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**Transportation Committee**

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**HB 2491**

**Brief Description:** Reforming regional transportation governance.

**Sponsors:** Representatives Jarrett and Woods.

**Brief Summary of Bill**

- The Regional Transit Authority (RTA) and the Regional Transportation Investment District (RTID) may submit an integrated, joint regional transportation plan to voters in 2006, if county legislative authorities first approve it.
- The Puget Sound Regional Transportation System Authority (RTSA) is created, subject to voter approval, comprising the counties that are included in the most populated Regional Transportation Planning Organization (RTPO).
- Effective January 1, 2008, and subject to voter approval, a new Authority Council is created to govern regional transportation planning within RTSA, assuming the role as governing authority for RTID, RTA, and City Transportation Authority, with corresponding revenue modifications made.

**Hearing Date:** 1/17/06

**Staff:** David Bowman (786-7339).

**Background:**

Overview - Regional Transportation Governance and Planning

Numerous agencies are charged with the planning, funding, development and operation of transportation facilities in the central Puget Sound region. Agencies involved in the planning, funding, and operation of local and regional transportation systems are wholly separate governmental units with few laws or rules requiring coordination of their efforts. There is no overarching governing entity overseeing regional transportation system planning or controlling ballot measures to be submitted to the people for approval.

The establishment and maintenance of regional governing bodies to oversee and implement transportation planning in metropolitan areas is a prerequisite to the state's receipt of federal transportation funding, including highway funding. Federal law requires that metropolitan areas greater than 50,000 persons have a metropolitan planning organization (MPO) and that designation is made by the Governor and local government officials. State law authorizes local

governments to voluntarily form regional transportation planning organizations (RTPOs). In urbanized areas, an RTPO and MPO are one and the same entity.

### Metropolitan Planning Organizations and Regional Transportation Planning Organizations

Metropolitan areas greater than 50,000 persons must have a metropolitan planning organization (MPO) under federal law. This designation is made by the Governor and must have the concurrence of local government officials representing 75 percent of the population within the area, including the central city; or as otherwise provided for by state or local law. The formation of MPOs is a precondition for receiving federal highway and transit funds. There are currently 11 MPOs in Washington.

Federal law requires MPOs to develop a metropolitan transportation plan with a 20 year horizon, and a three-year financially constrained transportation improvement program. Federal law also requires MPOs to have a transportation policy board which includes local elected officials, officials of agencies that administer or operate major modes or transportation systems and appropriate state officials.

State law, meanwhile, authorizes the voluntary association of governments for transportation planning purposes in the form of regional transportation planning organizations (RTPOs). The federally-mandated MPOs are designated as the RTPOs under the state's 1990 Growth Management Act (GMA). State requirements for regional transportation planning largely mirrored federal requirements and also include a requirement to certify that the transportation elements of local comprehensive plans conform with the GMA and are consistent with the regional transportation plan.

The MPO and RTPO for King, Pierce, Snohomish and Kitsap counties is the Puget Sound Regional Council (PSRC). The PSRC develops a metropolitan transportation plan with a 20-year horizon, and a three-year financially constrained transportation improvement program. Under state law, RTPOs are required to certify that the transportation elements of local comprehensive plans conform with the GMA and are consistent with the regional transportation plan. Pursuant to both Federal and State laws, PSRC has a Transportation Policy Board which includes local elected officials, officials of agencies that administer or operate major modes or transportation systems and appropriate state officials. The PSRC also scores projects for distribution of federal funds for which it is responsible.

Within the PSRC area, transportation planning, funding, development and/or services are provided by numerous public agencies. These include: the Department of Transportation, responsible for state highways within the region; four county governments; over 65 cities; six public transportation agencies including the Seattle Monorail Authority; the three-county regional transit authority (Sound Transit); Washington State Ferries, a division of the Department of Transportation, operating both auto and passenger-only ferry service; and several port districts. In addition, in 2002, a Regional Transportation Investment District (RTID) was authorized for the purpose of planning, funding, and building projects to address highway corridor needs in King, Pierce, and Snohomish counties.

