
HOUSE BILL 3196

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By Representatives Kristiansen, Ericksen, Schindler, Armstrong, Mielke, Condotta, Bailey, Ahern, McDonald, Roach, Shabro and Pearson

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1 AN ACT Relating to reducing traffic congestion by making road
2 construction to reduce traffic congestion the top priority of the state
3 transportation system; amending RCW 36.120.160; adding new sections to
4 chapter 47.10 RCW; adding a new section to chapter 47.01 RCW; adding a
5 new section to chapter 47.06 RCW; adding a new section to chapter 82.08
6 RCW; adding a new section to chapter 82.12 RCW; adding a new section to
7 chapter 43.09 RCW; adding new sections to chapter 46.68 RCW; adding a
8 new section to chapter 47.05 RCW; and creating new sections.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.10 RCW
11 to read as follows:

12 LEGISLATIVE INTENT--TRANSPORTATION PROJECT FUNDING MUST REDUCE
13 TRAFFIC CONGESTION AND IMPROVE MOBILITY. Traffic congestion costs
14 Washington billions of dollars and thousands of jobs and is a drain on
15 our state economy. Since 1990, growth in vehicle travel far exceeded
16 new construction of lanes of freeways and arterial roads. Projects
17 constructed in Washington have generally exceeded costs of comparable
18 construction in the rest of the country. The Puget Sound region is
19 among the worst in the United States measured by delay per driver, fuel

1 consumed per person, and annual congestion cost per person. This
2 congestion continues to worsen with serious economic effects reducing
3 economic development, hurting businesses, and costing jobs. Applying
4 up to twenty percent of existing revenues to complete priority projects
5 will reduce traffic delay to significantly below today's level, and
6 substantially improve Washington's economic climate. Long-term
7 implementation of this Traffic Congestion Relief Act will make such
8 improvements possible statewide. In order to create jobs and economic
9 growth, it is necessary to act to reduce traffic delay by requiring
10 dedication of up to twenty percent of some existing funds as provided
11 in this act to construct the most cost-effective projects. The
12 legislature directs that the provisions of this act be implemented
13 without impact on education funding.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.10 RCW
15 to read as follows:

16 CRITERIA FOR HIGHWAY PROJECT FUNDING AND CONSTRUCTION--STATE AND
17 REGIONAL EFFORTS. (1) The department of transportation, a county, a
18 regional transportation investment district, or other entity proposing
19 to construct freeways or principal arterial projects defined as
20 highways of statewide significance over ten million dollars shall first
21 conduct a traffic congestion relief analysis of the proposed project.
22 This analysis must include the cost-effectiveness of reducing
23 congestion through road construction.

24 (2) Expenditures from the traffic congestion relief account created
25 by section 8 of this act may be made only for freeway and principal
26 arterial improvements certified after the traffic congestion relief
27 analysis shows those improvements to be the best in the state or in
28 each region of the state, as specified in subsection (4) of this
29 section. The analysis by the department or entity set forth in
30 subsection (3) of this section must:

31 (a) Be based on commonly accepted transportation planning
32 procedures;

33 (b) Recognize regionally adopted population and employment
34 projections;

35 (c) Estimate current afternoon/evening peak period vehicle-hours of
36 delay for the project area or corridor;

1 (d) Estimate projected afternoon/evening peak vehicle-hours of
2 delay for the project area or corridor for the tenth year in the future
3 without project improvements;

4 (e) Estimate projected afternoon/evening peak vehicle-hours of
5 delay for the project area or corridor for the tenth year in the future
6 with the project completed and in operation; and

7 (f) Prepare an estimated present-value capital cost of the project.

8 (3) The calculated savings in vehicle-delay hours per million
9 dollars of capital investment becomes the traffic congestion relief
10 score. The score establishes priority ranking for projects that must
11 be funded in descending order of delay reduction per million dollars of
12 capital investment.

13 (4) No more than sixty percent of the funds dedicated through
14 section 8 of this act may be committed for projects in any three-county
15 area.

16 (5) In any region of the state, established under RCW 47.01.101, at
17 least one project with the highest traffic congestion relief rating
18 after analysis under subsections (2) and (3) of this section may be
19 funded and constructed in each biennium. For purposes of this section,
20 the Northwest and Olympic regions will be redefined to exclude King,
21 Pierce, and Snohomish counties. A single county or other cooperative
22 operating agency formed between counties or counties and cities under
23 chapter 39.34 RCW may apply for and receive an appropriation of traffic
24 congestion relief funds to construct the projects. A regional
25 transportation investment district created under chapter 36.120 RCW may
26 apply for and receive matching funds for such projects on a one-to-one
27 basis.

