

ESB 5513 - H AMD 588
By Representative Murray

ADOPTED 04/21/2005

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that it is in the
4 interest of the state to restructure the roles and responsibilities of
5 the state's transportation agencies in order to improve efficiency and
6 accountability. The legislature also finds that continued citizen
7 oversight of the state's transportation system remains an important
8 priority. To achieve these purposes, the legislature intends to
9 provide direct accountability of the department of transportation to
10 the governor, in his or her role as chief executive officer of state
11 government, by making the secretary of transportation a cabinet-level
12 official. Additionally, it is essential to clearly delineate between
13 the separate and distinct roles and responsibilities of the executive
14 and legislative branches of government. The role of executive is to
15 oversee the implementation of transportation programs, while the
16 legislature reserves to itself the role of policymaking. Finally,
17 consolidating public outreach and auditing of the state's
18 transportation agencies under a single citizen-governed entity, the
19 transportation commission, will provide the public with information
20 about the performance of the transportation system and an avenue for
21 direct participation in its oversight.

22 **Departmental Governance**

23 **Sec. 2.** RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each amended
24 to read as follows:

25 There shall be a chief executive officer of each department to be
26 known as: (1) The secretary of social and health services, (2) the
27 director of ecology, (3) the director of labor and industries, (4) the
28 director of agriculture, (5) the director of fish and wildlife, (6) the

1 secretary of transportation, (7) the director of licensing, (8) the
2 director of general administration, (9) the director of community,
3 trade, and economic development, (10) the director of veterans affairs,
4 (11) the director of revenue, (12) the director of retirement systems,
5 (13) the secretary of corrections, (~~and~~) (14) the secretary of
6 health, and (15) the director of financial institutions.

7 Such officers, except the (~~secretary of transportation and the~~)
8 director of fish and wildlife, shall be appointed by the governor, with
9 the consent of the senate, and hold office at the pleasure of the
10 governor. (~~The secretary of transportation shall be appointed by the~~
11 ~~transportation commission as prescribed by RCW 47.01.041.~~) The
12 director of fish and wildlife shall be appointed by the fish and
13 wildlife commission as prescribed by RCW 77.04.055.

14 **Sec. 3.** RCW 47.01.041 and 1983 1st ex.s. c 53 s 28 are each
15 amended to read as follows:

16 The executive head of the department of transportation shall be the
17 secretary of transportation, who shall be appointed by the
18 (~~transportation commission~~) governor with the advice and consent of
19 the senate, and shall be paid a salary to be fixed by the governor in
20 accordance with the provisions of RCW 43.03.040. The secretary shall
21 be an ex officio member of the transportation commission without a
22 vote. (~~The secretary shall be the chief executive officer of the~~
23 ~~commission and be responsible to it, and shall be guided by policies~~
24 ~~established by it.~~) The secretary shall serve (~~until removed by the~~
25 ~~commission, but only for incapacity, incompetence, neglect of duty,~~
26 ~~malfeasance in office, or failure to carry out the commission's~~
27 ~~policies. Before a motion for dismissal shall be acted on by the~~
28 ~~commission, the secretary shall be granted a hearing on formal written~~
29 ~~charges before the full commission. An action by the commission to~~
30 ~~remove the secretary shall be final~~) at the pleasure of the governor.

31 **Sec. 4.** RCW 47.01.061 and 1987 c 364 s 2 are each amended to read
32 as follows:

33 (1) The commission shall meet at such times as it deems advisable
34 but at least once every month. It may adopt its own rules and
35 regulations and may establish its own procedure. It shall act
36 collectively in harmony with recorded resolutions or motions adopted by

1 majority vote of at least four members. The commission may appoint an
2 administrative secretary, and shall elect one of its members chairman
3 for a term of one year. The chairman shall be able to vote on all
4 matters before the commission. The commission may from time to time
5 retain planners, consultants, and other technical personnel to advise
6 it in the performance of its duties.

7 (2) The commission shall submit to each regular session of the
8 legislature held in an odd-numbered year its own budget proposal
9 necessary for the commission's operations separate from that proposed
10 for the department.

11 (3) Each member of the commission shall be compensated in
12 accordance with RCW 43.03.250 and shall be reimbursed for actual
13 necessary traveling and other expenses in going to, attending, and
14 returning from meetings of the commission, and actual and necessary
15 traveling and other expenses incurred in the discharge of such duties
16 as may be requested by a majority vote of the commission or by the
17 secretary of transportation, but in no event shall a commissioner be
18 compensated in any year for more than one hundred twenty days, except
19 the chairman of the commission who may be paid compensation for not
20 more than one hundred fifty days. Service on the commission shall not
21 be considered as service credit for the purposes of any public
22 retirement system.

23 (4) Each member of the commission shall disclose any actual or
24 potential conflict of interest, if applicable under the circumstance,
25 regarding any commission business.

26 **Sec. 5.** RCW 47.01.071 and 1981 c 59 s 2 are each amended to read
27 as follows:

28 The transportation commission shall have the following functions,
29 powers, and duties:

30 (1) To propose policies to be adopted by the governor and the
31 legislature designed to assure the development and maintenance of a
32 comprehensive and balanced statewide transportation system which will
33 meet the needs of the people of this state for safe and efficient
34 transportation services. Wherever appropriate the policies shall
35 provide for the use of integrated, intermodal transportation systems to
36 implement the social, economic, and environmental policies, goals, and

1 objectives of the people of the state, and especially to conserve
2 nonrenewable natural resources including land and energy. To this end
3 the commission shall:

4 (a) Develop transportation policies which are based on the
5 policies, goals, and objectives expressed and inherent in existing
6 state laws;

7 (b) Inventory the adopted policies, goals, and objectives of the
8 local and area-wide governmental bodies of the state and define the
9 role of the state, regional, and local governments in determining
10 transportation policies, in transportation planning, and in
11 implementing the state transportation plan;

12 (c) Propose a transportation policy for the state(~~(, and after~~
13 ~~notice and public hearings, submit the proposal to the legislative~~
14 ~~transportation committee and the senate and house transportation~~
15 ~~committees by January 1, 1978, for consideration in the next~~
16 ~~legislative session))~~);

17 (d) Establish a procedure for review and revision of the state
18 transportation policy and for submission of proposed changes to the
19 governor and the legislature;

20 (e) To integrate the statewide transportation plan with the needs
21 of the elderly and handicapped, and to coordinate federal and state
22 programs directed at assisting local governments to answer such needs;

23 ~~(2) ((To establish the policy of the department to be followed by~~
24 ~~the secretary on each of the following items:~~

25 ~~(a))~~ To provide for the effective coordination of state
26 transportation planning with national transportation policy, state and
27 local land use policies, and local and regional transportation plans
28 and programs;

29 ~~((b))~~ (3) In conjunction with the provisions under section 6 of
30 this act, to provide for public involvement in transportation designed
31 to elicit the public's views both with respect to adequate
32 transportation services and appropriate means of minimizing adverse
33 social, economic, environmental, and energy impact of transportation
34 programs;

35 ~~((c) To provide for the administration of grants in aid and other~~
36 ~~financial assistance to counties and municipal corporations for~~
37 ~~transportation purposes;~~

1 ~~(d) To provide for the management, sale, and lease of property or~~
2 ~~property rights owned by the department which are not required for~~
3 ~~transportation purposes;~~

4 ~~(3))~~ (4) To ~~((direct the secretary to))~~ prepare ~~((and submit to~~
5 ~~the commission))~~ a comprehensive and balanced statewide transportation
6 plan which shall be based on the transportation policy adopted by the
7 governor and the legislature and applicable state and federal laws.
8 ~~((After public notice and hearings, the commission shall adopt the plan~~
9 ~~and submit it to the legislative transportation committee and to the~~
10 ~~house and senate standing committees on transportation before January~~
11 ~~1, 1980, for consideration in the 1980 regular legislative session.))~~
12 The plan shall be reviewed and revised, and submitted to the governor
13 and the house of representatives and senate standing committees on
14 transportation, prior to each regular session of the legislature during
15 an even-numbered year thereafter. ~~((A preliminary plan shall be~~
16 ~~submitted to such committees by January 1, 1979.))~~

17 The plan shall take into account federal law and regulations
18 relating to the planning, construction, and operation of transportation
19 facilities;

20 ~~((4))~~ (5) To propose to the governor and the legislature prior to
21 the convening of each regular session held in an odd-numbered year a
22 recommended budget for the operations of the commission as required by
23 RCW 47.01.061;

24 ~~((5) To approve and propose to the governor and to the legislature~~
25 ~~prior to the convening of each regular session during an odd numbered~~
26 ~~year a recommended budget for the operation of the department and for~~
27 ~~carrying out the program of the department for the ensuing biennium.~~
28 ~~The proposed budget shall separately state the appropriations to be~~
29 ~~made from the motor vehicle fund for highway purposes in accordance~~
30 ~~with constitutional limitations and appropriations and expenditures to~~
31 ~~be made from the general fund, or accounts thereof, and other available~~
32 ~~sources for other operations and programs of the department;~~

33 ~~(6) To review and authorize all departmental requests for~~
34 ~~legislation;~~

35 ~~(7))~~ (6) To approve the issuance and sale of all bonds authorized
36 by the legislature for capital construction of state highways, toll
37 facilities, Columbia Basin county roads (for which reimbursement to the

1 motor vehicle fund has been provided), urban arterial projects, and
2 aviation facilities;

3 ~~((+8))~~ (7) To adopt such rules, regulations, and policy directives
4 as may be necessary to carry out reasonably and properly those
5 functions expressly vested in the commission by statute;

6 ~~((+9) To delegate any of its powers to the secretary of
7 transportation whenever it deems it desirable for the efficient
8 administration of the department and consistent with the purposes of
9 this title;~~

10 ~~(+10))~~ (8) To contract with the office of financial management or
11 other appropriate state agencies for administrative support, accounting
12 services, computer services, and other support services necessary to
13 carry out its other statutory duties;

14 (9) To exercise such other specific powers and duties as may be
15 vested in the transportation commission by this or any other provision
16 of law.

17 NEW SECTION. Sec. 6. A new section is added to chapter 47.01 RCW
18 to read as follows:

19 (1) The transportation commission shall provide a forum for the
20 development of transportation policy in Washington state. It may
21 recommend to the secretary of transportation, the governor, and the
22 legislature means for obtaining appropriate citizen and professional
23 involvement in all transportation policy formulation and other matters
24 related to the powers and duties of the department. It may further
25 hold hearings and explore ways to improve the mobility of the
26 citizenry. At least every five years, the commission shall convene
27 regional forums to gather citizen input on transportation issues.

28 (2) Every two years, in coordination with the development of the
29 state biennial budget, the commission shall prepare the statewide
30 multimodal transportation progress report that outlines the
31 transportation priorities of the ensuing biennium. The report must:

- 32 (a) Consider the citizen input gathered at the forums;
- 33 (b) Be developed with the assistance of state transportation-
34 related agencies and organizations;
- 35 (c) Be developed with the input from state, local, and regional
36 jurisdictions, transportation service providers, and key transportation
37 stakeholders;

1 (d) Be considered by the secretary of transportation and other
2 state transportation-related agencies in preparing proposed agency
3 budgets and executive request legislation;

4 (e) Be submitted by the commission to the governor by October 1st
5 of each even-numbered year for consideration by the governor.

6 (3) In fulfilling its responsibilities under this section, the
7 commission may create ad hoc committees or other such committees of
8 limited duration as necessary.

9 (4) In order to promote a better transportation system, the
10 commission shall offer policy guidance and make recommendations to the
11 governor and the legislature in key issue areas, including but not
12 limited to:

13 (a) Transportation finance;

14 (b) Preserving, maintaining, and operating the statewide
15 transportation system;

16 (c) Transportation infrastructure needs;

17 (d) Promoting best practices for adoption and use by
18 transportation-related agencies and programs;

19 (e) Transportation efficiencies that will improve service delivery
20 and/or coordination;

21 (f) Improved planning and coordination among transportation
22 agencies and providers; and

23 (g) Use of intelligent transportation systems and other
24 technology-based solutions.

25 **Sec. 7.** RCW 47.01.101 and 1987 c 505 s 48 and 1987 c 179 s 1 are
26 each reenacted and amended to read as follows:

27 The secretary shall have the authority and it shall be his or her
28 duty(~~(, subject to policy guidance from the commission)~~):

29 (1) To serve as chief executive officer of the department with full
30 administrative authority to direct all its activities;

31 (2) To organize the department as he or she may deem necessary to
32 carry out the work and responsibilities of the department effectively;

33 (3) To designate and establish such transportation district or
34 branch offices as may be necessary or convenient, and to appoint
35 assistants and delegate any powers, duties, and functions to them or
36 any officer or employee of the department as deemed necessary to
37 administer the department efficiently;

1 (4) To direct and coordinate the programs of the various divisions
2 of the department to assure that they achieve the greatest possible
3 mutual benefit, produce a balanced overall effort, and eliminate
4 unnecessary duplication of activity;

5 (5) To adopt all department rules that are subject to the adoption
6 procedures contained in the state administrative procedure act, except
7 rules subject to adoption by the commission pursuant to statute;

8 (6) To maintain and safeguard the official records of the
9 department, including the commission's recorded resolutions and orders;

10 (7) To provide, under contract or interagency agreement, full staff
11 support to the commission to assist it in carrying out its functions,
12 powers, and duties ~~((and to execute the policy established by the
13 commission pursuant to its legislative authority))~~;

14 (8) To execute and implement the biennial operating budget for the
15 operation of the department in accordance with chapter 43.88 RCW and
16 with legislative appropriation ~~((and, in such manner as prescribed
17 therein, to make and report to the commission and the chairs of the
18 transportation committees of the senate and house of representatives,
19 including one copy to the staff of each of the committees, deviations
20 from the planned biennial category A and H highway construction
21 programs necessary to adjust to unexpected delays or other
22 unanticipated circumstances.))~~;

23 (9) To advise the governor and the legislature with respect to
24 matters under the jurisdiction of the department; and

25 (10) To exercise all other powers and perform all other duties as
26 are now or hereafter provided by law.

27 **Sec. 8.** RCW 47.05.021 and 2002 c 56 s 301 are each amended to read
28 as follows:

29 (1) The ~~((transportation commission is hereby directed to))~~
30 department shall conduct periodic analyses of the entire state highway
31 system, report ~~((thereon))~~ to the commission and the chairs of the
32 transportation committees of the senate and house of representatives,
33 ~~((including one copy to the staff of each of the committees, biennially
34 and based thereon,))~~ any subsequent recommendations to subdivide,
35 classify, and subclassify ~~((according to their function and
36 importance))~~ all designated state highways ~~((and those added from time~~

1 ~~to time and periodically review and revise the classifications~~) into
2 the following three functional classes:

3 (a) The "principal arterial system" shall consist of a connected
4 network of rural arterial routes with appropriate extensions into and
5 through urban areas, including all routes designated as part of the
6 interstate system, which serve corridor movements having travel
7 characteristics indicative of substantial statewide and interstate
8 travel;

9 (b) The "minor arterial system" shall, in conjunction with the
10 principal arterial system, form a rural network of arterial routes
11 linking cities and other activity centers which generate long distance
12 travel, and, with appropriate extensions into and through urban areas,
13 form an integrated network providing interstate and interregional
14 service; and

15 (c) The "collector system" shall consist of routes which primarily
16 serve the more important intercounty, intracounty, and intraurban
17 travel corridors, collect traffic from the system of local access roads
18 and convey it to the arterial system, and on which, regardless of
19 traffic volume, the predominant travel distances are shorter than on
20 arterial routes.

21 (2) (~~In making the functional classification~~) The transportation
22 commission shall adopt (~~and~~) a functional classification of highways.
23 The commission shall consider the recommendations of the department and
24 testimony from the public and local municipalities. The commission
25 shall give consideration to criteria consistent with this section and
26 federal regulations relating to the functional classification of
27 highways, including but not limited to the following:

28 (a) Urban population centers within and without the state
29 stratified and ranked according to size;

30 (b) Important traffic generating economic activities, including but
31 not limited to recreation, agriculture, government, business, and
32 industry;

33 (c) Feasibility of the route, including availability of alternate
34 routes within and without the state;

35 (d) Directness of travel and distance between points of economic
36 importance;

37 (e) Length of trips;

38 (f) Character and volume of traffic;

1 (g) Preferential consideration for multiple service which shall
2 include public transportation;

3 (h) Reasonable spacing depending upon population density; and

4 (i) System continuity.

5 (3) The transportation commission or the legislature shall
6 designate state highways of statewide significance under RCW 47.06.140.
7 If the commission designates a state highway of statewide significance,
8 it shall submit a list of such facilities for adoption by the
9 legislature. This statewide system shall include at a minimum
10 interstate highways and other statewide principal arterials that are
11 needed to connect major communities across the state and support the
12 state's economy.

13 (4) The transportation commission shall designate a freight and
14 goods transportation system. This statewide system shall include state
15 highways, county roads, and city streets. The commission, in
16 cooperation with cities and counties, shall review and make
17 recommendations to the legislature regarding policies governing weight
18 restrictions and road closures which affect the transportation of
19 freight and goods.

20 **Sec. 9.** RCW 47.05.030 and 2002 c 5 s 402 are each amended to read
21 as follows:

22 The transportation commission shall adopt a comprehensive (~~six-~~
23 ~~year~~) ten-year investment program specifying program objectives and
24 performance measures for the preservation and improvement programs
25 defined in this section. The adopted ten-year investment program must
26 be forwarded as a recommendation to the governor and the legislature.
27 In the specification of investment program objectives and performance
28 measures, the transportation commission, in consultation with the
29 Washington state department of transportation, shall define and adopt
30 standards for effective programming and prioritization practices
31 including a needs analysis process. The analysis process must ensure
32 the identification of problems and deficiencies, the evaluation of
33 alternative solutions and trade-offs, and estimations of the costs and
34 benefits of prospective projects. The investment program must be
35 revised (~~biennially, effective on July 1st of odd numbered years~~)
36 based on directions by the office of financial management. The

1 investment program must be based upon the needs identified in the
2 state-owned highway component of the statewide transportation plan as
3 defined in RCW 47.01.071(3).