### Regional Transportation Investment District

Implementation of the RTID requires at least two contiguous counties forming the district, and requires the establishment of a planning committee to develop a plan for transportation

investments in the three-county district and identification of revenue options to fund them. The planning committee comprises the council members of King, Pierce, and Snohomish counties. County council members' votes are weighted proportionally to population. The Secretary of Transportation is a non-voting member.

The RTID boundaries are coextensive with the boundaries of the contiguous counties that established the district. Currently there is no opportunity for a portion of the district to be exempt from the district, once it is created.

Projects eligible for the RTID funding, and which may be included in a regional transportation investment plan, are capital improvements to: 1) highways of statewide significance including new lanes and earthquake repairs; 2) highways of statewide significance which, may include High Occupancy Vehicle (HOV) lanes and associated multimodal capital improvements which support public transportation, vans, and buses; and 3) under specified conditions, certain city streets, county roads, or highways that intersect with highways of statewide significance; however, not more than 10 percent of district funds nor more than \$1 billion may be expended on local projects and one-third local matching funds for the projects are required. The use of funds for operations, preservation, and maintenance of the RTID projects is prohibited.

The county legislative authorities within the district may certify the plan to the ballot, as a single ballot measure to approve or disapprove the regional transportation investment plan. County legislative authorities are not required to adopt or not adopt, by ordinance, the plan prior to submitting a measure to the voters.

The RTID was initially granted various tax options including, up to: 0.5 percent sales tax; \$100. annual vehicle license fee; 0.3 percent MVET; employer tax; parking fee; and limited tolling authority. In 2003, the RTID was authorized to sell bonds and the RTID, or counties for RTID purposes, were authorized a local option fuel tax at 10 percent of the state fuel tax rate. An RTID and counties, for city and county road purposes, may not impose the tax at the same time. The RTID is authorized to collect tolls on facilities where lanes are added or the lanes are reconstructed by the RTID. Such tolls need not be approved by the state Transportation Commission. The Department of Transportation (DOT) may construct toll facilities that are sponsored by an RTID. An RTID is not authorized to impose a network value pricing charge based on vehicle miles traveled for users in the district.

The RTID executive committee began developing a plan for improvements and adopted a revenue plan in March 2004. This plan identified a \$13.2 Billion revenue package, which included a joint ballot proposition with Sound Transit. An draft investment plan was adopted by the executive board in April, 2004. After the business community advised the RTID executive committee that it would not support a fall 2004 ballot measure, and Sound Transit did not vote to join the ballot issue, the 2004 plan did not go to the ballot. As of January 2006, the executive board is developing a new plan. No date has been set to go to the ballot.

### Regional Transit Authority Governance

Two or more contiguous counties each having a population of four hundred thousand persons or more may establish a RTA to develop and operate a high capacity transportation system. A high capacity transportation system is an urban public transportation system that operates principally on exclusive rights of way and provides a substantially higher level of passenger capacity, speed,

and service frequency than traditional public transportation systems operating mainly on general purpose roadways.

An RTA must be governed by a board consisting of representatives appointed by the county executive and confirmed by the legislative authority of each member county. Sound Transit is the regional transit authority established by King, Pierce, and Snohomish counties.

One duty of the regional transit authority is to develop and adopt a system and financing plan which, among other things, identifies revenues expected to be generated by corridor and county, phasing of construction and operation of high capacity system facilities, and the degree to which revenues generated within each county will benefit the residents of that county including when such benefits will accrue.

### Regional and Local Transit Authority Planning

Legislative authorities of each municipality, and the RTA, are required to prepare a six-year transit development plan. Public transportation providers are not required to submit plans, and there is no requirement that the agencies coordinate with each other in developing the plans or that the plans address regional standards.

### City Transportation Authority

In 2002, the Legislature enacted laws allowing the City of Seattle to create a city transportation authority for the development, planning, construction and operation of a public monorail transportation facility. By citizen petition submitted to city voters in 2002, the citizens of Seattle created the Seattle Popular Monorail Authority as the city transportation authority and established a nine-member board to be the governing and policy-making body over the authority.