28 (6) The minimum threshold for a project qualifying for funding from
29 the traffic congestion relief account is a projected fifteen-year
30 corridor level-of-service (LOS) decline of "E" or worse. If in any
31 region no projects meet this minimum threshold, then one
32 safety-related, major-maintenance-related, or congestion relief project
33 from that region may qualify for funding. The project so selected must
34 be the one with the highest congestion benefit/cost ratio.

35 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.01 RCW
36 to read as follows:

37 DEPARTMENT OF TRANSPORTATION REQUIRED TO IMPLEMENT. (1) The

1 department shall designate an office or division of dedicated staff and
2 services whose primary responsibility is the analysis, design,
3 permitting, and construction of transportation projects and conversion
4 of existing high-occupancy vehicle lanes to general purpose lanes,
5 which will reduce traffic congestion as determined to be necessary and
6 appropriate as provided in section 2 of this act and in this section.

7 (2) As an immediate action, all high-occupancy vehicle lanes will
8 be opened for off-peak and weekend hours and each lane analyzed for
9 capacity to reduce traffic congestion through conversion to general
10 purpose vehicle lanes. Each lane must be immediately converted to a
11 general purpose lane unless peak period congestion is not reduced by
12 opening a high-occupancy vehicle lane to general purpose traffic.
13 Future high-occupancy vehicle lanes may be implemented only if that
14 projected use would carry more person-trips than would a general
15 purpose lane in its place. In performing this analysis, the average
16 car occupancy (ACO) of vehicles using the high-occupancy vehicle lane
17 must be assumed to be constant when converted to a general purpose
18 lane. This section does not affect RCW 46.44.080, 46.61.110, or
19 46.61.135 as relates to truck traffic.

20 (3) All of the powers granted the department under this title
21 relating to highway construction must be used to implement this act and
22 to construct, convert, or aid and facilitate these traffic congestion
23 relief projects, including those projects proposed by counties,
24 cooperative operating agencies, or regional transportation investment
25 districts if meeting the criteria in section 2 of this act.

26 (4) At the request of a county, cooperative operating agency, or
27 regional transportation investment district, the department shall
28 perform the traffic congestion relief analysis specified in section 2
29 of this act for each proposed project and report the results within six
30 months to the requesting entity and to the legislature.

31 (5) In an application for federal funding made by or through the
32 department, each project costing over ten million dollars must be
33 analyzed for traffic congestion relief cost-effectiveness and the
34 results, and a cumulative summary of all state projects, submitted with
35 any report of the proposal to federal agencies and to the United States
36 Congress. The department shall prioritize these projects and seek
37 maximum federal funding to implement this act and match the funds
38 dedicated by this act to traffic congestion reduction.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.06 RCW
2 to read as follows:

3 COST CONTROLS AND WAIVER OF SALES AND USE TAXES ON TRAFFIC
4 CONGESTION RELIEF PROJECTS. Capital costs of major roadway projects of
5 the department have exceeded national costs. To be eligible for
6 funding under this act, project costs must be controlled to meet the
7 following requirements:

8 (1) Added lane-mile costs must be no more than fifty percent above
9 prevailing national costs for roads of a similar type and in locations
10 of comparable density by location (central city, urban, suburban,
11 exurb, and rural);

12 (2) Prevailing national costs must be determined from average lane-
13 mile costs by roadway type and location type provided by the federal
14 highway administration or United States congressional committee
15 reports. If these are unavailable, prevailing national costs may be
16 calculated from the most recently completed or projects contracted and
17 under construction in a sample of at least ten comparison states,
18 including states subject to significant seismic design requirements and
19 states with variable terrain. The comparison states must be
20 geographically distributed around the United States.

21 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.08 RCW
22 to read as follows:

23 The taxes levied by RCW 82.08.020 do not apply to materials and
24 labor used in the construction or maintenance of publicly owned roads,
25 streets, and highways where funded by this act and meeting the traffic
26 congestion relief criteria in section 2 of this act.

27 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.12 RCW
28 to read as follows:

29 The taxes levied by RCW 82.12.020 do not apply to materials and
30 labor used in the construction or maintenance of publicly owned roads,
31 streets, and highways where funded by this act and meeting the traffic
32 congestion relief criteria in section 2 of this act.