4 (1) The preservation program consists of those investments
5 necessary to preserve the existing state highway system and to restore
6 existing safety features, giving consideration to lowest life cycle
7 costing. The preservation program must require use of the most cost-
8 effective pavement surfaces, considering:

- 9 (a) Life-cycle cost analysis;
- 10 (b) Traffic volume;
- 11 (c) Subgrade soil conditions;
- 12 (d) Environmental and weather conditions;
- 13 (e) Materials available; and
- 14 (f) Construction factors.

15 The comprehensive (~~(six-year)~~) ten-year investment program for
16 preservation must identify projects for two years and an investment
17 plan for the remaining (~~(four)~~) eight years.

18 (2) The improvement program consists of investments needed to
19 address identified deficiencies on the state highway system to increase
20 mobility, address congestion, and improve safety, support for the
21 economy, and protection of the environment. The (~~(six-year)~~) ten-year
22 investment program for improvements must identify projects for two
23 years and major deficiencies proposed to be addressed in the (~~(six-~~
24 ~~year)~~) ten-year period giving consideration to relative benefits and
25 life cycle costing. The transportation commission shall give higher
26 priority for correcting identified deficiencies on those facilities
27 classified as facilities of statewide significance as defined in RCW
28 47.06.140. Project prioritization must be based primarily upon cost-
29 benefit analysis, where appropriate.

30 The transportation commission shall approve and present the
31 comprehensive (~~(six-year)~~) ten-year investment program to the governor
32 and the legislature (~~(in support of the biennial budget request under~~
33 ~~RCW 44.40.070 and 44.40.080)~~) as directed by the office of financial
34 management.

35 **Sec. 10.** RCW 47.05.035 and 2002 c 5 s 403 are each amended to read
36 as follows:

- 37 (1) The department (~~(and the commission)~~) shall use the

1 transportation demand modeling tools developed under subsection (2) of
2 this section to evaluate investments based on the best mode or
3 improvement, or mix of modes and improvements, to meet current and
4 future long-term demand within a corridor or system for the lowest
5 cost. The end result of these demand modeling tools is to provide a
6 cost-benefit analysis by which the department (~~and the commission~~)
7 can determine the relative mobility improvement and congestion relief
8 each mode or improvement under consideration will provide and the
9 relative investment each mode or improvement under consideration will
10 need to achieve that relief.

11 (2) The department will participate in the refinement, enhancement,
12 and application of existing transportation demand modeling tools to be
13 used to evaluate investments. This participation and use of
14 transportation demand modeling tools will be phased in.

15 (3) In developing program objectives and performance measures, the
16 (~~transportation commission~~) department shall evaluate investment
17 trade-offs between the preservation and improvement programs. In
18 making these investment trade-offs, the (~~commission~~) department shall
19 evaluate, using cost-benefit techniques, roadway and bridge maintenance
20 activities as compared to roadway and bridge preservation program
21 activities and adjust those programs accordingly.

22 (4) The (~~commission~~) department shall allocate the estimated
23 revenue between preservation and improvement programs giving primary
24 consideration to the following factors:

25 (a) The relative needs in each of the programs and the system
26 performance levels that can be achieved by meeting these needs;

27 (b) The need to provide adequate funding for preservation to
28 protect the state's investment in its existing highway system;

29 (c) The continuity of future transportation development with those
30 improvements previously programmed; and

31 (d) The availability of dedicated funds for a specific type of
32 work.

33 (5) The commission shall review the results of the department's
34 findings and shall consider those findings in the development of the
35 ten-year program.

36 **Sec. 11.** RCW 47.05.051 and 2002 c 189 s 3 are each amended to read
37 as follows:

1 (1) The comprehensive ((~~six-year~~)) ten-year investment program
2 shall be based upon the needs identified in the state-owned highway
3 component of the statewide multimodal transportation plan as defined in
4 RCW 47.01.071((+3)) (4) and priority selection systems that
5 incorporate the following criteria:

6 (a) Priority programming for the preservation program shall take
7 into account the following, not necessarily in order of importance:

8 (i) Extending the service life of the existing highway system,
9 including using the most cost-effective pavement surfaces, considering:

10 (A) Life-cycle cost analysis;

11 (B) Traffic volume;

12 (C) Subgrade soil conditions;

13 (D) Environmental and weather conditions;

14 (E) Materials available; and

15 (F) Construction factors;

16 (ii) Ensuring the structural ability to carry loads imposed upon
17 highways and bridges; and

18 (iii) Minimizing life cycle costs. The transportation commission
19 in carrying out the provisions of this section may delegate to the
20 department of transportation the authority to select preservation
21 projects to be included in the ((~~six-year~~)) ten-year program.

22 (b) Priority programming for the improvement program must be based
23 primarily upon the following, not necessarily in order of importance:

24 (i) Traffic congestion, delay, and accidents;

25 (ii) Location within a heavily traveled transportation corridor;

26 (iii) Except for projects in cities having a population of less
27 than five thousand persons, synchronization with other potential
28 transportation projects, including transit and multimodal projects,
29 within the heavily traveled corridor; and

30 (iv) Use of benefit/cost analysis wherever feasible to determine
31 the value of the proposed project.

32 (c) Priority programming for the improvement program may also take
33 into account:

34 (i) Support for the state's economy, including job creation and job
35 preservation;

36 (ii) The cost-effective movement of people and goods;

37 (iii) Accident and accident risk reduction;

38 (iv) Protection of the state's natural environment;

1 (v) Continuity and systematic development of the highway
2 transportation network;

3 (vi) Consistency with local comprehensive plans developed under
4 chapter 36.70A RCW including the following if they have been included
5 in the comprehensive plan:

6 (A) Support for development in and revitalization of existing
7 downtowns;

8 (B) Extent that development implements local comprehensive plans
9 for rural and urban residential and nonresidential densities;

10 (C) Extent of compact, transit-oriented development for rural and
11 urban residential and nonresidential densities;

12 (D) Opportunities for multimodal transportation; and

13 (E) Extent to which the project accommodates planned growth and
14 economic development;

15 (vii) Consistency with regional transportation plans developed
16 under chapter 47.80 RCW;

17 (viii) Public views concerning proposed improvements;

18 (ix) The conservation of energy resources;

19 (x) Feasibility of financing the full proposed improvement;

20 (xi) Commitments established in previous legislative sessions;

21 (xii) Relative costs and benefits of candidate programs.

22 (d) Major projects addressing capacity deficiencies which
23 prioritize allowing for preliminary engineering shall be reprioritized
24 during the succeeding biennium, based upon updated project data.
25 Reprioritized projects may be delayed or canceled by the transportation
26 commission if higher priority projects are awaiting funding.

27 (e) Major project approvals which significantly increase a
28 project's scope or cost from original prioritization estimates shall
29 include a review of the project's estimated revised priority rank and
30 the level of funding provided. Projects may be delayed or canceled by
31 the transportation commission if higher priority projects are awaiting
32 funding.

33 (2) The commission may depart from the priority programming
34 established under subsection (1) of this section: (a) To the extent
35 that otherwise funds cannot be utilized feasibly within the program;
36 (b) as may be required by a court judgment, legally binding agreement,
37 or state and federal laws and regulations; (c) as may be required to
38 coordinate with federal, local, or other state agency construction

1 projects; (d) to take advantage of some substantial financial benefit
2 that may be available; (e) for continuity of route development; or (f)
3 because of changed financial or physical conditions of an unforeseen or
4 emergent nature. The commission or secretary of transportation shall
5 maintain in its files information sufficient to show the extent to
6 which the commission has departed from the established priority.

7 (3) The commission shall identify those projects that yield freight
8 mobility benefits or that alleviate the impacts of freight mobility
9 upon affected communities.

10 **Joint Transportation Committee**

11 NEW SECTION. **Sec. 12.** The joint transportation committee is
12 created. The executive committee of the joint committee consists of
13 the chairs and ranking members of the house and senate transportation
14 committees. The chairs of the house and senate transportation
15 committees shall serve as cochairs of the joint committee. All members
16 of the house and senate standing committees on transportation are
17 eligible for membership of the joint committee and shall serve when
18 appointed by the executive committee.

19 The joint transportation committee shall review and research
20 transportation programs and issues in order to educate and promote the
21 dissemination of transportation research to state and local government
22 policymakers, including legislators and associated staff. All four
23 members of the executive committee shall approve the annual work plan.
24 Membership of the committee may vary depending on the subject matter of
25 oversight and research projects. The committee may also make
26 recommendations for functional or performance audits to the
27 transportation performance audit board.

28 The executive committee shall adopt rules and procedures for its
29 operations.

30 NEW SECTION. **Sec. 13.** The members of the joint transportation
31 committee will receive allowances while attending meetings of the
32 committee or subcommittees and while engaged in other authorized
33 business of the committees as provided in RCW 44.04.120. Subject to
34 RCW 44.04.260, all expenses incurred by the committee must be paid upon
35 voucher forms as provided by the office of financial management and

1 signed by the cochairs of the joint committee, or their authorized
2 designees, and the authority of the chair or vice chair to sign
3 vouchers continues until their successors are selected. Vouchers may
4 be drawn upon funds appropriated for the expenses of the committee.

5 NEW SECTION. **Sec. 14.** The joint transportation committee shall
6 conduct a review of state level governance of transportation, with a
7 focus on the appropriate roles of the separate branches of government.
8 The committee shall review the statutory duties, roles, and functions
9 of the transportation commission and the department. In that review
10 the committee shall determine which responsibilities may be transferred
11 to the executive and which may be transferred to the legislature. By
12 December 15, 2005, the joint transportation committee shall make its
13 recommendations to the house and senate transportation committees. The
14 joint transportation committee shall consult with affected agencies and
15 other stakeholders in conducting its analysis. The committee may
16 consult with and retain private professional and technical experts as
17 necessary to ensure an independent review and analysis.

18 **Transfers**

19 NEW SECTION. **Sec. 15.** (1)(a) All reports, documents, surveys,
20 books, records, files, papers, or written material relating to the
21 conduct of performance reviews and audits in the possession of the
22 legislative transportation committee must be delivered to the custody
23 of the transportation commission. Any remaining documents, books,
24 records, files, papers, and written materials must be delivered to the
25 custody of the joint transportation committee. All funds, credits, or
26 other assets held by the legislative transportation committee for the
27 purposes of staffing the transportation performance audit board are
28 assigned to the transportation commission. Any remaining funds,
29 credits, or other assets held by the legislative transportation
30 committee are assigned to the joint transportation committee.

31 (b) If any question arises as to the transfer of any funds, books,
32 documents, records, papers, files, equipment, or other tangible
33 property used or held in the exercise of the powers and the performance
34 of the duties and functions transferred, the director of financial

1 management shall make a determination as to the proper allocation and
2 certify the same to the state agencies concerned.

3 (2) All employees of the legislative transportation committee are
4 transferred to the jurisdiction of the transportation commission for
5 the support of the transportation performance audit board. However,
6 the commission may, if staffing needs warrant, assign the employees to
7 other commission functions.

8 **Transportation Performance Audits**

9 **Sec. 16.** RCW 44.75.020 and 2003 c 362 s 2 are each amended to read
10 as follows:

11 The definitions in this section apply throughout this chapter.

12 (1) "Economy and efficiency audit" has the meaning contained in
13 chapter 44.28 RCW.

14 (2) "Joint legislative audit and review committee" means the agency
15 created in chapter 44.28 RCW, or its statutory successor.

16 (3) "Legislative auditor" has the meaning contained in chapter
17 44.28 RCW.

18 (~~(4) ("Legislative transportation committee" means the agency~~
19 ~~created in chapter 44.40 RCW, or its statutory successor.~~

20 ~~(5))~~ (5) "Performance audit" has the meaning contained in chapter
21 44.28 RCW.

22 ~~((6))~~ (5) "Performance review" means an outside evaluation of how
23 a state agency uses its performance measures to assess the outcomes of
24 its legislatively authorized activities.

25 ~~((7))~~ (6) "Program audit" has the meaning contained in chapter
26 44.28 RCW.

27 ~~((8))~~ (7) "Transportation performance audit board" or "board"
28 means the board created in RCW 44.75.030.

29 ~~((9))~~ (8) "Transportation-related agencies" or "agency" means any
30 state or local agency, board, special purpose district, or commission
31 that receives or generates funding primarily for transportation-related
32 purposes. At a minimum, the department of transportation, the
33 Washington state patrol, the department of licensing, the
34 transportation improvement board or its successor entity, the county
35 road administration board or its successor entity, and the traffic
36 safety commission are considered transportation-related agencies.

1 **Sec. 17.** RCW 44.75.030 and 2003 c 362 s 3 are each amended to read
2 as follows:

3 (1) The transportation performance audit board is created.

4 (2) The board will consist of four legislative members, ~~((five))~~
5 three citizen members with transportation-related expertise, two
6 citizen members with performance measurement expertise, one member of
7 the transportation commission, one ex officio nonvoting member, and one
8 at large member. The legislative auditor is the ex officio nonvoting
9 member. The majority and minority leaders of the house and senate
10 transportation committees, or their designees, are the legislative
11 members. The governor shall appoint the at large member to serve for
12 a term of four years. The citizen members must be ~~((nominated by~~
13 ~~professional associations chosen by the board's legislative members~~
14 ~~and))~~ appointed by the governor for terms of four years, except that at
15 least half the initial appointments will be for terms of two years.
16 The citizen members may not be currently, or within one year, employed
17 by the Washington state department of transportation. The ~~((citizen~~
18 ~~members will consist of))~~ governor, when appointing the citizen members
19 with transportation-related expertise, may consult with appropriate
20 professional associations and shall consider the following
21 transportation-related experiences:

22 (a) ~~((One member with expertise in))~~ Construction project planning,
23 including permitting and assuring regulatory compliance;

24 (b) ~~((One member with expertise in))~~ Construction means and methods
25 and construction management, crafting and implementing environmental
26 mitigation plans, and administration;

27 (c) ~~((One member with expertise in))~~ Construction engineering
28 services, including construction management, materials testing,
29 materials documentation, contractor payments, inspection, surveying,
30 and project oversight;

31 (d) ~~((One member with expertise in))~~ Project management, including
32 design estimating, contract packaging, and procurement; and

33 (e) ~~((One member with expertise in))~~ Transportation planning and
34 congestion management.

35 (3) The governor may not remove members from the board before the
36 expiration of their terms unless for cause based upon a determination
37 of incapacity, incompetence, neglect of duty, of malfeasance in office

1 by the Thurston county superior court, upon petition and show cause
2 proceedings brought for that purpose in that court and directed to the
3 board member in question.

4 (4) No member may be appointed for more than three consecutive
5 terms.

6 **Sec. 18.** RCW 44.75.040 and 2003 c 362 s 4 are each amended to read
7 as follows:

8 (1) The board shall meet periodically. It may adopt its own rules
9 and may establish its own procedures. It shall act collectively in
10 harmony with recorded resolutions or motions adopted by a majority vote
11 of the members.

12 (2) Each member of the transportation performance audit board will
13 be compensated from the general appropriation for the ((legislative))
14 transportation ((committee)) commission in accordance with RCW
15 43.03.250 and reimbursed for actual necessary traveling and other
16 expenses in going to, attending, and returning from meetings of the
17 board or that are incurred in the discharge of duties requested by the
18 chair. However, in no event may a board member be compensated in any
19 year for more than one hundred twenty days, except the chair may be
20 compensated for not more than one hundred fifty days. Service on the
21 board does not qualify as a service credit for the purposes of a public
22 retirement system.

23 (3) The transportation performance audit board shall keep proper
24 records and is subject to audit by the state auditor or other auditing
25 entities.

26 (4) Staff support to the transportation performance audit board
27 must be provided by the ((legislative)) transportation ((committee))
28 commission, which shall provide professional support for the duties,
29 functions, responsibilities, and activities of the board, including but
30 not limited to information technology systems; data collection,
31 processing, analysis, and reporting; project management; and office
32 space, equipment, and secretarial support. ((The legislative
33 evaluation and accountability program will provide data and information
34 technology support consistent with the support currently supplied to
35 existing legislative committees.)) Additionally, the commission shall
36 designate, subject to board approval, a staff person to serve as the

1 board administrator. The board administrator serves as an exempt
2 employee and at the pleasure of the board.

3 (5) Each member of the transportation performance audit board shall
4 disclose any actual or potential conflict of interest, if applicable
5 under the circumstance, regarding all performance reviews and
6 performance audits conducted under this chapter.

7 **Sec. 19.** RCW 44.75.050 and 2003 c 362 s 5 are each amended to read
8 as follows:

9 (1) The transportation performance audit board may review the
10 performance and outcome measures of transportation-related agencies.
11 The purpose of these reviews is to ensure that the legislature has the
12 means to adequately and accurately assess the performance and outcomes
13 of those agencies and departments. Where two or more agencies have
14 shared responsibility for functions or priorities of government, these
15 reviews can also determine whether effective interagency cooperation
16 and collaboration occurs in areas such as program coordination,
17 administrative structures, information systems, and administration of
18 grants and loans.

19 (2) The board shall, as soon as practicable, conduct a review of
20 the comprehensive ten-year investment program process, including the
21 required criteria, under RCW 47.05.030 and 47.05.051.

22 (3) In conducting these reviews, the transportation performance
23 audit board may work in consultation with the ~~((legislative~~
24 ~~transportation committee, the))~~ joint legislative audit and review
25 committee, the office of financial management, and other state
26 agencies.

