bonds sold to fund the projects. Once the projects have been completed, moneys in the Account can only be spent on the debt service to pay off the bonds, and if there are additional funds in the Account, they may be spent on maintenance of the Transportation 2003 projects.
- Beginning July 1, 2003, the state gas tax and special fuel tax are increased by 5 cents per gallon. All of the revenue generated by the increase is deposited into the Transportation 2003 Account. The increase in the gas tax expires when the bonds sold to pay for the Transportation 2003 projects are retired.
- Beginning August 1, 2003, the gross weight portion of the combined licensing fee paid by trucks, tractors, and buses is increased by 15 percent for vehicles over 10,000 pounds. The proceeds from the increased percentage must be deposited in the Transportation 2003 Account.
- Beginning July 1, 2003, the sales and use tax applicable to motor vehicles is increased by three tenths of 1 percent. The revenues collected from the increase in the tax on motor vehicles must be deposited in the Multimodal Transportation Account. Farm tractors, farm vehicles, off road and nonhighway vehicles and snowmobiles are not included.
- The rate at which refund distributions are calculated for off-road vehicles, snowmobiles, marine usage is increased by 1 cent in each of the next five bienniums.
- By November 1, 2003, the Department of Licensing must offer the option to retain license plate numbers at the time of replacement for \$20. The Department of Licensing must offer special license plate design services for a fee of \$1,500 and then \$500 for each rendition thereafter. If House Bill 2065 becomes law by June 30, 2003, the portion of ESHB 2231 regarding licenses plates becomes null and void.
- A bond authorization of \$2.6 billion is assumed over 10 years to be repaid with the gas tax increase. A bond authorization of \$349.5 million is assumed, to be repaid with the sales tax increase.

Votes on Final Passage:

House 57 40
 Senate 41 8 (Senate amended)
 House (House refused to concur)

Senate 48 1 (Senate amended)
House 71 27 (House concurred)

Effective: May 19, 2003

Partial Veto Summary: The sections providing funding to implement House Bill 2065 (digital license plates) were vetoed. Also vetoed were provisions that did not allow the scope of highway projects to be expanded due to additional federal funding and restricting high occupancy vehicle lanes in Clark County until certain requirements were met.