33 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.09 RCW
34 to read as follows:

35 ACCOUNTABILITY AND PERFORMANCE AUDITS. (1) The state auditor shall

1 conduct a performance audit of any constructing agency, including the
2 department of transportation, and any county, regional transportation
3 investment district, or other public agency that has constructed
4 traffic congestion relief funded projects costing in excess of ten
5 million dollars. The funds from sections 8 and 9 of this act must be
6 used for the cost of the audit. The first audit report for each agency
7 must be submitted to the legislature and made available to the public
8 on or before December 31, 2005. Subsequent performance audits must be
9 conducted by the state auditor and made available at least one year
10 after the completion of any project or payment of over ninety percent
11 of contracted costs for any project. For counties and cities, this
12 audit may be conducted as part of audits otherwise required by state
13 law.

14 (2) The state auditor shall also conduct a performance audit of the
15 department of transportation administration and support of the traffic
16 congestion relief program at least each fiscal biennium. Each audit
17 must also include a summary and comparison of all highway and road
18 construction under other funding sources of the department analyzed
19 under the criteria set forth in section 2 of this act in order to allow
20 comparison of the congestion relief effectiveness per million dollars
21 spent of all department of transportation projects.

22 NEW SECTION. **Sec. 8.** A new section is added to chapter 46.68 RCW
23 to read as follows:

24 TRAFFIC CONGESTION RELIEF ACCOUNT CREATED. (1) The traffic
25 congestion relief account is created in the motor vehicle fund. Money
26 in the account may be appropriated and spent in accordance with this
27 act. Expenditures from the account must be used only for projects or
28 improvements identified as traffic congestion relief projects and to
29 pay the principal and interest on the bonds authorized for traffic
30 congestion relief projects or improvements.

31 (2) That portion of fuel tax, weight fees, and sales and use tax
32 specified in section 11 of this act must be immediately transferred to
33 the traffic congestion relief account.

34 (3) The proceeds from the sale of bonds authorized by sections 9
35 and 10 of this act must also be deposited in the traffic congestion
36 relief account of the motor vehicle fund. The proceeds are available

1 only for the purposes enumerated in this act and for the payment of
2 anticipation notes, if any, and for the payment of bond issuance costs,
3 including the costs of underwriting.

4 NEW SECTION. **Sec. 9.** A new section is added to chapter 47.10 RCW
5 to read as follows:

6 TRAFFIC CONGESTION RELIEF BONDS AUTHORIZED. In order to provide
7 funds necessary for the immediate design and construction of selected
8 traffic congestion relief highway and road projects under this act,
9 there shall be issued and sold a total of ten billion dollars of
10 general obligation bonds of the state of Washington, which must be
11 appropriated in accordance with this act.

12 NEW SECTION. **Sec. 10.** A new section is added to chapter 47.10 RCW
13 to read as follows:

14 As the bonds authorized by section 9 of this act are repaid, new
15 bonds may be issued to the maximum of ten billion dollars as set forth
16 in section 9 of this act, and the moneys appropriated to construct
17 additional projects statewide that meet the traffic congestion relief
18 criteria specified in section 2 of this act.

19 NEW SECTION. **Sec. 11.** A new section is added to chapter 46.68 RCW
20 to read as follows:

21 FUNDING FOR BOND PAYMENTS--TAXES AND FEES DEDICATED. (1) The
22 following taxes, fees, and tolls are transferred and dedicated to the
23 traffic congestion relief account to directly fund projects or to be
24 applied to the repayment of bonds sold to fund the traffic congestion
25 relief projects authorized by this act:

26 (a) Beginning January 1, 2005, 5.6 cents per gallon of the motor
27 fuel tax rate applied by RCW 82.36.025 to the sale, distribution, or
28 use of motor vehicle fuel will be transferred to the traffic congestion
29 relief account;

30 (b) Beginning January 1, 2005, the proceeds of the tax rate of 5.6
31 cents per gallon of special fuel, or each one hundred cubic feet of
32 compressed natural gas, measured at standard pressure and temperature
33 imposed on special fuel users by RCW 82.38.030 will be transferred to
34 the traffic congestion relief account;

1 (c) Beginning January 1, 2005, that portion of sales and use tax on
2 motor vehicles specified in RCW 82.08.020 and 82.12.020 of up to two
3 percent of the selling price, in the case of a sales tax, or two
4 percent of the value of the motor vehicle used, in the case of a use
5 tax, upon the occurrence of any taxable event will be transferred to
6 the traffic congestion relief account;

7 (d) Beginning January 1, 2005, twenty percent of the license fees
8 for motor buses and other trucks and tractor vehicles based on gross
9 weight imposed by RCW 46.16.070 will be transferred to the traffic
10 congestion relief account.

11 (2) Revenues from the taxes and fees specified in subsection (1) of
12 this section may be used only to implement the traffic congestion
13 relief projects as set forth in this act, including audits required by
14 section 7 of this act. The department shall contract with the state
15 department of revenue or other appropriate entities for administration
16 and collection of the taxes or fees authorized in this section.