27 **Sec. 20.** RCW 44.75.080 and 2003 c 362 s 8 are each amended to read
28 as follows:

29 After reviewing the performance or outcome measures and benchmarks
30 of an agency or department, or at any time it so determines, the
31 transportation performance audit board shall ~~((recommend to the~~
32 ~~executive committee of the legislative transportation committee~~
33 ~~whether))~~ direct a full performance or functional audit of the agency
34 or department, or a specific program within the agency or department ~~((~~
35 ~~is appropriate. Upon the request of the legislative transportation~~
36 ~~committee or its executive committee, the joint legislative audit and~~

1 ~~review committee shall add the full performance or functional audit to~~
2 ~~its biennial performance audit work plan. If the request duplicates or~~
3 ~~overlaps audits already in the work plan, or was performed under the~~
4 ~~previous biennial work plan, the executive committees of the~~
5 ~~legislative transportation committee and the joint legislative audit~~
6 ~~and review committee shall meet to discuss and resolve the duplication~~
7 ~~or overlap)).~~

8 **Sec. 21.** RCW 44.75.090 and 2003 c 362 s 9 are each amended to read
9 as follows:

10 ~~((1))~~ To the greatest extent possible, ~~((or when requested by the~~
11 ~~executive committee of the legislative transportation committee))~~ and
12 to the extent funds are appropriated, the ~~((legislative auditor))~~ board
13 administrator shall, subject to board approval, contract with and
14 consult with private independent professional and technical experts to
15 optimize the independence of the reviews and performance audits. In
16 determining the need to contract with private experts, the
17 ~~((legislative auditor))~~ board administrator shall consider the degree
18 of difficulty of the review or audit, the relative cost of contracting
19 for expertise, and the need to maintain auditor independence from the
20 subject agency or program. The board administrator may, subject to
21 board approval, contract with the legislative auditor or state auditor
22 to serve as the contract manager of the reviews and performance audits.

23 ~~((2) After consultation with the executive committee of the~~
24 ~~legislative transportation committee on the appropriateness of costs,~~
25 ~~the legislative transportation committee shall reimburse the joint~~
26 ~~legislative audit and review committee or the legislative auditor for~~
27 ~~the costs of carrying out any requested performance audits, including~~
28 ~~the cost of contracts and consultant services.~~

29 ~~(3) The executive committee of the legislative transportation~~
30 ~~committee must review and approve the methodology for performance~~
31 ~~audits recommended by the transportation performance audit board.))~~

32 **Sec. 22.** RCW 44.75.100 and 2003 c 362 s 10 are each amended to
33 read as follows:

34 (1) When the board has completed a performance audit, the board
35 shall transmit the preliminary performance audit report to the affected
36 state agency or local government and the office of financial management

1 for comment. The agency or local government and the office of
2 financial management shall provide any response to the board within
3 thirty days after receipt of the preliminary report unless a different
4 time period is approved by the board. The board shall incorporate the
5 response of the agency or local government and the office of financial
6 management into the final performance audit report. The board may also
7 include an addendum with board comments on the management of the audit.

8 (2) Before releasing the results of a performance audit originally
9 requested by the joint transportation committee to the legislature or
10 the public, the board administrator shall submit the preliminary
11 performance audit report to the joint committee for review and comments
12 solely on the management of the audit. Any comments by the joint
13 committee must be included as a separate addendum to the final
14 performance audit report.

15 (3) Completed performance audits must be presented to the
16 transportation performance audit board ((and—the—legislative
17 transportation committee)). Published performance audits must be made
18 available to the public through the ((legislative—transportation
19 committee and the joint legislative audit and review committee's))
20 board's web site and through customary public communications. Final
21 reports must also be transmitted to the affected agency, the director
22 of financial management, and the appropriate policy and fiscal standing
23 committees of the legislature.

24 **Sec. 23.** RCW 44.75.110 and 2003 c 362 s 11 are each amended to
25 read as follows:

26 The ((legislative auditor)) board administrator, or the legislative
27 auditor or state auditor if contracted under RCW 44.75.090, shall
28 determine in writing the scope of any performance audit ((requested))
29 directed by the ((legislative transportation committee or its executive
30 committee)) transportation performance audit board, subject to the
31 review and approval of the final scope of the audit by the
32 transportation performance audit board((,—and—the—legislative
33 transportation committee or its executive committee)). In doing so,
34 the ((legislative auditor,)) board administrator, or legislative
35 auditor or state auditor if contracted under RCW 44.75.090, and the
36 transportation performance audit board((,—and—the—legislative

1 ~~transportation committee or its executive committee~~) shall consider
2 inclusion of the following elements in the scope of the audit:

3 (1) Identification of potential cost savings in the agency, its
4 programs, and its services;

5 (2) Identification and recognition of best practices;

6 (3) Identification of funding to the agency, to programs, and to
7 services that can be eliminated or reduced;

8 (4) Identification of programs and services that can be eliminated,
9 reduced, or transferred to the private sector;

10 (5) Analysis of gaps and overlaps in programs and services and
11 recommendations for improving, dropping, blending, or separating
12 functions to correct gaps or overlaps;

13 (6) Analysis and recommendations for pooling information technology
14 systems;

15 (7) Analysis of the roles and functions of the agency, its
16 programs, and its services and their compliance with statutory
17 authority and recommendations for eliminating or changing those roles
18 and functions and ensuring compliance with statutory authority;

19 (8) Recommendations for eliminating or changing statutes, rules,
20 and policy directives as may be necessary to ensure that the agency
21 carry out reasonably and properly those functions expressly vested in
22 the department by statute; and

23 (9) Verification of the reliability and validity of department
24 performance data, self-assessments, and performance measurement systems
25 as required under RCW 43.88.090.

26 **Sec. 24.** RCW 44.75.120 and 2003 c 362 s 12 are each amended to
27 read as follows:

28 When conducting a full performance audit of an agency or
29 department, or a specific program within an agency or department, or
30 multiple agencies, in accordance with RCW 44.75.110, the (~~legislative~~
31 ~~auditor~~) board administrator shall solicit input from appropriate
32 industry representatives or experts. The audit report must make
33 recommendations regarding the continuation, abolition, consolidation,
34 or reorganization of each affected agency, department, or program. The
35 audit report must identify opportunities to develop government
36 partnerships, and eliminate program redundancies that will result in
37 increased quality, effectiveness, and efficiency of state agencies.

1 appropriate after consultation with the municipalities and the
2 (~~legislative transportation committee~~) transportation committees of
3 the legislature:

4 (1) Equipment and facilities, including vehicle replacement
5 standards;

6 (2) Services and service standards;

7 (3) Revenues, expenses, and ending balances, by fund source;

8 (4) Policy issues and system improvement objectives, including
9 community participation in development of those objectives and how
10 those objectives address statewide transportation priorities;

11 (5) Operating indicators applied to public transportation services,
12 revenues, and expenses. Operating indicators shall include operating
13 cost per passenger trip, operating cost per revenue vehicle service
14 hour, passenger trips per revenue service hour, passenger trips per
15 vehicle service mile, vehicle service hours per employee, and farebox
16 revenue as a percent of operating costs.

17 **Sec. 102.** RCW 36.78.070 and 1999 c 269 s 1 are each amended to
18 read as follows:

19 The county road administration board shall:

20 (1) Establish by rule, standards of good practice for the
21 administration of county roads and the efficient movement of people and
22 goods over county roads;

23 (2) Establish reporting requirements for counties with respect to
24 the standards of good practice adopted by the board;

25 (3) Receive and review reports from counties and reports from its
26 executive director to determine compliance with legislative directives
27 and the standards of good practice adopted by the board;

28 (4) Advise counties on issues relating to county roads and the safe
29 and efficient movement of people and goods over county roads and assist
30 counties in developing uniform and efficient transportation-related
31 information technology resources;

32 (5) Report annually before the fifteenth day of January, and
33 throughout the year as appropriate, to the state department of
34 transportation and to the chairs of the (~~legislative transportation~~
35 ~~committee and the~~) house and senate transportation committees, and to
36 other entities as appropriate on the status of county road

1 administration in each county, including one copy to the staff of each
2 of the committees. The annual report shall contain recommendations for
3 improving administration of the county road programs;

4 (6) Administer the rural arterial program established by chapter
5 36.79 RCW and the program funded by the county arterial preservation
6 account established by RCW 46.68.090, as well as any other programs
7 provided for in law.

8 **Sec. 103.** RCW 41.40.037 and 2004 c 242 s 63 are each amended to
9 read as follows:

10 (1)(a) If a retiree enters employment with an employer sooner than
11 one calendar month after his or her accrual date, the retiree's monthly
12 retirement allowance will be reduced by five and one-half percent for
13 every eight hours worked during that month. This reduction will be
14 applied each month until the retiree remains absent from employment
15 with an employer for one full calendar month.

16 (b) The benefit reduction provided in (a) of this subsection will
17 accrue for a maximum of one hundred sixty hours per month. Any benefit
18 reduction over one hundred percent will be applied to the benefit the
19 retiree is eligible to receive in subsequent months.

20 (2)(a) Except as provided in (b) of this subsection, a retiree from
21 plan 1 who enters employment with an employer at least one calendar
22 month after his or her accrual date may continue to receive pension
23 payments while engaged in such service for up to eight hundred sixty-
24 seven hours of service in a calendar year without a reduction of
25 pension.

26 (b) A retiree from plan 1 who enters employment with an employer at
27 least three calendar months after his or her accrual date and:

28 (i) Is hired into a position for which the employer has documented
29 a justifiable need to hire a retiree into the position;

30 (ii) Is hired through the established process for the position with
31 the approval of: A school board for a school district; the chief
32 executive officer of a state agency employer; the secretary of the
33 senate for the senate; the chief clerk of the house of representatives
34 for the house of representatives; the secretary of the senate and the
35 chief clerk of the house of representatives jointly for the joint
36 legislative audit and review committee, (~~the legislative~~
37 ~~transportation committee,~~) the joint committee on pension policy, the

1 legislative evaluation and accountability program, the legislative
2 systems committee, and the statute law committee; or according to rules
3 adopted for the rehiring of retired plan 1 members for a local
4 government employer;

5 (iii) The employer retains records of the procedures followed and
6 decisions made in hiring the retiree, and provides those records in the
7 event of an audit; and

8 (iv) The employee has not already rendered a cumulative total of
9 more than one thousand nine hundred hours of service while in receipt
10 of pension payments beyond an annual threshold of eight hundred sixty-
11 seven hours;

12 shall cease to receive pension payments while engaged in that service
13 after the retiree has rendered service for more than one thousand five
14 hundred hours in a calendar year. The one thousand nine hundred hour
15 cumulative total under this subsection applies prospectively to those
16 retiring after July 27, 2003, and retroactively to those who retired
17 prior to July 27, 2003, and shall be calculated from the date of
18 retirement.

19 (c) When a plan 1 member renders service beyond eight hundred
20 sixty-seven hours, the department shall collect from the employer the
21 applicable employer retirement contributions for the entire duration of
22 the member's employment during that calendar year.

23 (d) A retiree from plan 2 or plan 3 who has satisfied the break in
24 employment requirement of subsection (1) of this section may work up to
25 eight hundred sixty-seven hours in a calendar year in an eligible
26 position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or
27 41.40.010, or as a fire fighter or law enforcement officer, as defined
28 in RCW 41.26.030, without suspension of his or her benefit.

29 (3) If the retiree opts to reestablish membership under RCW
30 41.40.023(12), he or she terminates his or her retirement status and
31 becomes a member. Retirement benefits shall not accrue during the
32 period of membership and the individual shall make contributions and
33 receive membership credit. Such a member shall have the right to again
34 retire if eligible in accordance with RCW 41.40.180. However, if the
35 right to retire is exercised to become effective before the member has
36 rendered two uninterrupted years of service, the retirement formula and
37 survivor options the member had at the time of the member's previous
38 retirement shall be reinstated.

1 (4) The department shall collect and provide the state actuary with
2 information relevant to the use of this section for the select
3 committee on pension policy.

4 (5) The legislature reserves the right to amend or repeal this
5 section in the future and no member or beneficiary has a contractual
6 right to be employed for more than five months in a calendar year
7 without a reduction of his or her pension.

8 **Sec. 104.** RCW 43.10.101 and 1995 2nd sp.s. c 14 s 527 are each
9 amended to read as follows:

10 The attorney general shall prepare annually a report to the
11 (~~legislative transportation committee~~) transportation committees of
12 the legislature, the transportation commission, and the transportation
13 performance audit board comprising a comprehensive summary of all cases
14 involving tort claims against the department of transportation
15 involving highways which were concluded and closed in the previous
16 calendar year. The report shall include for each case closed:

17 (1) A summary of the factual background of the case;

18 (2) Identification of the attorneys representing the state and the
19 opposing parties;

20 (3) A synopsis of the legal theories asserted and the defenses
21 presented;

22 (4) Whether the case was tried, settled, or dismissed, and in whose
23 favor;

24 (5) The approximate number of attorney hours expended by the state
25 on the case, together with the corresponding dollar amount billed
26 therefore; and

27 (6) Such other matters relating to the case as the attorney general
28 deems relevant or appropriate, especially including any comments or
29 recommendations for changes in statute law or agency practice that
30 might effectively reduce the exposure of the state to such tort claims.

31 **Sec. 105.** RCW 43.79.270 and 1998 c 177 s 1 are each amended to
32 read as follows:

33 (1) Whenever any money, from the federal government, or from other
34 sources, which was not anticipated in the budget approved by the
35 legislature has actually been received and is designated to be spent
36 for a specific purpose, the head of any department, agency, board, or

1 commission through which such expenditure shall be made is to submit to
2 the governor a statement which may be in the form of a request for an
3 allotment amendment setting forth the facts constituting the need for
4 such expenditure and the estimated amount to be expended: PROVIDED,
5 That no expenditure shall be made in excess of the actual amount
6 received, and no money shall be expended for any purpose except the
7 specific purpose for which it was received. A copy of any proposal
8 submitted to the governor to expend money from an appropriated fund or
9 account in excess of appropriations provided by law which is based on
10 the receipt of unanticipated revenues shall be submitted to the joint
11 legislative audit and review committee and also to the standing
12 committees on ways and means of the house and senate if the legislature
13 is in session at the same time as it is transmitted to the governor.

14 (2) Notwithstanding subsection (1) of this section, whenever money
15 from any source that was not anticipated in the transportation budget
16 approved by the legislature has actually been received and is
17 designated to be spent for a specific purpose, the head of a
18 department, agency, board, or commission through which the expenditure
19 must be made shall submit to the governor a statement, which may be in
20 the form of a request for an allotment amendment, setting forth the
21 facts constituting the need for the expenditure and the estimated
22 amount to be expended. However, no expenditure may be made in excess
23 of the actual amount received, and no money may be expended for any
24 purpose except the specific purpose for which it was received. A copy
25 of any proposal submitted to the governor to expend money from an
26 appropriated transportation fund or account in excess of appropriations
27 provided by law that is based on the receipt of unanticipated revenues
28 must be submitted, at a minimum, to the standing committees on
29 transportation of the house and senate(~~(, if the legislature is in~~
30 ~~session,)) at the same time as it is transmitted to the governor.
31 (~~(During the legislative interim, any such proposal must be submitted~~
32 ~~to the legislative transportation committee.))~~~~

33 **Sec. 106.** RCW 43.79.280 and 1998 c 177 s 2 are each amended to
34 read as follows:

35 (1) If the governor approves such estimate in whole or part, he
36 shall endorse on each copy of the statement his approval, together with
37 a statement of the amount approved in the form of an allotment

1 amendment, and transmit one copy to the head of the department, agency,
2 board, or commission authorizing the expenditure. An identical copy of
3 the governor's statement of approval and a statement of the amount
4 approved for expenditure shall be transmitted simultaneously to the
5 joint legislative audit and review committee and also to the standing
6 committee on ways and means of the house and senate of all executive
7 approvals of proposals to expend money in excess of appropriations
8 provided by law.

9 (2) If the governor approves an estimate with transportation
10 funding implications, in whole or part, he shall endorse on each copy
11 of the statement his approval, together with a statement of the amount
12 approved in the form of an allotment amendment, and transmit one copy
13 to the head of the department, agency, board, or commission authorizing
14 the expenditure. An identical copy of the governor's statement of
15 approval of a proposal to expend transportation money in excess of
16 appropriations provided by law and a statement of the amount approved
17 for expenditure must be transmitted simultaneously to the standing
18 committees on transportation of the house and senate. (~~During the~~
19 ~~legislative interim, all estimate approvals endorsed by the governor~~
20 ~~along with a statement of the amount approved in the form of an~~
21 ~~allotment amendment must be transmitted simultaneously to the~~
22 ~~legislative transportation committee.))~~

23 **Sec. 107.** RCW 43.88.020 and 2000 2nd sp.s. c 4 s 11 are each
24 amended to read as follows:

25 (1) "Budget" means a proposed plan of expenditures for a given
26 period or purpose and the proposed means for financing these
27 expenditures.

28 (2) "Budget document" means a formal statement, either written or
29 provided on any electronic media or both, offered by the governor to
30 the legislature, as provided in RCW 43.88.030.

31 (3) "Director of financial management" means the official appointed
32 by the governor to serve at the governor's pleasure and to whom the
33 governor may delegate necessary authority to carry out the governor's
34 duties as provided in this chapter. The director of financial
35 management shall be head of the office of financial management which
36 shall be in the office of the governor.

1 (4) "Agency" means and includes every state office, officer, each
2 institution, whether educational, correctional, or other, and every
3 department, division, board, and commission, except as otherwise
4 provided in this chapter.

5 (5) "Public funds", for purposes of this chapter, means all moneys,
6 including cash, checks, bills, notes, drafts, stocks, and bonds,
7 whether held in trust, for operating purposes, or for capital purposes,
8 and collected or disbursed under law, whether or not such funds are
9 otherwise subject to legislative appropriation, including funds
10 maintained outside the state treasury.

11 (6) "Regulations" means the policies, standards, and requirements,
12 stated in writing, designed to carry out the purposes of this chapter,
13 as issued by the governor or the governor's designated agent, and which
14 shall have the force and effect of law.

