
Transportation Committee

HB 2609

Brief Description: Creating the Private-Public Partnership Program (P4).

Sponsors: Representative Ericksen.

Brief Summary of Bill

- New private-public-partnership program (P4) is authorized for transportation projects.
- Private sector investment to be repaid from tax exemptions, deferrals and other incentives.
- Projects are limited to \$50 million or less.

Hearing Date: 2/4/04

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.

Summary of Bill:

The Department of Transportation is authorized to enter into agreements with the private sector for the construction of improvements to state transportation facilities. The types of projects eligible for development include improvements to the state highway system, access interchanges, facilities such as park and ride lots, and highway safety rest areas. Projects must not exceed \$50 million in costs. Cities, counties and port districts may also form partnerships with private entities to develop transportation projects in cooperation with the state, so long as the private entity is providing at least 50 percent of the project financing.

All project construction and permitting costs must be paid by the private sector. In return, the public sector must repay the private sector according to the terms of a negotiated agreement. The sources of repayment are: (1) proceeds from the state-portion of sales tax due on projects constructed under this program; and (2) tax incentives, including any combination of tax increment financing, property tax deferrals, property tax exemptions, or other sales tax deferrals or exemptions.

Projects developed under this program are not considered public works projects for purposes of Title 39 RCW (public contracting laws), but are eligible for expedited permitting processes identified in RCW 47.06(c) (transportation permit efficiency and accountability program). The Legislative Transportation Committee must review and approve any negotiated agreements for the development of projects under this program.

Appropriation: None.

Fiscal Note: Requested on February 6, 2004.

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