17 NEW SECTION. **Sec. 12.** A new section is added to chapter 46.68 RCW
18 to read as follows:

19 DISTRIBUTIONS TO CITIES AND COUNTIES UNAFFECTED. The funds
20 credited and distributed to cities and counties under RCW 46.68.090
21 through 46.68.120 and 35.76.050 and to the transportation improvement
22 board under chapter 47.26 RCW are not affected by the provisions of
23 this act, and those payments must continue as otherwise provided by
24 law. However, each such entity shall apply twenty percent of those
25 funds in accordance with section 2 of this act emphasizing improvement
26 to principal arterial.

27 NEW SECTION. **Sec. 13.** GAS AND VEHICLE TAXES AND WEIGHT FEES NOT
28 TO BE RAISED. Existing statewide motor vehicle fuel and special fuel
29 taxes, at the distribution rates in effect on January 1, 2004, and
30 sales and use taxes on vehicles are not to be raised or altered by this
31 act.

32 NEW SECTION. **Sec. 14.** A new section is added to chapter 47.10 RCW
33 to read as follows:

34 TRAFFIC CONGESTION RELIEF BOND FUNDS. Bond issues under the
35 authority of sections 9 and 10 of this act must distinctly state that

1 they are a general obligation of the state of Washington, pledge the
2 full faith and credit of the state to the payment of the principal
3 thereof and the interest thereon, and contain an unconditional promise
4 to pay the principal and interest as they become due. The principal
5 and interest on the bonds are first payable from the portion of the
6 state excise taxes on motor vehicle and special fuels and vehicle
7 weight fees and from the sales and use taxes transferred by section 11
8 of this act. Proceeds of these taxes transferred by section 11 of this
9 act are pledged to the payment of any bonds and the interest on them.
10 The state agrees to continue to impose these excise taxes, vehicle
11 weight fees, and sales and use taxes in amounts sufficient to pay, when
12 due, the principal and interest on all bonds issued under the authority
13 of this act.

14 NEW SECTION. **Sec. 15.** A new section is added to chapter 47.10 RCW
15 to read as follows:

16 Both principal and interest on the bonds issued for the purposes of
17 section 9 of this act are payable from the traffic congestion relief
18 funds. The state finance committee may provide that a special account
19 be created to facilitate payment of the principal and interest of these
20 bonds. The state finance committee shall, on or before June 30th of
21 each year, certify to the state treasurer the amount required for
22 principal and interest on the bonds in accordance with the bond
23 proceedings. The state treasurer shall withdraw revenues from the
24 traffic congestion relief account in the motor vehicle fund and deposit
25 in the highway bond retirement fund, or a special account, such
26 amounts, and at such times, as are required by the bond proceedings.
27 Any funds required for bond retirement or interest on the bonds
28 authorized by sections 9 and 10 of this act must be taken from the
29 traffic congestion relief account in the motor vehicle fund. Funds
30 required do not constitute a charge against any other allocations of
31 motor vehicle fuel and special fuel tax revenues to the state,
32 counties, cities, and towns unless the amounts arising from excise
33 taxes on motor vehicle and special fuels distributed to the state in
34 the traffic congestion relief account proves insufficient to meet the
35 requirements for bond retirement or interest on any such bonds.

1 **Sec. 16.** RCW 36.120.160 and 2002 c 56 s 116 are each amended to
2 read as follows:

3 OWNERSHIP OF IMPROVEMENTS. Any improvement to a state highway or
4 road facility constructed under this chapter becomes and remains the
5 property of this state.

6 NEW SECTION. **Sec. 17.** A new section is added to chapter 47.05 RCW
7 to read as follows:

8 NONAPPLICABILITY OF CHAPTER. This chapter does not apply to the
9 projects authorized under sections 1 through 15 of this act or to the
10 process set forth therein for authorization and funding.

11 NEW SECTION. **Sec. 18.** LIBERAL CONSTRUCTION. The provisions of
12 this act are to be liberally construed to effectuate the policies and
13 purposes of this act.

14 NEW SECTION. **Sec. 19.** CAPTIONS NOT LAW. Captions used in this
15 act are not any part of the law.

16 NEW SECTION. **Sec. 20.** If any provision of this act or its
17 application to any person or circumstance is held invalid, the
18 remainder of the act or the application of the provision to other
19 persons or circumstances is not affected. If the provisions
20 transferring taxing is held to impair any bond or other contract in
21 existence at the time the act becomes effective, the provisions shall
22 be applied prospectively and to all other persons and circumstances.

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