15 (7) "Ensuing biennium" means the fiscal biennium beginning on July
16 1st of the same year in which a regular session of the legislature is
17 held during an odd-numbered year pursuant to Article II, section 12 of
18 the Constitution and which biennium next succeeds the current biennium.

19 (8) "Dedicated fund" means a fund in the state treasury, or a
20 separate account or fund in the general fund in the state treasury,
21 that by law is dedicated, appropriated, or set aside for a limited
22 object or purpose; but "dedicated fund" does not include a revolving
23 fund or a trust fund.

24 (9) "Revolving fund" means a fund in the state treasury,
25 established by law, from which is paid the cost of goods or services
26 furnished to or by a state agency, and which is replenished through
27 charges made for such goods or services or through transfers from other
28 accounts or funds.

29 (10) "Trust fund" means a fund in the state treasury in which
30 designated persons or classes of persons have a vested beneficial
31 interest or equitable ownership, or which was created or established by
32 a gift, grant, contribution, devise, or bequest that limits the use of
33 the fund to designated objects or purposes.

34 (11) "Administrative expenses" means expenditures for: (a)
35 Salaries, wages, and related costs of personnel and (b) operations and
36 maintenance including but not limited to costs of supplies, materials,
37 services, and equipment.

1 (12) "Fiscal year" means the year beginning July 1st and ending the
2 following June 30th.

3 (13) "Lapse" means the termination of authority to expend an
4 appropriation.

5 (14) "Legislative fiscal committees" means the joint legislative
6 audit and review committee, the legislative evaluation and
7 accountability program committee, and the ways and means and
8 transportation committees of the senate and house of representatives(~~(~~
9 ~~and, where appropriate, the legislative transportation committee)~~)).

10 (15) "Fiscal period" means the period for which an appropriation is
11 made as specified within the act making the appropriation.

12 (16) "Primary budget driver" means the primary determinant of a
13 budget level, other than a price variable, which causes or is
14 associated with the major expenditure of an agency or budget unit
15 within an agency, such as a caseload, enrollment, workload, or
16 population statistic.

17 (17) "State tax revenue limit" means the limitation created by
18 chapter 43.135 RCW.

19 (18) "General state revenues" means the revenues defined by Article
20 VIII, section 1(c) of the state Constitution.

21 (19) "Annual growth rate in real personal income" means the
22 estimated percentage growth in personal income for the state during the
23 current fiscal year, expressed in constant value dollars, as published
24 by the office of financial management or its successor agency.

25 (20) "Estimated revenues" means estimates of revenue in the most
26 recent official economic and revenue forecast prepared under RCW
27 82.33.020, and prepared by the office of financial management for those
28 funds, accounts, and sources for which the office of the economic and
29 revenue forecast council does not prepare an official forecast
30 (~~(including estimates of revenues to support financial plans under RCW~~
31 ~~44.40.070)~~), that are prepared by the office of financial management in
32 consultation with the transportation revenue forecast council.

33 (21) "Estimated receipts" means the estimated receipt of cash in
34 the most recent official economic and revenue forecast prepared under
35 RCW 82.33.020, and prepared by the office of financial management for
36 those funds, accounts, and sources for which the office of the economic
37 and revenue forecast council does not prepare an official forecast.

1 (22) "State budgeting, accounting, and reporting system" means a
2 system that gathers, maintains, and communicates fiscal information.
3 The system links fiscal information beginning with development of
4 agency budget requests through adoption of legislative appropriations
5 to tracking actual receipts and expenditures against approved plans.

6 (23) "Allotment of appropriation" means the agency's statement of
7 proposed expenditures, the director of financial management's review of
8 that statement, and the placement of the approved statement into the
9 state budgeting, accounting, and reporting system.

10 (24) "Statement of proposed expenditures" means a plan prepared by
11 each agency that breaks each appropriation out into monthly detail
12 representing the best estimate of how the appropriation will be
13 expended.

14 (25) "Undesignated fund balance (or deficit)" means unreserved and
15 undesignated current assets or other resources available for
16 expenditure over and above any current liabilities which are expected
17 to be incurred by the close of the fiscal period.

18 (26) "Internal audit" means an independent appraisal activity
19 within an agency for the review of operations as a service to
20 management, including a systematic examination of accounting and fiscal
21 controls to assure that human and material resources are guarded
22 against waste, loss, or misuse; and that reliable data are gathered,
23 maintained, and fairly disclosed in a written report of the audit
24 findings.

25 (27) "Performance verification" means an analysis that (a) verifies
26 the accuracy of data used by state agencies in quantifying intended
27 results and measuring performance toward those results, and (b)
28 verifies whether or not the reported results were achieved.

29 (28) "Performance audit" has the same meaning as it is defined in
30 RCW 44.28.005.

31 **Sec. 108.** RCW 43.88.030 and 2004 c 276 s 908 are each amended to
32 read as follows:

33 (1) The director of financial management shall provide all agencies
34 with a complete set of instructions for submitting biennial budget
35 requests to the director at least three months before agency budget
36 documents are due into the office of financial management. ((The
37 ~~director shall provide agencies and committees that are required under~~

1 ~~RCW 44.40.070 to develop comprehensive six-year program and financial~~
2 ~~plans with a complete set of instructions for submitting these program~~
3 ~~and financial plans at the same time that instructions for submitting~~
4 ~~other budget requests are provided.))~~ The budget document or documents
5 shall consist of the governor's budget message which shall be
6 explanatory of the budget and shall contain an outline of the proposed
7 financial policies of the state for the ensuing fiscal period, as well
8 as an outline of the proposed six-year financial policies where
9 applicable, and shall describe in connection therewith the important
10 features of the budget. The message shall set forth the reasons for
11 salient changes from the previous fiscal period in expenditure and
12 revenue items and shall explain any major changes in financial policy.
13 Attached to the budget message shall be such supporting schedules,
14 exhibits and other explanatory material in respect to both current
15 operations and capital improvements as the governor shall deem to be
16 useful to the legislature. The budget document or documents shall set
17 forth a proposal for expenditures in the ensuing fiscal period, or six-
18 year period where applicable, based upon the estimated revenues and
19 caseloads as approved by the economic and revenue forecast council and
20 caseload forecast council or upon the estimated revenues and caseloads
21 of the office of financial management for those funds, accounts,
22 sources, and programs for which the forecast councils do not prepare an
23 official forecast(~~(, including those revenues anticipated to support~~
24 ~~the six-year programs and financial plans under RCW 44.40.070. In~~
25 ~~estimating revenues to support financial plans under RCW 44.40.070, the~~
26 ~~office of financial management shall rely on information and advice~~
27 ~~from the transportation revenue forecast council)). Revenues shall be~~
28 estimated for such fiscal period from the source and at the rates
29 existing by law at the time of submission of the budget document,
30 including the supplemental budgets submitted in the even-numbered years
31 of a biennium. However, the estimated revenues and caseloads for use
32 in the governor's budget document may be adjusted to reflect budgetary
33 revenue transfers and revenue and caseload estimates dependent upon
34 budgetary assumptions of enrollments, workloads, and caseloads. All
35 adjustments to the approved estimated revenues and caseloads must be
36 set forth in the budget document. The governor may additionally
37 submit, as an appendix to each supplemental, biennial, or six-year

1 agency budget or to the budget document or documents, a proposal for
2 expenditures in the ensuing fiscal period from revenue sources derived
3 from proposed changes in existing statutes.

4 Supplemental and biennial documents shall reflect a six-year
5 expenditure plan consistent with estimated revenues from existing
6 sources (~~(and at existing rates for those agencies required to submit~~
7 ~~six year program and financial plans under RCW 44.40.070)~~). Any
8 additional revenue resulting from proposed changes to existing statutes
9 shall be separately identified within the document as well as related
10 expenditures for the six-year period.

11 The budget document or documents shall also contain:

12 (a) Revenues classified by fund and source for the immediately past
13 fiscal period, those received or anticipated for the current fiscal
14 period, and those anticipated for the ensuing biennium(~~(, and those~~
15 ~~anticipated for the ensuing six year period to support the six year~~
16 ~~programs and financial plans required under RCW 44.40.070)~~);

17 (b) The undesignated fund balance or deficit, by fund;

18 (c) Such additional information dealing with expenditures,
19 revenues, workload, performance, and personnel as the legislature may
20 direct by law or concurrent resolution;

21 (d) Such additional information dealing with revenues and
22 expenditures as the governor shall deem pertinent and useful to the
23 legislature;

24 (e) Tabulations showing expenditures classified by fund, function,
25 activity, and agency. However, documents submitted for the 2005-07
26 biennial budget request need not show expenditures by activity;

27 (f) A delineation of each agency's activities, including those
28 activities funded from nonbudgeted, nonappropriated sources, including
29 funds maintained outside the state treasury;

30 (g) Identification of all proposed direct expenditures to implement
31 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
32 agency and in total; and

33 (h) Tabulations showing each postretirement adjustment by
34 retirement system established after fiscal year 1991, to include, but
35 not be limited to, estimated total payments made to the end of the
36 previous biennial period, estimated payments for the present biennium,
37 and estimated payments for the ensuing biennium.

1 (2) The budget document or documents shall include detailed
2 estimates of all anticipated revenues applicable to proposed operating
3 or capital expenditures and shall also include all proposed operating
4 or capital expenditures. The total of beginning undesignated fund
5 balance and estimated revenues less working capital and other reserves
6 shall equal or exceed the total of proposed applicable expenditures.
7 The budget document or documents shall further include:

8 (a) Interest, amortization and redemption charges on the state
9 debt;

10 (b) Payments of all reliefs, judgments, and claims;

11 (c) Other statutory expenditures;

12 (d) Expenditures incident to the operation for each agency;

13 (e) Revenues derived from agency operations;

14 (f) Expenditures and revenues shall be given in comparative form
15 showing those incurred or received for the immediately past fiscal
16 period and those anticipated for the current biennium and next ensuing
17 biennium(~~(, as well as those required to support the six-year programs~~
18 ~~and financial plans required under RCW 44.40.070)));~~

19 (g) A showing and explanation of amounts of general fund and other
20 funds obligations for debt service and any transfers of moneys that
21 otherwise would have been available for appropriation;

22 (h) Common school expenditures on a fiscal-year basis;

23 (i) A showing, by agency, of the value and purpose of financing
24 contracts for the lease/purchase or acquisition of personal or real
25 property for the current and ensuing fiscal periods; and

26 (j) A showing and explanation of anticipated amounts of general
27 fund and other funds required to amortize the unfunded actuarial
28 accrued liability of the retirement system specified under chapter
29 41.45 RCW, and the contributions to meet such amortization, stated in
30 total dollars and as a level percentage of total compensation.

31 (3) A separate capital budget document or schedule shall be
32 submitted that will contain the following:

33 (a) A statement setting forth a long-range facilities plan for the
34 state that identifies and includes the highest priority needs within
35 affordable spending levels;

36 (b) A capital program consisting of proposed capital projects for
37 the next biennium and the two biennia succeeding the next biennium
38 consistent with the long-range facilities plan. Inasmuch as is

1 practical, and recognizing emergent needs, the capital program shall
2 reflect the priorities, projects, and spending levels proposed in
3 previously submitted capital budget documents in order to provide a
4 reliable long-range planning tool for the legislature and state
5 agencies;

6 (c) A capital plan consisting of proposed capital spending for at
7 least four biennia succeeding the next biennium;

8 (d) A strategic plan for reducing backlogs of maintenance and
9 repair projects. The plan shall include a prioritized list of specific
10 facility deficiencies and capital projects to address the deficiencies
11 for each agency, cost estimates for each project, a schedule for
12 completing projects over a reasonable period of time, and
13 identification of normal maintenance activities to reduce future
14 backlogs;

15 (e) A statement of the reason or purpose for a project;

16 (f) Verification that a project is consistent with the provisions
17 set forth in chapter 36.70A RCW;

18 (g) A statement about the proposed site, size, and estimated life
19 of the project, if applicable;

20 (h) Estimated total project cost;

21 (i) For major projects valued over five million dollars, estimated
22 costs for the following project components: Acquisition, consultant
23 services, construction, equipment, project management, and other costs
24 included as part of the project. Project component costs shall be
25 displayed in a standard format defined by the office of financial
26 management to allow comparisons between projects;

27 (j) Estimated total project cost for each phase of the project as
28 defined by the office of financial management;

29 (k) Estimated ensuing biennium costs;

30 (l) Estimated costs beyond the ensuing biennium;

31 (m) Estimated construction start and completion dates;

32 (n) Source and type of funds proposed;

33 (o) Estimated ongoing operating budget costs or savings resulting
34 from the project, including staffing and maintenance costs;

35 (p) For any capital appropriation requested for a state agency for
36 the acquisition of land or the capital improvement of land in which the
37 primary purpose of the acquisition or improvement is recreation or
38 wildlife habitat conservation, the capital budget document, or an

1 omnibus list of recreation and habitat acquisitions provided with the
2 governor's budget document, shall identify the projected costs of
3 operation and maintenance for at least the two biennia succeeding the
4 next biennium. Omnibus lists of habitat and recreation land
5 acquisitions shall include individual project cost estimates for
6 operation and maintenance as well as a total for all state projects
7 included in the list. The document shall identify the source of funds
8 from which the operation and maintenance costs are proposed to be
9 funded;

10 (q) Such other information bearing upon capital projects as the
11 governor deems to be useful;

12 (r) Standard terms, including a standard and uniform definition of
13 normal maintenance, for all capital projects;

14 (s) Such other information as the legislature may direct by law or
15 concurrent resolution.

16 For purposes of this subsection (3), the term "capital project"
17 shall be defined subsequent to the analysis, findings, and
18 recommendations of a joint committee comprised of representatives from
19 the house capital appropriations committee, senate ways and means
20 committee, (~~legislative transportation committee,~~) legislative
21 evaluation and accountability program committee, and office of
22 financial management.

23 (4) No change affecting the comparability of agency or program
24 information relating to expenditures, revenues, workload, performance
25 and personnel shall be made in the format of any budget document or
26 report presented to the legislature under this section or RCW
27 43.88.160(1) relative to the format of the budget document or report
28 which was presented to the previous regular session of the legislature
29 during an odd-numbered year without prior legislative concurrence.
30 Prior legislative concurrence shall consist of (a) a favorable majority
31 vote on the proposal by the standing committees on ways and means of
32 both houses if the legislature is in session or (b) a favorable
33 majority vote on the proposal by members of the legislative evaluation
34 and accountability program committee if the legislature is not in
35 session.

36 **Sec. 109.** RCW 43.88.230 and 1996 c 288 s 40 are each amended to
37 read as follows:

1 For the purposes of this chapter, the statute law committee, the
2 joint legislative audit and review committee, the (~~legislative~~) joint
3 transportation committee, the legislative evaluation and accountability
4 program committee, the office of state actuary, and all legislative
5 standing committees of both houses shall be deemed a part of the
6 legislative branch of state government.

7 **Sec. 110.** RCW 43.105.160 and 1999 c 80 s 9 are each amended to
8 read as follows:

9 (1) The department shall prepare a state strategic information
10 technology plan which shall establish a statewide mission, goals, and
11 objectives for the use of information technology, including goals for
12 electronic access to government records, information, and services.
13 The plan shall be developed in accordance with the standards and
14 policies established by the board and shall be submitted to the board
15 for review, modification as necessary, and approval. The department
16 shall seek the advice of the board in the development of this plan.

17 The plan approved under this section shall be updated as necessary
18 and submitted to the governor(~~(7)~~) and the chairs and ranking minority
19 members of the appropriations committees of the senate and the house of
20 representatives(~~(, and, during the legislative session, to the chairs~~
21 ~~and ranking minority members of the transportation committees of the~~
22 ~~senate and the house of representatives. During the legislative~~
23 ~~interim, the approved plan must be submitted to the legislative~~
24 ~~transportation committee, instead of the standing transportation~~
25 ~~committees))~~).

26 (2) The department shall prepare a biennial state performance
27 report on information technology based on agency performance reports
28 required under RCW 43.105.170 and other information deemed appropriate
29 by the department. The report shall include, but not be limited to:

30 (a) An analysis, based upon agency portfolios, of the state's
31 information technology infrastructure, including its value, condition,
32 and capacity;

33 (b) An evaluation of performance relating to information
34 technology;

35 (c) An assessment of progress made toward implementing the state
36 strategic information technology plan, including progress toward

1 electronic access to public information and enabling citizens to have
2 two-way access to public records, information, and services;

3 (d) An analysis of the success or failure, feasibility, progress,
4 costs, and timeliness of implementation of major information technology
5 projects under RCW 43.105.190;

6 (e) Identification of benefits, cost avoidance, and cost savings
7 generated by major information technology projects developed under RCW
8 43.105.190; and

9 (f) An inventory of state information services, equipment, and
10 proprietary software.

11 Copies of the report shall be distributed biennially to the
12 governor((~~τ~~)) and the chairs and ranking minority members of the
13 appropriations committees of the senate and the house of
14 representatives(~~(, and, during the legislative session, the chairs and~~
15 ~~ranking minority members of the transportation committees of the senate~~
16 ~~and the house of representatives. During the legislative interim, the~~
17 ~~report must be submitted to the legislative transportation committee,~~
18 ~~instead of the standing transportation committees))).~~

19 **Sec. 111.** RCW 43.105.190 and 1999 c 80 s 12 are each amended to
20 read as follows:

21 (1) The department, with the approval of the board, shall establish
22 standards and policies governing the planning, implementation, and
23 evaluation of major information technology projects, including those
24 proposed by the superintendent of public instruction, in conjunction
25 with educational service districts, or statewide or regional providers
26 of K-12 education information technology services. The standards and
27 policies shall:

28 (a) Establish criteria to identify projects which are subject to
29 this section. Such criteria shall include, but not be limited to,
30 significant anticipated cost, complexity, or statewide significance of
31 the project; and

32 (b) Establish a model process and procedures which agencies shall
33 follow in developing and implementing projects within their information
34 technology portfolios. Agencies may propose, for approval by the
35 department, a process and procedures unique to the agency. The
36 department may accept or require modification of such agency proposals
37 or the department may reject such agency proposals and require use of

1 the model process and procedures established under this subsection.
2 Any process and procedures developed under this subsection shall
3 require (i) distinct and identifiable phases upon which funding may be
4 based, (ii) user validation of products through system demonstrations
5 and testing of prototypes and deliverables, and (iii) other elements
6 identified by the board.

7 The director may terminate a major project if the director
8 determines that the project is not meeting or is not expected to meet
9 anticipated performance standards.

10 (2) The office of financial management shall establish policies and
11 standards consistent with portfolio-based information technology
12 management to govern the funding of projects developed under this
13 section. The policies and standards shall provide for:

14 (a) Funding of a project under terms and conditions mutually agreed
15 to by the director, the director of financial management, and the head
16 of the agency proposing the project. However, the office of financial
17 management may require incremental funding of a project on a phase-by-
18 phase basis whereby funds for a given phase of a project may be
19 released only when the office of financial management determines, with
20 the advice of the department, that the previous phase is satisfactorily
21 completed;

22 (b) Acceptance testing of products to assure that products perform
23 satisfactorily before they are accepted and final payment is made; and

24 (c) Other elements deemed necessary by the office of financial
25 management.

26 (3) The department shall evaluate projects based on the
27 demonstrated business needs and benefits; cost; technology scope and
28 feasibility; impact on the agency's information technology portfolio
29 and on the statewide infrastructure; and final project implementation
30 plan based upon available funding.

31 Copies of project evaluations conducted under this subsection shall
32 be submitted to the office of financial management and the chairs,
33 ranking minority members, and staff coordinators of the appropriations
34 committees of the senate and house of representatives.

35 If there are projects that receive funding from a transportation
36 fund or account, copies of those projects' evaluations conducted under
37 this subsection must be submitted(~~(, during the legislative session,~~)
38 to the chairs and ranking minority members of the transportation

1 committees of the senate and the house of representatives. ((During
2 the legislative interim, the project evaluations must be submitted to
3 the legislative transportation committee.))

4 **Sec. 112.** RCW 44.04.260 and 2003 c 295 s 12 are each amended to
5 read as follows:

6 The joint legislative audit and review committee, the
7 ((legislative)) joint transportation committee, the select committee on
8 pension policy, the legislative evaluation and accountability program
9 committee, and the joint legislative systems committee are subject to
10 such operational policies, procedures, and oversight as are deemed
11 necessary by the facilities and operations committee of the senate and
12 the executive rules committee of the house of representatives to ensure
13 operational adequacy of the agencies of the legislative branch. As
14 used in this section, "operational policies, procedures, and oversight"
15 includes the development process of biennial budgets, contracting
16 procedures, personnel policies, and compensation plans, selection of a
17 chief administrator, facilities, and expenditures. This section does
18 not grant oversight authority to the facilities and operations
19 committee of the senate over any standing committee of the house of
20 representatives or oversight authority to the executive rules committee
21 of the house of representatives over any standing committee of the
22 senate.

23 **Sec. 113.** RCW 44.28.088 and 2003 c 362 s 14 are each amended to
24 read as follows:

25 (1) When the legislative auditor has completed a performance audit
26 authorized in the performance audit work plan, the legislative auditor
27 shall transmit the preliminary performance audit report to the affected
28 state agency or local government and the office of financial management
29 for comment. The agency or local government and the office of
30 financial management shall provide any response to the legislative
31 auditor within thirty days after receipt of the preliminary performance
32 audit report unless a different time period is approved by the joint
33 committee. The legislative auditor shall incorporate the response of
34 the agency or local government and the office of financial management
35 into the final performance audit report.

1 (2) Except as provided in subsection (3) of this section, before
2 releasing the results of a performance audit to the legislature or the
3 public, the legislative auditor shall submit the preliminary
4 performance audit report to the joint committee for its review,
5 comments, and final recommendations. Any comments by the joint
6 committee must be included as a separate addendum to the final
7 performance audit report. Upon consideration and incorporation of the
8 review, comments, and recommendations of the joint committee, the
9 legislative auditor shall transmit the final performance audit report
10 to the affected agency or local government, the director of financial
11 management, the leadership of the senate and the house of
12 representatives, and the appropriate standing committees of the house
13 of representatives and the senate and shall publish the results and
14 make the report available to the public. For purposes of this section,
15 "leadership of the senate and the house of representatives" means the
16 speaker of the house, the majority leaders of the senate and the house
17 of representatives, the minority leaders of the senate and the house of
18 representatives, the caucus chairs of both major political parties of
19 the senate and the house of representatives, and the floor leaders of
20 both major political parties of the senate and the house of
21 representatives.

22 (3) If contracted to manage a transportation-related performance
23 audit under RCW 44.75.090, before releasing the results of a
24 performance audit originally ((requested)) directed by the ((executive
25 committee of the legislative transportation committee)) transportation
26 performance audit board to the legislature or the public, the
27 legislative auditor shall submit the preliminary performance audit
28 report to the ((executive committee of the joint committee and the
29 executive committee of the legislative transportation committee))
30 transportation performance audit board for review and comments solely
31 on the management of the audit. Any comments by the ((executive
32 committee of the joint committee and executive committee of the
33 legislative transportation committee)) transportation performance audit
34 board must be included as a separate addendum to the final performance
35 audit report. Upon consideration and incorporation of the review and
36 comments of the ((executive committee of the joint committee and
37 executive committee of the legislative transportation committee))
38 transportation performance audit board, the legislative auditor shall

1 transmit the final performance audit report to the affected agency or
2 local government, the director of financial management, the leadership
3 of the senate and the house of representatives, and the appropriate
4 standing committees of the house of representatives and the senate and
5 shall publish the results and make the report available to the public.

6 **Sec. 114.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
7 read as follows:

8 ~~((In addition to the powers and duties authorized in RCW 44.40.020,~~
9 ~~the committee and))~~ The standing committees on transportation of the
10 house and senate shall, in coordination with the joint legislative
11 audit and review committee, the legislative evaluation and
12 accountability program committee, and the ways and means committees of
13 the senate and house of representatives, ascertain, study, ~~((and/or))~~
14 and analyze all available facts and matters relating or pertaining to
15 sources of revenue, appropriations, expenditures, and financial
16 condition of the motor vehicle fund and accounts thereof, the highway
17 safety fund, and all other funds or accounts related to transportation
18 programs of the state.

19 The joint legislative audit and review committee, the legislative
20 evaluation and accountability program committee, and the ways and means
21 committees of the senate and house of representatives shall coordinate
22 their activities with the ~~((legislative))~~ transportation committees of
23 the legislature in carrying out the committees' powers and duties under
24 chapter 43.88 RCW in matters relating to the transportation programs of
25 the state.

26 **Sec. 115.** RCW 46.01.320 and 1996 c 315 s 2 are each amended to
27 read as follows:

28 The title and registration advisory committee is created within the
29 department. The committee consists of the director or a designee, who
30 shall serve as chair, the assistant director for vehicle services, the
31 administrator of title and registration services, two members from each
32 of the house and senate transportation committees, two county auditors
33 nominated by the Washington association of county officials, and two
34 representatives of subagents nominated by an association of vehicle
35 subagents. The committee shall meet at least twice a year, and may
36 meet as often as is necessary.

1 The committee's purpose is to foster communication between the
2 legislature, the department, county auditors, and subagents. The
3 committee shall make recommendations (~~(when requested by the~~
4 ~~legislative transportation committee, or on its own initiative,)~~) about
5 revisions to fee structures, implications of fee revisions on cost
6 sharing, and the development of standard contracts provided for in RCW
7 46.01.140(3).

8 **Sec. 116.** RCW 46.01.325 and 1996 c 315 s 3 are each amended to
9 read as follows:

10 (1) The director shall prepare, with the advice of the title and
11 registration advisory committee, an annual comprehensive analysis and
12 evaluation of agent and subagent fees. The director shall make
13 recommendations for agent and subagent fee revisions approved by the
14 title and registration advisory committee to the (~~legislative~~) senate
15 and house transportation committees by January 1st of every third year
16 starting with 1996. Fee revision recommendations may be made more
17 frequently when justified by the annual analysis and evaluation, and
18 requested by the title and registration advisory committee.

19 (2) The annual comprehensive analysis and evaluation must consider,
20 but is not limited to:

21 (a) Unique and significant financial, legislative, or other
22 relevant developments that may impact fees;

23 (b) Current funding for ongoing operating and maintenance
24 automation project costs affecting revenue collection and service
25 delivery;

26 (c) Future system requirements including an appropriate sharing of
27 costs between the department, agents, and subagents;

28 (d) Beneficial mix of customer service delivery options based on a
29 fee structure commensurate with quality performance standards;

30 (e) Appropriate indices projecting state and national growth in
31 business and economic conditions prepared by the United States
32 department of commerce, the department of revenue, and the revenue
33 forecast council for the state of Washington.

34 **Sec. 117.** RCW 46.16.705 and 2003 c 196 s 101 are each amended to
35 read as follows:

36 (1) The special license plate review board is created.

1 (2) The board will consist of seven members: One member appointed
2 by the governor and who will serve as chair of the board; four members
3 of the legislature, one from each caucus of the house of
4 representatives and the senate; a department of licensing
5 representative appointed by the director; and a Washington state patrol
6 representative appointed by the chief.

7 (3) Members shall serve terms of four years, except that four of
8 the members initially appointed will be appointed for terms of two
9 years. No member may be appointed for more than three consecutive
10 terms.

11 (4) The ((legislative—transportation—committee)) respective
12 appointing authority may remove members from the board before the
13 expiration of their terms only for cause based upon a determination of
14 incapacity, incompetence, neglect of duty, or malfeasance in office as
15 ordered by the Thurston county superior court, upon petition and show
16 cause proceedings brought for that purpose in that court and directed
17 to the board member in question.

18 **Sec. 118.** RCW 46.16.715 and 2003 c 196 s 102 are each amended to
19 read as follows:

20 (1) The board shall meet periodically at the call of the chair, but
21 must meet at least one time each year within ninety days before an
22 upcoming regular session of the legislature. The board may adopt its
23 own rules and may establish its own procedures. It shall act
24 collectively in harmony with recorded resolutions or motions adopted by
25 a majority vote of the members, and it must have a quorum present to
26 take a vote on a special license plate application.

27 (2) The board will be compensated from the general appropriation
28 for the ((legislative—transportation—committee)) department of
29 licensing in accordance with RCW 43.03.250. Each board member will be
30 compensated in accordance with RCW 43.03.250 and reimbursed for actual
31 necessary traveling and other expenses in going to, attending, and
32 returning from meetings of the board or that are incurred in the
33 discharge of duties requested by the chair. However, in no event may
34 a board member be compensated in any year for more than one hundred
35 twenty days, except the chair may be compensated for not more than one
36 hundred fifty days. Service on the board does not qualify as a service
37 credit for the purposes of a public retirement system.

1 (3) The board shall keep proper records and is subject to audit by
2 the state auditor or other auditing entities.

3 (4) The department of licensing shall provide administrative
4 support to the board, which must include at least the following:

5 (a) Provide general staffing to meet the administrative needs of
6 the board;

7 (b) Report to the board on the reimbursement status of any new
8 special license plate series for which the state had to pay the start-
9 up costs;

10 (c) Process special license plate applications and confirm that the
11 sponsoring organization has submitted all required documentation. If
12 an incomplete application is received, the department must return it to
13 the sponsoring organization;

14 (d) Compile the annual financial reports submitted by sponsoring
15 organizations with active special license plate series and present
16 those reports to the board for review and approval.

17 ~~((5) The legislative transportation committee shall provide
18 general oversight of the board, which must include at least the
19 following:~~

20 ~~(a) Process and approve board member compensation requests;~~

21 ~~(b) Review the annual financial reports submitted to the board by
22 sponsoring organizations;~~

23 ~~(c) Review annually the list of the board's approved and rejected
24 special license plate proposals submitted by sponsoring
25 organizations.))~~

26 **Sec. 119.** RCW 46.16.725 and 2003 c 196 s 103 are each amended to
27 read as follows:

28 (1) The creation of the board does not in any way preclude the
29 authority of the legislature to independently propose and enact special
30 license plate legislation.

31 (2) The board must review and either approve or reject special
32 license plate applications submitted by sponsoring organizations.

33 (3) Duties of the board include but are not limited to the
34 following:

35 (a) Review and approve the annual financial reports submitted by
36 sponsoring organizations with active special license plate series and

1 present those annual financial reports to the ((legislative)) senate
2 and house transportation committees;

3 (b) Report annually to the ((legislative)) senate and house
4 transportation committees on the special license plate applications
5 that were considered by the board;

6 (c) Issue approval and rejection notification letters to sponsoring
7 organizations, the department, the chairs of the senate and house of
8 representatives transportation committees, and the legislative sponsors
9 identified in each application. The letters must be issued within
10 seven days of making a determination on the status of an application;

11 (d) Review annually the number of plates sold for each special
12 license plate series created after January 1, 2003. The board may
13 submit a recommendation to discontinue a special plate series to the
14 chairs of the senate and house of representatives transportation
15 committees.

16 **Sec. 120.** RCW 46.73.010 and 1985 c 333 s 1 are each amended to
17 read as follows:

18 The Washington state patrol may adopt rules establishing standards
19 for qualifications and hours of service of drivers for private carriers
20 as defined by RCW 81.80.010(6). Such standards shall correlate with
21 and, as far as reasonable, conform to the regulations contained in
22 Title 49 C.F.R., Chapter 3, Subchapter B, Parts 391 and 395, on July
23 28, 1985. (~~At least thirty days before filing notice of the proposed~~
24 ~~rules with the code reviser, the state patrol shall submit them to the~~
25 ~~legislative transportation committee for review.))~~

26 **Sec. 121.** RCW 47.01.280 and 1999 c 94 s 10 are each amended to
27 read as follows:

28 (1) Upon receiving an application for improvements to an existing
29 state highway or highways pursuant to RCW 43.160.074 from the community
30 economic revitalization board, the transportation commission shall, in
31 a timely manner, determine whether or not the proposed state highway
32 improvements:

33 (a) Meet the safety and design criteria of the department of
34 transportation;

35 (b) Will impair the operational integrity of the existing highway
36 system;

1 (c) Will affect any other improvements planned by the department;
2 and

3 (d) Will be consistent with its policies developed pursuant to RCW
4 47.01.071.

5 (2) Upon completion of its determination of the factors contained
6 in subsection (1) of this section and any other factors it deems
7 pertinent, the transportation commission shall forward its approval, as
8 submitted or amended or disapproval of the proposed improvements to the
9 board, along with any recommendation it may wish to make concerning the
10 desirability and feasibility of the proposed development. If the
11 transportation commission disapproves any proposed improvements, it
12 shall specify its reasons for disapproval.

13 (3) Upon notification from the board of an application's approval
14 pursuant to RCW 43.160.074, the transportation commission shall direct
15 the department of transportation to carry out the improvements in
16 coordination with the applicant.

17 ~~((4) The transportation commission shall notify the legislative
18 transportation committee of all state highway improvements to be
19 carried out pursuant to RCW 43.160.074 and this section.))~~

20 **Sec. 122.** RCW 47.04.210 and 2001 2nd sp.s. c 14 s 601 are each
21 amended to read as follows:

22 Federal funds that are administered by the department of
23 transportation and are passed through to municipal corporations or
24 political subdivisions of the state and moneys that are received as
25 total reimbursement for goods, services, or projects constructed by the
26 department of transportation are removed from the transportation
27 budget. To process and account for these expenditures a new treasury
28 trust account is created to be used for all department of
29 transportation one hundred percent federal and local reimbursable
30 transportation expenditures. This new account is nonbudgeted and
31 nonappropriated. At the same time, federal and private local
32 appropriations and full-time equivalents in subprograms R2, R3, T6, Y6,
33 and Z2 processed through this new account are removed from the
34 department of transportation's 1997-99 budget.

35 The department of transportation may make expenditures from the
36 account before receiving federal and local reimbursements. However, at
37 the end of each biennium, the account must maintain a zero or positive

1 cash balance. In the twenty-fourth month of each biennium the
2 department of transportation shall calculate and transfer sufficient
3 cash from either the motor vehicle fund or the multimodal
4 transportation account to cover any negative cash balances. The amount
5 transferred is calculated based on expenditures from each fund. In
6 addition, any interest charges accruing to the new account must be
7 distributed to the motor vehicle fund and the multimodal transportation
8 account.

9 The department of transportation shall provide an annual report to
10 the (~~legislative~~) senate and house transportation committees and the
11 office of financial management on expenditures and full-time
12 equivalents processed through the new account. The report must also
13 include recommendations for process changes, if needed.

14 **Sec. 123.** RCW 47.04.220 and 2001 2nd sp.s. c 14 s 602 are each
15 amended to read as follows:

16 (1) The miscellaneous transportation programs account is created in
17 the custody of the state treasurer.

18 (2) Moneys from the account may be used only for the costs of:

19 (a) Miscellaneous transportation services provided by the
20 department that are reimbursed by other public and private entities;

21 (b) Local transportation projects for which the department is a
22 conduit for federal reimbursement to a municipal corporation or
23 political subdivision; or

24 (c) Other reimbursable activities as recommended by the
25 (~~legislative~~) senate and house transportation committees and approved
26 by the office of financial management.

27 (3) Moneys received as reimbursement for expenditures under
28 subsection (2) of this section must be deposited into the account.

29 (4) No appropriation is required for expenditures from this
30 account. This fund is not subject to allotment procedures provided
31 under chapter 43.88 RCW.

32 (5) Only the secretary of transportation or the secretary's
33 designee may authorize expenditures from the account.

34 (6) It is the intent of the legislature that this account maintain
35 a zero or positive cash balance at the end of each biennium. Toward
36 this purpose the department may make expenditures from the account
37 before receiving reimbursements under subsection (2) of this section.

1 Before the end of the biennium, the department shall transfer
2 sufficient cash to cover any negative cash balances from the motor
3 vehicle fund and the multimodal transportation account to the
4 miscellaneous transportation programs account for unrecovered
5 reimbursements. The department shall calculate the distribution of
6 this transfer based on expenditures. In the ensuing biennium the
7 department shall transfer the reimbursements received in the
8 miscellaneous transportation programs account back to the motor vehicle
9 fund and the multimodal transportation account to the extent of the
10 cash transferred at biennium end. The department shall also distribute
11 any interest charges accruing to the miscellaneous transportation
12 programs account to the motor vehicle fund and the multimodal
13 transportation account. Adjustments for any indirect cost recoveries
14 may also be made at this time.

15 (7) The department shall provide an annual report to the
16 (~~legislative~~) senate and house transportation committees and the
17 office of financial management on the expenditures and full-time
18 equivalents processed through the miscellaneous transportation programs
19 account. The report must also include recommendations for changes to
20 the process, if needed.

21 **Sec. 124.** RCW 47.06.110 and 1996 c 186 s 512 are each amended to
22 read as follows:

23 The state-interest component of the statewide multimodal
24 transportation plan shall include a state public transportation plan
25 that:

26 (1) Articulates the state vision of an interest in public
27 transportation and provides quantifiable objectives, including benefits
28 indicators;

29 (2) Identifies the goals for public transit and the roles of
30 federal, state, regional, and local entities in achieving those goals;

31 (3) Recommends mechanisms for coordinating state, regional, and
32 local planning for public transportation;

33 (4) Recommends mechanisms for coordinating public transportation
34 with other transportation services and modes;

35 (5) Recommends criteria, consistent with the goals identified in
36 subsection (2) of this section and with RCW 82.44.180 (2) and (3), for

1 existing federal authorizations administered by the department to
2 transit agencies; and

3 (6) Recommends a statewide public transportation facilities and
4 equipment management system as required by federal law.

5 In developing the state public transportation plan, the department
6 shall involve local jurisdictions, public and private providers of
7 transportation services, nonmotorized interests, and state agencies
8 with an interest in public transportation, including but not limited to
9 the departments of community, trade, and economic development, social
10 and health services, and ecology, the office of the superintendent of
11 public instruction, the office of the governor, and the office of
12 financial management.

13 The department shall submit ~~((an initial report))~~ to the
14 ~~((legislative))~~ senate and house transportation committees by December
15 ~~((1, 1993, and shall provide annual))~~ 1st of each year, reports
16 summarizing the plan's progress ~~((each year thereafter))~~.

17 **Sec. 125.** RCW 47.06A.020 and 1999 c 216 s 1 are each amended to
18 read as follows:

19 (1) The board shall:
20 (a) Adopt rules and procedures necessary to implement the freight
21 mobility strategic investment program;

22 (b) Solicit from public entities proposed projects that meet
23 eligibility criteria established in accordance with subsection (4) of
24 this section; and

25 (c) Review and evaluate project applications based on criteria
26 established under this section, and prioritize and select projects
27 comprising a portfolio to be funded in part with grants from state
28 funds appropriated for the freight mobility strategic investment
29 program. In determining the appropriate level of state funding for a
30 project, the board shall ensure that state funds are allocated to
31 leverage the greatest amount of partnership funding possible. After
32 selecting projects comprising the portfolio, the board shall submit
33 them as part of its budget request to the office of financial
34 management and the legislature. The board shall ensure that projects
35 submitted as part of the portfolio are not more appropriately funded
36 with other federal, state, or local government funding mechanisms or

1 programs. The board shall reject those projects that appear to improve
2 overall general mobility with limited enhancement for freight mobility.

3 The board shall provide periodic progress reports on its activities
4 to the office of financial management and the (~~legislative~~) senate
5 and house transportation committees.

6 (2) The board may:

7 (a) Accept from any state or federal agency, loans or grants for
8 the financing of any transportation project and enter into agreements
9 with any such agency concerning the loans or grants;

10 (b) Provide technical assistance to project applicants;

11 (c) Accept any gifts, grants, or loans of funds, property, or
12 financial, or other aid in any form from any other source on any terms
13 and conditions which are not in conflict with this chapter;

14 (d) Adopt rules under chapter 34.05 RCW as necessary to carry out
15 the purposes of this chapter; and

16 (e) Do all things necessary or convenient to carry out the powers
17 expressly granted or implied under this chapter.

18 (3) The board shall designate strategic freight corridors within
19 the state. The board shall update the list of designated strategic
20 corridors not less than every two years, and shall establish a method
21 of collecting and verifying data, including information on city and
22 county-owned roadways.

23 (4) (~~From June 11, 1998, through the biennium ending June 30,~~
24 ~~2001,~~) The board shall utilize threshold project eligibility criteria
25 that, at a minimum, includes the following:

26 (a) The project must be on a strategic freight corridor;

27 (b) The project must meet one of the following conditions:

28 (i) It is primarily aimed at reducing identified barriers to
29 freight movement with only incidental benefits to general or personal
30 mobility; or

31 (ii) It is primarily aimed at increasing capacity for the movement
32 of freight with only incidental benefits to general or personal
33 mobility; or

34 (iii) It is primarily aimed at mitigating the impact on communities
35 of increasing freight movement, including roadway/railway conflicts;
36 and

37 (c) The project must have a total public benefit/total public cost
38 ratio of equal to or greater than one.

1 (5) From June 11, 1998, through the biennium ending June 30, 2001,
2 the board shall use the multicriteria analysis and scoring framework
3 for evaluating and ranking eligible freight mobility and freight
4 mitigation projects developed by the freight mobility project
5 prioritization committee and contained in the January 16, 1998, report
6 entitled "Project Eligibility, Priority and Selection Process for a
7 Strategic Freight Investment Program." The prioritization process
8 shall measure the degree to which projects address important program
9 objectives and shall generate a project score that reflects a project's
10 priority compared to other projects. The board shall assign scoring
11 points to each criterion that indicate the relative importance of the
12 criterion in the overall determination of project priority. After June
13 30, 2001, the board may supplement and refine the initial project
14 priority criteria and scoring framework developed by the freight
15 mobility project prioritization committee as expertise and experience
16 is gained in administering the freight mobility program.

17 (6) It is the intent of the legislature that each freight mobility
18 project contained in the project portfolio submitted by the board
19 utilize the greatest amount of nonstate funding possible. The board
20 shall adopt rules that give preference to projects that contain the
21 greatest levels of financial participation from nonprogram fund
22 sources. The board shall consider twenty percent as the minimum
23 partnership contribution, but shall also ensure that there are
24 provisions allowing exceptions for projects that are located in areas
25 where minimal local funding capacity exists or where the magnitude of
26 the project makes the adopted partnership contribution financially
27 unfeasible.

28 (7) The board shall develop and recommend policies that address
29 operational improvements that primarily benefit and enhance freight
30 movement, including, but not limited to, policies that reduce
31 congestion in truck lanes at border crossings and weigh stations and
32 provide for access to ports during nonpeak hours.

33 **Sec. 126.** RCW 47.10.790 and 1985 c 406 s 1 are each amended to
34 read as follows:

35 (1) In order to provide funds for the location, design, right of
36 way, and construction of selected interstate highway improvements,
37 there shall be issued and sold upon the request of the Washington state

1 transportation commission, a total of one hundred million dollars of
2 general obligation bonds of the state of Washington to pay the state's
3 share of costs for completion of state route 90 (state route 5 to state
4 route 405) and other related state highway projects eligible for
5 regular federal interstate funding and until December 31, 1989, to
6 temporarily pay the regular federal share of construction of completion
7 projects on state route 90 (state route 5 to state route 405) and other
8 related state highway projects eligible for regular interstate funding
9 in advance of federal-aid apportionments under the provisions of 23
10 U.S.C. Secs. 115 or 122: PROVIDED, That the total amount of bonds
11 issued to temporarily pay the regular federal share of construction of
12 federal-aid interstate highways in advance of federal-aid
13 apportionments as authorized by this section and RCW 47.10.801 shall
14 not exceed one hundred twenty million dollars: PROVIDED FURTHER, That
15 the transportation commission shall (~~consult with the legislative~~
16 ~~transportation committee prior to the adoption of~~) adopt plans for the
17 obligation of federal-aid apportionments received in federal fiscal
18 year 1985 and subsequent years to pay the regular federal share of
19 federal-aid interstate highway construction projects or to convert such
20 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122.

21 (2) The transportation commission(~~, in consultation with the~~
22 ~~legislative transportation committee,~~) may at any time find and
23 determine that any amount of the bonds authorized in subsection (1) of
24 this section, and not then sold, are no longer required to be issued
25 and sold for the purposes described in subsection (1) of this section.

26 (3) Any bonds authorized by subsection (1) of this section that the
27 transportation commission determines are no longer required for the
28 purpose of paying the cost of the designated interstate highway
29 improvements described therein shall be issued and sold, upon the
30 request of the Washington state transportation commission, to provide
31 funds for the location, design, right of way, and construction of major
32 transportation improvements throughout the state (~~that are identified~~
33 ~~as category C improvements in RCW 47.05.030~~)).

34 **Sec. 127.** RCW 47.10.801 and 1999 c 94 s 13 are each amended to
35 read as follows:

36 (1) In order to provide funds necessary for the location, design,
37 right of way, and construction of selected interstate and other state

1 highway improvements, there shall be issued and sold, subject to
2 subsections (2), (3), and (4) of this section, upon the request of the
3 Washington state transportation commission a total of four hundred
4 sixty million dollars of general obligation bonds of the state of
5 Washington for the following purposes and specified sums:

6 (a) Not to exceed two hundred twenty-five million dollars to pay
7 the state's share of costs for federal-aid interstate highway
8 improvements and until December 31, 1989, to temporarily pay the
9 regular federal share of construction of federal-aid interstate highway
10 improvements to complete state routes 82, 90, 182, and 705 in advance
11 of federal-aid apportionments under the provisions of 23 U.S.C. Secs.
12 115 or 122: PROVIDED, That the total amount of bonds issued to
13 temporarily pay the regular federal share of construction of federal-
14 aid interstate highways in advance of federal-aid apportionments as
15 authorized by this section and RCW 47.10.790 shall not exceed one
16 hundred twenty million dollars: PROVIDED FURTHER, That the
17 transportation commission shall (~~consult with the legislative~~
18 ~~transportation committee prior to the adoption of~~) adopt plans for the
19 obligation of federal-aid apportionments received in federal fiscal
20 year 1985 and subsequent years to pay the regular federal share of
21 federal-aid interstate highway construction projects or to convert such
22 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122;

23 (b) Two hundred twenty-five million dollars for major
24 transportation improvements throughout the state that are identified as
25 category C improvements and for selected major non-interstate
26 construction and reconstruction projects that are included as Category
27 A Improvements (~~in RCW 47.05.030~~);

28 (c) Ten million dollars for state highway improvements necessitated
29 by planned economic development, as determined through the procedures
30 set forth in RCW 43.160.074 and 47.01.280.

31 (2) The amount of bonds authorized in subsection (1)(a) of this
32 section shall be reduced if the transportation commission(~~, in~~
33 ~~consultation with the legislative transportation committee,~~)
34 determines that any of the bonds that have not been sold are no longer
35 required.

36 (3) The amount of bonds authorized in subsection (1)(b) of this
37 section shall be increased by an amount not to exceed, and concurrent

1 with, any reduction of bonds authorized under subsection (1)(a) of this
2 section in the manner prescribed in subsection (2) of this section.

3 (4) The transportation commission may decrease the amount of bonds
4 authorized in subsection (1)(c) of this section and increase the amount
5 of bonds authorized in subsection (1)(a) or (b) of this section, or
6 both by an amount equal to the decrease in subsection (1)(c) of this
7 section. The transportation commission may decrease the amount of
8 bonds authorized in subsection (1)(c) of this section only if the
9 legislature appropriates an equal amount of funds from the motor
10 vehicle fund - basic account for the purposes enumerated in subsection
11 (1)(c) of this section.

12 **Sec. 128.** RCW 47.10.802 and 1986 c 290 s 1 are each amended to
13 read as follows:

14 Upon request being made by the transportation commission, the state
15 finance committee shall supervise and provide for the issuance, sale,
16 and retirement of the bonds authorized by RCW 47.10.801 in accordance
17 with chapter 39.42 RCW. The amount of such bonds issued and sold under
18 RCW 47.10.801 through 47.10.809 in any biennium may not exceed the
19 amount of a specific appropriation therefor. Such bonds may be sold
20 from time to time in such amounts as may be necessary for the orderly
21 progress of the state highway improvements specified in RCW 47.10.801.
22 The amount of bonds issued and sold under RCW 47.10.801(1)(a) in any
23 biennium shall not, except as provided in that section, exceed the
24 amount required to match federal-aid interstate funds available to the
25 state of Washington. (~~The transportation commission shall give notice
26 of its intent to sell bonds to the legislative transportation committee
27 before requesting the state finance committee to issue and sell bonds
28 authorized by RCW 47.10.801(1)(a).~~) The bonds shall be sold in such
29 manner, at such time or times, in such amounts, and at such price or
30 prices as the state finance committee shall determine. The state
31 finance committee may obtain insurance, letters of credit, or other
32 credit facility devices with respect to the bonds and may authorize the
33 execution and delivery of agreements, promissory notes, and other
34 obligations for the purpose of insuring the payment or enhancing the
35 marketability of the bonds. Promissory notes or other obligations
36 issued under this section shall not constitute a debt or the
37 contracting of indebtedness under any constitutional or statutory

1 indebtedness limitation if their payment is conditioned upon the
2 failure of the state to pay the principal of or interest on the bonds
3 with respect to which the promissory notes or other obligations relate.
4 The state finance committee may authorize the issuance of short-term
5 obligations in lieu of long-term obligations for the purposes of more
6 favorable interest rates, lower total interest costs, and increased
7 marketability and for the purposes of retiring the bonds during the
8 life of the project for which they were issued.

9 **Sec. 129.** RCW 47.17.850 and 1984 c 7 s 139 are each amended to
10 read as follows:

11 A state highway to be known as state route number 906 is
12 established as follows:

13 Beginning at a junction with state route number 90 at the West
14 Summit interchange of Snoqualmie Pass, thence along the alignment of
15 the state route number 90 as it existed on May 11, 1967, in a
16 southeasterly direction to a junction with state route number 90 at the
17 Hyak interchange.

18 (~~The legislative transportation committee, the house and senate~~
19 ~~transportation committees, and the department shall undertake~~
20 ~~appropriate studies to evaluate state route number 906 to determine~~
21 ~~whether or not it should permanently remain on the state system.))~~

22 **Sec. 130.** RCW 47.26.167 and 1991 c 342 s 62 are each amended to
23 read as follows:

24 The legislature recognizes the need for a multijurisdictional body
25 to review future requests for jurisdictional transfers. The board is
26 hereby directed, beginning September 1, 1991, to receive petitions from
27 cities, counties, or the state requesting any addition or deletion from
28 the state highway system. The board is required to utilize the
29 criteria established in RCW 47.17.001 in evaluating petitions and to
30 adopt rules for implementation of this process. The board shall
31 forward to the ((legislative)) senate and house transportation
32 committees by November 15 each year any recommended jurisdictional
33 transfers.

34 **Sec. 131.** RCW 47.26.170 and 1994 c 179 s 16 are each amended to
35 read as follows:

1 Each county having within its boundaries an urban area and cities
2 and towns shall prepare and submit to the transportation improvement
3 board arterial inventory data required to determine the long-range
4 arterial construction needs. The counties, cities, and towns shall
5 revise the arterial inventory data every four years to show the current
6 arterial construction needs through the advanced planning period, and
7 as revised shall submit them to the transportation improvement board
8 during the first week of January every four years beginning in 1996.
9 The inventory data shall be prepared pursuant to guidelines established
10 by the transportation improvement board. As information is updated, it
11 shall be made available to the commission (~~and the legislative~~
12 ~~transportation committee~~)).

13 **Sec. 132.** RCW 47.46.030 and 2002 c 114 s 3 are each amended to
14 read as follows:

15 (1) The secretary or a designee shall solicit proposals from, and
16 negotiate and enter into agreements with, private entities to undertake
17 as appropriate, together with the department and other public entities,
18 all or a portion of the study, planning, design, construction,
19 operation, and maintenance of transportation systems and facilities,
20 using in whole or in part public or private sources of financing.

21 The public-private initiatives program may develop up to six
22 demonstration projects. Each proposal shall be weighed on its own
23 merits, and each of the six agreements shall be negotiated
24 individually, and as a stand-alone project.

25 (2) If project proposals selected prior to September 1, 1994, are
26 terminated by the public or private sectors, the department shall not
27 select any new projects, including project proposals submitted to the
28 department prior to September 1, 1994, and designated by the
29 transportation commission as placeholder projects, after June 16, 1995,
30 until June 30, 1997.

31 The department, in consultation with the legislative transportation
32 committee, shall conduct a program and fiscal audit of the public-
33 private initiatives program for the biennium ending June 30, 1997. The
34 department shall submit a progress report to the legislative
35 transportation committee on the program and fiscal audit by June 30,
36 1996, with preliminary and final audit reports due December 1, 1996,
37 and June 30, 1997, respectively.

1 The department shall develop and submit a proposed public
2 involvement plan to the 1997 legislature to identify the process for
3 selecting new potential projects and the associated costs of
4 implementing the plan. The legislature must adopt the public
5 involvement plan before the department may proceed with any activity
6 related to project identification and selection. Following legislative
7 adoption of the public involvement plan, the department is authorized
8 to implement the plan and to identify potential new projects.

9 The public involvement plan for projects selected after June 30,
10 1997, shall, at a minimum, identify projects that: (a) Have the
11 potential of achieving overall public support among users of the
12 projects, residents of communities in the vicinity of the projects, and
13 residents of communities impacted by the projects; (b) meet a state
14 transportation need; (c) provide a significant state benefit; and (d)
15 provide competition among proposers and maximum cost benefits to users.
16 Prospective projects may include projects identified by the department
17 or submitted by the private sector.

18 Projects that meet the minimum criteria established under this
19 section and the requirements of the public involvement plan developed
20 by the department and approved by the legislature shall be submitted to
21 the Washington state transportation commission for its review. (~~The~~
22 ~~commission, in turn, shall submit a list of eligible projects to the~~
23 ~~legislative transportation committee for its consideration.~~) Forty-
24 five days after the submission to the (~~legislative transportation~~
25 ~~committee~~) commission of the list of eligible projects, the secretary
26 is authorized to solicit proposals for the eligible project.

27 (3) Prior to entering into agreements with private entities under
28 the requirements of RCW 47.46.040 for any project proposal selected
29 before September 1, 1994, or after June 30, 1997, except as provided
30 for in subsections (~~(+12+)~~) (11) and (~~(+13+)~~) (12) of this section, the
31 department shall require an advisory vote as provided under subsections
32 (5) through (~~(+10+)~~) (9) of this section.

33 (4) The advisory vote shall apply to project proposals selected
34 prior to September 1, 1994, or after June 30, 1997, that receive public
35 opposition as demonstrated by the submission to the department of
36 original petitions bearing at least five thousand signatures of
37 individuals opposing the project collected and submitted in accordance
38 with the dates established in subsections (~~(+12+)~~) (11) and (~~(+13+)~~)

1 (12) of this section. The advisory vote shall be on the preferred
2 alternative identified under the requirements of chapter 43.21C RCW
3 and, if applicable, the national environmental policy act, 42 U.S.C.
4 4321 et seq. The execution by the department of the advisory vote
5 process established in this section is subject to the prior
6 appropriation of funds by the legislature for the purpose of conducting
7 environmental impact studies, a public involvement program, local
8 involvement committee activities, traffic and economic impact analyses,
9 engineering and technical studies, and the advisory vote.

10 (5) In preparing for the advisory vote, the department shall
11 conduct a comprehensive analysis of traffic patterns and economic
12 impact to define the geographical boundary of the project area that is
13 affected by the imposition of tolls or user fees authorized under this
14 chapter. The area so defined is referred to in this section as the
15 affected project area. In defining the affected project area, the
16 department shall, at a minimum, undertake: (a) A comparison of the
17 estimated percentage of residents of communities in the vicinity of the
18 project and in other communities impacted by the project who could be
19 subject to tolls or user fees and the estimated percentage of other
20 users and transient traffic that could be subject to tolls or user
21 fees; (b) an analysis of the anticipated traffic diversion patterns;
22 (c) an analysis of the potential economic impact resulting from
23 proposed toll rates or user fee rates imposed on residents, commercial
24 traffic, and commercial entities in communities in the vicinity of and
25 impacted by the project; (d) an analysis of the economic impact of
26 tolls or user fees on the price of goods and services generally; and
27 (e) an analysis of the relationship of the project to state
28 transportation needs and benefits.

29 (6)(a) After determining the definition of the affected project
30 area, the department shall establish a committee comprised of
31 individuals who represent cities and counties in the affected project
32 area; organizations formed to support or oppose the project; and users
33 of the project. The committee shall be named the public-private local
34 involvement committee, and be known as the local involvement committee.

35 (b) The members of the local involvement committee shall be: (i)
36 An elected official from each city within the affected project area;
37 (ii) an elected official from each county within the affected project
38 area; (iii) two persons from each county within the affected project

1 area who represent an organization formed in support of the project, if
2 the organization exists; (iv) two persons from each county within the
3 affected project area who represent an organization formed to oppose
4 the project, if the organization exists; and (v) four public members
5 active in a statewide transportation organization. If the committee
6 makeup results in an even number of committee members, there shall be
7 an additional appointment of an elected official from the county in
8 which all, or the greatest portion of the project is located.

9 (c) City and county elected officials shall be appointed by a
10 majority of the members of the city or county legislative authorities
11 of each city or county within the affected project area, respectively.
12 The county legislative authority of each county within the affected
13 project area shall identify and validate organizations officially
14 formed in support of or in opposition to the project and shall make the
15 appointments required under this section from a list submitted by the
16 chair of the organizations. Public members shall be appointed by the
17 governor. All appointments to the local involvement committee shall be
18 made and submitted to the department of transportation no later than
19 January 1, 1996, for projects selected prior to September 1, 1994, and
20 no later than thirty days after the affected project area is defined
21 for projects selected after June 30, 1997. Vacancies in the membership
22 of the local involvement committee shall be filled by the appointing
23 authority under (b)(i) through (v) of this subsection for each position
24 on the committee.

25 (d) The local involvement committee shall serve in an advisory
26 capacity to the department on all matters related to the execution of
27 the advisory vote.

28 (e) Members of the local involvement committee serve without
29 compensation and may not receive subsistence, lodging expenses, or
30 travel expenses.

31 (7) The department shall conduct a minimum thirty-day public
32 comment period on the definition of the geographical boundary of the
33 project area. The department, in consultation with the local
34 involvement committee, shall make adjustments, if required, to the
35 definition of the geographical boundary of the affected project area,
36 based on comments received from the public. Within fourteen calendar
37 days after the public comment period, the department shall set the

1 boundaries of the affected project area in units no smaller than a
2 precinct as defined in RCW (~~(29.01.120)~~) 29A.04.121.

3 (8) The department, in consultation with the local involvement
4 committee, shall develop a description for selected project proposals.
5 After developing the description of the project proposal, the
6 department shall publish the project proposal description in newspapers
7 of general circulation for seven calendar days in the affected project
8 area. Within fourteen calendar days after the last day of the
9 publication of the project proposal description, the department shall
10 transmit a copy of the map depicting the affected project area and the
11 description of the project proposal to the county auditor of the county
12 in which any portion of the affected project area is located.

13 (~~(9) (The department shall provide the legislative transportation
14 committee with progress reports on the status of the definition of the
15 affected project area and the description of the project proposal.~~

16 ~~(10)~~) Upon receipt of the map and the description of the project
17 proposal, the county auditor shall, within thirty days, verify the
18 precincts that are located within the affected project area. The
19 county auditor shall prepare the text identifying and describing the
20 affected project area and the project proposal using the definition of
21 the geographical boundary of the affected project area and the project
22 description submitted by the department and shall set an election date
23 for the submission of a ballot proposition authorizing the imposition
24 of tolls or user fees to implement the proposed project within the
25 affected project area, which date may be the next succeeding general
26 election to be held in the state, or at a special election, if
27 requested by the department. The text of the project proposal must
28 appear in a voter's pamphlet for the affected project area. The
29 department shall pay the costs of publication and distribution. The
30 special election date must be the next date for a special election
31 provided under RCW (~~(29.13.020)~~) 29A.04.330 that is at least sixty days
32 but, if authorized under RCW (~~(29.13.020)~~) 29A.04.330, no more than
33 ninety days after the receipt of the final map and project description
34 by the auditor. The department shall pay the cost of an election held
35 under this section.

36 (~~(11)~~) (10) Notwithstanding any other provision of law, the
37 department may contract with a private developer of a selected project
38 proposal to conduct environmental impact studies, a public involvement

1 program, and engineering and technical studies funded by the
2 legislature. For projects subject to this subsection, the department
3 shall not enter into an agreement under RCW 47.46.040 prior to the
4 advisory vote on the preferred alternative.

5 ~~((12))~~ (11) Subsections (5) through ~~((10))~~ (9) of this section
6 shall not apply to project proposals selected prior to September 1,
7 1994, that have no organized public opposition as demonstrated by the
8 submission to the department of original petitions bearing at least
9 five thousand signatures of individuals opposing the project, collected
10 and submitted after September 1, 1994, and by thirty calendar days
11 after June 16, 1995.

12 ~~((13))~~ (12) Subsections (5) through ~~((10))~~ (9) of this section
13 shall not apply to project proposals selected after June 30, 1997, that
14 have no organized public opposition as demonstrated by the submission
15 to the department of original petitions bearing at least five thousand
16 signatures of individuals opposing the project, collected and submitted
17 by ninety calendar days after project selection.

18 **Sec. 133.** RCW 47.46.040 and 2002 c 114 s 16 are each amended to
19 read as follows:

20 (1) The secretary or a designee shall consult with legal,
21 financial, and other experts within and outside state government in the
22 negotiation and development of the agreements.

23 (2) Agreements may provide for private ownership of the projects
24 during the construction period. After completion and final acceptance
25 of each project or discrete segment thereof, the agreement may provide
26 for state ownership of the transportation systems and facilities and
27 lease to the private entity unless the state elects to provide for
28 ownership of the facility by the private entity during the term of the
29 agreement.

30 The state may lease each of the demonstration projects, or
31 applicable project segments, to the private entities for operating
32 purposes for up to fifty years.

33 (3) The department may exercise any power possessed by it to
34 facilitate the development, construction, financing operation, and
35 maintenance of transportation projects under this section. Agreements
36 for maintenance services entered into under this section shall provide
37 for full reimbursement for services rendered by the department or other

1 state agencies. Agreements for police services for projects, involving
2 state highway routes, developed under agreements shall be entered into
3 with the Washington state patrol. The agreement for police services
4 shall provide that the state patrol will be reimbursed for costs on a
5 comparable basis with the costs incurred for comparable service on
6 other state highway routes. The department may provide services for
7 which it is reimbursed, including but not limited to preliminary
8 planning, environmental certification, and preliminary design of the
9 demonstration projects.

10 (4) The plans and specifications for each project constructed under
11 this section shall comply with the department's standards for state
12 projects. A facility constructed by and leased to a private entity is
13 deemed to be a part of the state highway system for purposes of
14 identification, maintenance, and enforcement of traffic laws and for
15 the purposes of applicable sections of this title. Upon reversion of
16 the facility to the state, the project must meet all applicable state
17 standards. Agreements shall address responsibility for reconstruction
18 or renovations that are required in order for a facility to meet all
19 applicable state standards upon reversion of the facility to the state.

20 (5) For the purpose of facilitating these projects and to assist
21 the private entity in the financing, development, construction, and
22 operation of the transportation systems and facilities, the agreements
23 may include provisions for the department to exercise its authority,
24 including the lease of facilities, rights of way, and airspace,
25 exercise of the power of eminent domain, granting of development rights
26 and opportunities, granting of necessary easements and rights of
27 access, issuance of permits and other authorizations, protection from
28 competition, remedies in the event of default of either of the parties,
29 granting of contractual and real property rights, liability during
30 construction and the term of the lease, authority to negotiate
31 acquisition of rights of way in excess of appraised value, and any
32 other provision deemed necessary by the secretary.

33 (6) The agreements entered into under this section may include
34 provisions authorizing the state to grant necessary easements and lease
35 to a private entity existing rights of way or rights of way
36 subsequently acquired with public or private financing. The agreements
37 may also include provisions to lease to the entity airspace above or
38 below the right of way associated or to be associated with the private

1 entity's transportation facility. In consideration for the reversion
2 rights in these privately constructed facilities, the department may
3 negotiate a charge for the lease of airspace rights during the term of
4 the agreement for a period not to exceed fifty years. If, after the
5 expiration of this period, the department continues to lease these
6 airspace rights to the private entity, it shall do so only at fair
7 market value. The agreement may also provide the private entity the
8 right of first refusal to undertake projects utilizing airspace owned
9 by the state in the vicinity of the public-private project.

10 (7) Agreements under this section may include any contractual
11 provision that is necessary to protect the project revenues required to
12 repay the costs incurred to study, plan, design, finance, acquire,
13 build, install, operate, enforce laws, and maintain toll highways,
14 bridges, and tunnels and which will not unreasonably inhibit or
15 prohibit the development of additional public transportation systems
16 and facilities. Agreements under this section must secure and maintain
17 liability insurance coverage in amounts appropriate to protect the
18 project's viability and may address state indemnification of the
19 private entity for design and construction liability where the state
20 has approved relevant design and construction plans.

21 (8) Agreements entered into under this section shall include a
22 process that provides for public involvement in decision making with
23 respect to the development of the projects.

24 (9)(a) In carrying out the public involvement process required in
25 subsection (8) of this section, the private entity shall proactively
26 seek public participation through a process appropriate to the
27 characteristics of the project that assesses and demonstrates public
28 support among: Users of the project, residents of communities in the
29 vicinity of the project, and residents of communities impacted by the
30 project.

31 (b) The private entity shall conduct a comprehensive public
32 involvement process that provides, periodically throughout the
33 development and implementation of the project, users and residents of
34 communities in the affected project area an opportunity to comment upon
35 key issues regarding the project including, but not limited to: (i)
36 Alternative sizes and scopes; (ii) design; (iii) environmental
37 assessment; (iv) right of way and access plans; (v) traffic impacts;

1 (vi) tolling or user fee strategies and tolling or user fee ranges;
2 (vii) project cost; (viii) construction impacts; (ix) facility
3 operation; and (x) any other salient characteristics.

4 (c) If the affected project area has not been defined, the private
5 entity shall define the affected project area by conducting, at a
6 minimum: (i) A comparison of the estimated percentage of residents of
7 communities in the vicinity of the project and in other communities
8 impacted by the project who could be subject to tolls or user fees and
9 the estimated percentage of other users and transient traffic that
10 could be subject to tolls or user fees; (ii) an analysis of the
11 anticipated traffic diversion patterns; (iii) an analysis of the
12 potential economic impact resulting from proposed toll rates or user
13 fee rates imposed on residents, commercial traffic, and commercial
14 entities in communities in the vicinity of and impacted by the project;
15 (iv) an analysis of the economic impact of tolls or user fees on the
16 price of goods and services generally; and (v) an analysis of the
17 relationship of the project to state transportation needs and benefits.

18 The agreement may require an advisory vote by users of and
19 residents in the affected project area.

20 (d) In seeking public participation, the private entity shall
21 establish a local involvement committee or committees comprised of
22 residents of the affected project area, individuals who represent
23 cities and counties in the affected project area, organizations formed
24 to support or oppose the project, if such organizations exist, and
25 users of the project. The private entity shall, at a minimum,
26 establish a committee as required under the specifications of RCW
27 47.46.030(6)(b) (ii) and (iii) and appointments to such committee shall
28 be made no later than thirty days after the project area is defined.

29 (e) Local involvement committees shall act in an advisory capacity
30 to the department and the private entity on all issues related to the
31 development and implementation of the public involvement process
32 established under this section.

33 (f) The department and the private entity shall provide the
34 (~~legislative transportation committee and~~) local involvement
35 committees with progress reports on the status of the public
36 involvement process including the results of an advisory vote, if any
37 occurs.

1 (10) Nothing in this chapter limits the right of the secretary and
2 his or her agents to render such advice and to make such
3 recommendations as they deem to be in the best interests of the state
4 and the public.

5 **Sec. 134.** RCW 79A.05.125 and 1999 c 301 s 3 are each amended to
6 read as follows:

7 (1) The department of transportation shall negotiate a franchise
8 with a rail carrier to establish and maintain a rail line over portions
9 of the Milwaukee Road corridor owned by the state between Ellensburg
10 and Lind. The department of transportation may negotiate such a
11 franchise with any qualified rail carrier. Criteria for negotiating
12 the franchise and establishing the right of way include:

13 (a) Assurances that resources from the franchise will be sufficient
14 to compensate the state for use of the property, including completion
15 of a cross-state trail between Easton and the Idaho border;

16 (b) Types of payment for use of the franchise, including payment
17 for the use of federally granted trust lands in the transportation
18 corridor;

19 (c) Standards for maintenance of the line;

20 (d) Provisions ensuring that both the conventional and intermodal
21 rail service needs of local shippers are met. Such accommodations may
22 comprise agreements with the franchisee to offer or maintain adequate
23 service or to provide service by other carriers at commercially
24 reasonable rates;

25 (e) Provisions requiring the franchisee, upon reasonable request of
26 any other rail operator, to provide rail service and interchange
27 freight over what is commonly known as the Stampede Pass rail line from
28 Cle Elum to Auburn at commercially reasonable rates;

29 (f) If any part of the franchise agreement is invalidated by
30 actions or rulings of the federal surface transportation board or a
31 court of competent jurisdiction, the remaining portions of the
32 franchise agreement are not affected;

33 (g) Compliance with environmental standards; and

34 (h) Provisions for insurance and the coverage of liability.

35 (2) The franchise may provide for periodic review of financial
36 arrangements under the franchise.

1 (3) The department of transportation, in consultation with the
2 parks and recreation commission and the ~~((legislative))~~ senate and
3 house transportation committees, shall negotiate the terms of the
4 franchise, and shall present the agreement to the parks and recreation
5 commission for approval of as to terms and provisions affecting the
6 cross-state trail or affecting the commission.

7 (4) This section expires July 1, 2006, if the department of
8 transportation does not enter into a franchise agreement for a rail
9 line over portions of the Milwaukee Road corridor by July 1, 2006.

10 **Sec. 135.** RCW 81.80.395 and 1988 c 138 s 1 are each amended to
11 read as follows:

12 The Washington utilities and transportation commission may enter
13 into an agreement or arrangement with a duly authorized representative
14 of the state of Idaho, for the purpose of granting to operators of
15 commercial vehicles that are properly registered in the state of Idaho,
16 the privilege of operating their vehicles in this state within a
17 designated area near the border of their state without the need for
18 registration as required by chapter 81.80 RCW if the state of Idaho
19 grants a similar privilege to operators of commercial vehicles from
20 this state. The initial designated area shall be limited to state
21 route 195 from the Idaho border to Lewiston, and SR 12 from Lewiston to
22 Clarkston. ~~((The utilities and transportation commission shall submit
23 other proposed reciprocal agreements in designated border areas to the
24 legislative transportation committee for approval.))~~

25 **Sec. 136.** RCW 81.104.110 and 1998 c 245 s 165 are each amended to
26 read as follows:

27 The legislature recognizes that the planning processes described in
28 RCW 81.104.100 provide a recognized framework for guiding high capacity
29 transportation studies. However, the process cannot guarantee
30 appropriate decisions unless key study assumptions are reasonable.

31 To assure appropriate system plan assumptions and to provide for
32 review of system plan results, an expert review panel shall be
33 appointed to provide independent technical review for development of
34 any system plan which is to be funded in whole or in part by the
35 imposition of any voter-approved local option funding sources
36 enumerated in RCW 81.104.140.

1 (1) The expert review panel shall consist of five to ten members
2 who are recognized experts in relevant fields, such as transit
3 operations, planning, emerging transportation technologies,
4 engineering, finance, law, the environment, geography, economics, and
5 political science.

6 (2) The expert review panel shall be selected cooperatively by the
7 chairs of the ((legislative)) senate and house transportation
8 committees, the secretary of the department of transportation, and the
9 governor to assure a balance of disciplines. In the case of counties
10 adjoining another state or Canadian province the expert review panel
11 membership shall be selected cooperatively with representatives of the
12 adjoining state or Canadian province.

13 (3) The chair of the expert review panel shall be designated by the
14 appointing authorities.

15 (4) The expert review panel shall serve without compensation but
16 shall be reimbursed for expenses according to ~~((chapter 43.03))~~ RCW
17 43.03.050 and 43.03.060. Reimbursement shall be paid from within the
18 existing resources of the local authority planning under this chapter.

19 (5) The panel shall carry out the duties set forth in subsections
20 (6) and (7) of this section until the date on which an election is held
21 to consider the high capacity transportation system and financing
22 plans. ~~((Funds appropriated for expenses of the expert panel shall be~~
23 ~~administered by the department of transportation.))~~

24 (6) The expert panel shall review all reports required in RCW
25 81.104.100(2) and shall concentrate on service modes and concepts,
26 costs, patronage and financing evaluations.

27 (7) The expert panel shall provide timely reviews and comments on
28 individual reports and study conclusions to the department of
29 transportation, the regional transportation planning organization, the
30 joint regional policy committee, and the submitting lead transit
31 agency. In the case of counties adjoining another state or Canadian
32 province, the expert review panel shall provide its reviews, comments,
33 and conclusions to the representatives of the adjoining state or
34 Canadian province.

35 (8) The ~~((legislative transportation committee))~~ local authority
36 planning under this chapter shall contract for consulting services for
37 expert review panels. The amount of consultant support shall be
38 negotiated with each expert review panel by the ~~((legislative~~

1 ~~transportation committee))~~ local authority and shall be paid from
2 ((~~appropriations for that purpose from the high capacity transportation~~
3 ~~account~~)) within the local authority's existing resources.

4 **Sec. 137.** RCW 82.33.020 and 1992 c 231 s 34 are each amended to
5 read as follows:

6 (1) Four times each year the supervisor shall prepare, subject to
7 the approval of the economic and revenue forecast council under RCW
8 82.33.010:

9 (a) An official state economic and revenue forecast;

10 (b) An unofficial state economic and revenue forecast based on
11 optimistic economic and revenue projections; and

12 (c) An unofficial state economic and revenue forecast based on
13 pessimistic economic and revenue projections.

14 (2) The supervisor shall submit forecasts prepared under this
15 section, along with any unofficial forecasts provided under RCW
16 82.33.010, to the governor and the members of the committees on ways
17 and means and the chairs of the committees on transportation of the
18 senate and house of representatives ((~~and the chair of the legislative~~
19 ~~transportation committee~~)), including one copy to the staff of each of
20 the committees, on or before November 20th, February 20th in the even-
21 numbered years, March 20th in the odd-numbered years, June 20th, and
22 September 20th. All forecasts shall include both estimated receipts
23 and estimated revenues in conformance with generally accepted
24 accounting principles as provided by RCW 43.88.037.

25 (3) All agencies of state government shall provide to the
26 supervisor immediate access to all information relating to economic and
27 revenue forecasts. Revenue collection information shall be available
28 to the supervisor the first business day following the conclusion of
29 each collection period.

30 (4) The economic and revenue forecast supervisor and staff shall
31 co-locate and share information, data, and files with the tax research
32 section of the department of revenue but shall not duplicate the duties
33 and functions of one another.

34 (5) As part of its forecasts under subsection (1) of this section,
35 the supervisor shall provide estimated revenue from tuition fees as
36 defined in RCW 28B.15.020.

1 **Sec. 138.** RCW 82.70.060 and 2003 c 364 s 6 are each amended to
2 read as follows:

3 The commute trip reduction task force shall determine the
4 effectiveness of the tax credit under RCW 82.70.020, the grant program
5 in RCW 70.94.996, and the relative effectiveness of the tax credit and
6 the grant program as part of its ongoing evaluation of the commute trip
7 reduction law and report to the (~~legislative~~) senate and house
8 transportation committees and to the fiscal committees of the house of
9 representatives and the senate. The report must include information on
10 the amount of tax credits claimed to date and recommendations on future
11 funding between the tax credit program and the grant program. The
12 report must be incorporated into the recommendations required in RCW
13 70.94.537(5).

14 **Sec. 139.** RCW 82.80.070 and 2002 c 56 s 413 are each amended to
15 read as follows:

16 (1) The proceeds collected pursuant to the exercise of the local
17 option authority of RCW 82.80.010, (~~(82.80.020,)~~) 82.80.030, and
18 82.80.050 (hereafter called "local option transportation revenues")
19 shall be used for transportation purposes only, including but not
20 limited to the following: The operation and preservation of roads,
21 streets, and other transportation improvements; new construction,
22 reconstruction, and expansion of city streets, county roads, and state
23 highways and other transportation improvements; development and
24 implementation of public transportation and high-capacity transit
25 improvements and programs; and planning, design, and acquisition of
26 right of way and sites for such transportation purposes. The proceeds
27 collected from excise taxes on the sale, distribution, or use of motor
28 vehicle fuel and special fuel under RCW 82.80.010 shall be used
29 exclusively for "highway purposes" as that term is construed in Article
30 II, section 40 of the state Constitution.

31 (2) The local option transportation revenues shall be expended for
32 transportation uses consistent with the adopted transportation and land
33 use plans of the jurisdiction expending the funds and consistent with
34 any applicable and adopted regional transportation plan for
35 metropolitan planning areas.

36 (3) Each local government with a population greater than eight

1 thousand that levies or expends local option transportation funds, is
2 also required to develop and adopt a specific transportation program
3 that contains the following elements:

4 (a) The program shall identify the geographic boundaries of the
5 entire area or areas within which local option transportation revenues
6 will be levied and expended.

7 (b) The program shall be based on an adopted transportation plan
8 for the geographic areas covered and shall identify the proposed
9 operation and construction of transportation improvements and services
10 in the designated plan area intended to be funded in whole or in part
11 by local option transportation revenues and shall identify the annual
12 costs applicable to the program.

13 (c) The program shall indicate how the local transportation plan is
14 coordinated with applicable transportation plans for the region and for
15 adjacent jurisdictions.

16 (d) The program shall include at least a six-year funding plan,
17 updated annually, identifying the specific public and private sources
18 and amounts of revenue necessary to fund the program. The program
19 shall include a proposed schedule for construction of projects and
20 expenditure of revenues. The funding plan shall consider the
21 additional local tax revenue estimated to be generated by new
22 development within the plan area if all or a portion of the additional
23 revenue is proposed to be earmarked as future appropriations for
24 transportation improvements in the program.

25 (4) Local governments with a population greater than eight thousand
26 exercising the authority for local option transportation funds shall
27 periodically review and update their transportation program to ensure
28 that it is consistent with applicable local and regional transportation
29 and land use plans and within the means of estimated public and private
30 revenue available.

31 (5) In the case of expenditure for new or expanded transportation
32 facilities, improvements, and services, priorities in the use of local
33 option transportation revenues shall be identified in the
34 transportation program and expenditures shall be made based upon the
35 following criteria, which are stated in descending order of weight to
36 be attributed:

37 (a) First, the project serves a multijurisdictional function;

1 (b) Second, it is necessitated by existing or reasonably
2 foreseeable congestion;

3 (c) Third, it has the greatest person-carrying capacity;

4 (d) Fourth, it is partially funded by other government funds, such
5 as from the state transportation improvement board, or by private
6 sector contributions, such as those from the local transportation act,
7 chapter 39.92 RCW; and

8 (e) Fifth, it meets such other criteria as the local government
9 determines is appropriate.

10 (6) It is the intent of the legislature that as a condition of
11 levying, receiving, and expending local option transportation revenues,
12 no local government agency use the revenues to replace, divert, or loan
13 any revenues currently being used for transportation purposes to
14 nontransportation purposes. (~~The association of Washington cities and
15 the Washington state association of counties, in consultation with the
16 legislative transportation committee, shall study the issue of
17 nondiversion and make recommendations to the legislative transportation
18 committee for language implementing the intent of this section by
19 December 1, 1990.~~)

20 (7) Local governments are encouraged to enter into interlocal
21 agreements to jointly develop and adopt with other local governments
22 the transportation programs required by this section for the purpose of
23 accomplishing regional transportation planning and development.

24 (8) Local governments may use all or a part of the local option
25 transportation revenues for the amortization of local government
26 general obligation and revenue bonds issued for transportation purposes
27 consistent with the requirements of this section.

28 (9) Subsections (1) through (8) of this section do not apply to a
29 regional transportation investment district imposing a tax or fee under
30 the local option authority of this chapter. Proceeds collected under
31 the exercise of local option authority under this chapter by a district
32 must be used in accordance with chapter 36.120 RCW.

33 **Sec. 140.** RCW 90.03.525 and 1996 c 285 s 1 and 1996 c 230 s 1617
34 are each reenacted and amended to read as follows:

35 (1) The rate charged by a local government utility to the
36 department of transportation with respect to state highway right of way
37 or any section of state highway right of way for the construction,

1 operation, and maintenance of storm water control facilities under
2 chapters 35.67, 35.92, 36.89, 36.94, 57.08, and 86.15 RCW, shall be
3 thirty percent of the rate for comparable real property, except as
4 otherwise provided in this section. The rate charged to the department
5 with respect to state highway right of way or any section of state
6 highway right of way within a local government utility's jurisdiction
7 shall not, however, exceed the rate charged for comparable city street
8 or county road right of way within the same jurisdiction. The
9 legislature finds that the aforesaid rates are presumptively fair and
10 equitable because of the traditional and continuing expenditures of the
11 department of transportation for the construction, operation, and
12 maintenance of storm water control facilities designed to control
13 surface water or storm water runoff from state highway rights of way.

14 (2) Charges paid under subsection (1) of this section by the
15 department of transportation must be used solely for storm water
16 control facilities that directly reduce state highway runoff impacts or
17 implementation of best management practices that will reduce the need
18 for such facilities. By January 1st of each year, beginning with
19 calendar year 1997, the local government utility, in coordination with
20 the department, shall develop a plan for the expenditure of the charges
21 for that calendar year. The plan must be consistent with the
22 objectives identified in RCW 90.78.010. In addition, beginning with
23 the submittal for 1998, the utility shall provide a progress report on
24 the use of charges assessed for the prior year. No charges may be paid
25 until the plan and report have been submitted to the department.

26 (3) The utility imposing the charge and the department of
27 transportation may, however, agree to either higher or lower rates with
28 respect to the construction, operation, or maintenance of any specific
29 storm water control facilities based upon the annual plan prescribed in
30 subsection (2) of this section. ~~((If a different rate is agreed to, a
31 report so stating shall be submitted to the legislative transportation
32 committee.))~~ If, after mediation, the local government utility and the
33 department of transportation cannot agree upon the proper rate, ~~((and
34 after a report has been submitted to the legislative transportation
35 committee and after ninety days from submission of such report,))~~
36 either may commence an action in the superior court for the county in
37 which the state highway right of way is located to establish the proper
38 rate. The court in establishing the proper rate shall take into

1 account the extent and adequacy of storm water control facilities
2 constructed by the department and the actual benefits to the sections
3 of state highway rights of way from storm water control facilities
4 constructed, operated, and maintained by the local government utility.
5 Control of surface water runoff and storm water runoff from state
6 highway rights of way shall be deemed an actual benefit to the state
7 highway rights of way. The rate for sections of state highway right of
8 way as determined by the court shall be set forth in terms of the
9 percentage of the rate for comparable real property, but shall in no
10 event exceed the rate charged for comparable city street or county road
11 right of way within the same jurisdiction.

12 (4) The legislature finds that the federal clean water act
13 (national (~~pollution~~ [~~pollutant~~])) pollutant discharge elimination
14 system, 40 C.F.R. parts 122-124), the state water pollution control
15 act, chapter 90.48 RCW, and the highway runoff program under chapter
16 (~~90.70~~) 90.71 RCW, mandate the treatment and control of storm water
17 runoff from state highway rights of way owned by the department of
18 transportation. Appropriations made by the legislature to the
19 department of transportation for the construction, operation, and
20 maintenance of storm water control facilities are intended to address
21 applicable federal and state mandates related to storm water control
22 and treatment. This section is not intended to limit opportunities for
23 sharing the costs of storm water improvements between cities, counties,
24 and the state.

25 NEW SECTION. **Sec. 141.** The following acts or parts of acts are
26 each repealed:

27 (1) RCW 44.40.010 (Creation--Composition--Appointments--
28 Vacancies--Rules) and 1999 sp.s. c 1 s 616, 1980 c 87 s 39, 1971 ex.s.
29 c 195 s 1, 1967 ex.s. c 145 s 68, 1965 ex.s. c 170 s 64, & 1963 ex.s.
30 c 3 s 35;

31 (2) RCW 44.40.013 (Administration) and 2001 c 259 s 5;

32 (3) RCW 44.40.015 (Executive committee--Selection--Duties) and 2001
33 c 259 s 6 & 1999 sp.s. c 1 s 617;

34 (4) RCW 44.40.030 (Participation in activities of other
35 organizations) and 1982 c 227 s 17, 1977 ex.s. c 235 s 7, 1971 ex.s. c
36 195 s 3, & 1963 ex.s. c 3 s 38;

1 (5) RCW 44.40.040 (Members' allowances--Procedure for payment of
2 committee's expenses) and 2001 c 259 s 7, 1979 c 151 s 157, 1977 ex.s.
3 c 235 s 8, 1975 1st ex.s. c 268 s 3, 1971 ex.s. c 195 s 4, & 1963 ex.s.
4 c 3 s 39;

5 (6) RCW 44.40.090 (Delegation of powers and duties to senate and
6 house transportation committees) and 2001 c 259 s 8, 1977 ex.s. c 235
7 s 10, & 1973 1st ex.s. c 210 s 2;

8 (7) RCW 44.40.140 (Review of policy on fees imposed on nonpolluting
9 fuels--Report) and 1983 c 212 s 2;

10 (8) RCW 44.40.150 (Study--Recommendations for consideration--
11 Staffing) and 1998 c 245 s 88 & 1989 1st ex.s. c 6 s 14;

12 (9) RCW 44.40.161 (Audit review of transportation-related agencies)
13 and 2003 c 362 s 16;

14 (10) RCW 53.08.350 (Moratorium on runway construction or extension,
15 or initiation of new service--Certain counties affected) and 1992 c 190
16 s 2;

17 (11) RCW 44.40.020 (Powers, duties, and studies) and 1996 c 129 s
18 9, 1977 ex.s. c 235 s 5, 1975 1st ex.s. c 268 s 1, & 1963 ex.s. c 3 s
19 36;

20 (12) RCW 44.40.070 (State transportation agencies--Comprehensive
21 programs and financial plans) and 1998 c 245 s 87, 1988 c 167 s 10,
22 1979 ex.s. c 192 s 3, 1979 c 158 s 112, 1977 ex.s. c 235 s 9, & 1973
23 1st ex.s. c 201 s 1;

24 (13) RCW 44.40.080 (State transportation agencies--Recommended
25 budget--Preparation and presentation--Contents) and 1973 1st ex.s. c
26 201 s 2;

27 (14) RCW 44.40.100 (Contracts and programs authorized) and 2001 c
28 259 s 9, 1977 ex.s. c 235 s 11, 1975 1st ex.s. c 268 s 7, & 1973 1st
29 ex.s. c 210 s 3;

30 (15) RCW 46.23.040 (Review of agreement by legislative
31 transportation committee) and 1982 c 212 s 4;

32 (16) RCW 47.01.145 (Study reports available to legislators upon
33 request) and 1984 c 7 s 76, 1971 ex.s. c 195 s 6, & 1967 ex.s. c 145 s
34 78;

35 (17) RCW 47.05.090 (Application of 1993 c 490--Deviations) and 1993
36 c 490 s 6;

37 (18) RCW 47.12.360 (Advanced environmental mitigation--Reports) and
38 1997 c 140 s 5;

1 (19) RCW 47.76.340 (Evaluating program performance) and 1993 c 224
2 s 13 & 1990 c 43 s 8;

3 (20) RCW 47.74.010 (Multistate Highway Transportation Agreement
4 enacted, terms) and 1983 c 82 s 1; and

5 (21) RCW 47.74.020 (Appointment of delegates to represent state)
6 and 1983 c 82 s 2.

7 NEW SECTION. **Sec. 142.** Part headings used in this act are no part
8 of the law.

9 NEW SECTION. **Sec. 143.** (1) RCW 44.40.120 is recodified as a
10 section in chapter 44.04 RCW.

11 (2) RCW 44.40.025 is recodified as a section in chapter 43.88 RCW.

12 NEW SECTION. **Sec. 144.** Sections 12 and 13 of this act are each
13 added to chapter 44.04 RCW.

14 NEW SECTION. **Sec. 145.** This act is necessary for the immediate
15 preservation of the public peace, health, or safety, or support of the
16 state government and its existing public institutions, and takes effect
17 July 1, 2005, except for section 103 of this act which takes effect
18 July 1, 2006.

19 NEW SECTION. **Sec. 146.** Section 138 of this act expires July 1,
20 2013."

21 Correct the title.

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