The Seattle Popular Monorail Authority currently has the power to levy excess levies within constitutional limits, for operating funds, capital outlay funds, and cumulative reserve funds, issue bonds; issue general obligation bonds equal to 1.5 percent of value of taxable property within the authority area, and up to 2.5 percent with approval by three-fifths of voters in the area; issue revenue bonds payable from other revenue sources; levy and collect special excise tax up to 2.5 percent; fix and impose motor vehicle fee of \$100; and impose annual property tax levies equal to one dollar fifty cents or less per thousand dollars of assessed value of property within the authority area.

### State Transportation Improvement Board

The state TIB allocates funds from the state transportation improvement account and the urban arterial trust account, with the stated intention of organizing transportation improvement efforts on state highways, county roads, and city streets in urban areas of the state. The board must refer to specific criteria such as consistency with the Growth Management Act, the Clean Air Act, the Commute Trip Reduction law, any high capacity transportation plan, and must consider several factors in determining whether projects are eligible to receive transportation improvement account funds. The only express limitation on the transportation improvement board's allocation of funds from the urban arterial trust account is a prohibition on payments to a county, city, or town identified by the Governor to be in noncompliance with the Growth Management Act.

### Transportation Policy Board

An RTPO is required to create a transportation policy board to provide policy advice to the RTPO. To qualify for state planning funds, an RTPO must provide voting membership to the Transportation Commission, the Department of Transportation, and the three largest public port districts, and must ensure that fifty percent of its members are from transit agencies.

### Coordination of Regional Transportation Governance and Planning

The number of agencies involved in transportation planning and delivery of services has significantly added to the complexity of transportation programs. Public polling and focus group results indicate public confusion regarding transportation decision making, planning, and funding, and public concern over ensuring efficiency, accountability, and coordinated action among transportation planning entities.

Currently, agencies involved in transportation planning, funding, and operation are separately governed and not required to coordinate their development of regional transportation investment plans or submission of ballot measures to the people for approval.

### **Summary of Bill:**

#### Joint Plan Required

The RTID planning committee and the RTA within the district boundaries are directed to jointly develop an integrated regional transportation plan (Plan) to improve system performance through a combination of investments in transit, operations, and transportation projects including multimodal projects.

The Plan must propose (i) creation of the RTID that is authorized under current law, and (ii) construction of transportation projects within the District. The eligible projects list is expanded to include operation, preservation, and maintenance of toll-related facilities where toll revenues have been pledged for the payment of contracts. The Plan must use revenues that generally provide network benefits to a participating subarea in proportion to the general level of tax revenue generated within that subarea.

Before the 2006 general election, the county legislative authorities of King, Pierce, Snohomish, and Kitsap counties must:

(1) within 90 days of receiving a Plan, act by ordinance to either approve or reject adoption of the Plan; and

(2) either submit a ballot measure to voters for their approval of both the Plan and the formation of the Regional Transportation System Authority (Authority) and the establishment of an Authority Council (Council) to govern it, *or* if any county rejects the Plan or no Plan has been received, submit a ballot measure only for approving formation of the Authority and Council.

#### Regional Transportation System Authority

Effective January 1, 2008, and subject to voter approval, the Puget Sound Regional Transportation System Authority (Authority) is created, comprising the central Puget Sound counties included within the most populated RTPO as of January 1, 2005.

## The Authority Council

The Authority Council is created, subject to voter approval, to govern the Authority. The Council is comprised of nine nonpartisan councilors, one elected at large and designated as president of the Council, and eight nominated and elected from individual districts within the Authority. Council members may not be an elected officer of the state or a local government. Disqualifications and replacement for offices are specified and councilors are limited to three terms and the president is limited to two full terms. Councilor and auditor salaries are established.

By May 1, 2007, the county legislative authorities of King, Pierce, Snohomish and Kitsap counties are required to define eight councilor districts within the region, based on equal populations. One councilor from each district is to be elected in November 2007, and the council president is to be elected at large. The president and the four councilors receiving the most votes are elected to 4-year terms, with the remaining four councilors elected to two-year terms. The council president is the presiding officer of the Council and sets the council agenda.

### Council duties (effective January 1, 2008):

- assume the RTPO and (at such time when federal redesignation requirements are met) MPO functions of the PSRC;
- assume the role of governing authority of each of the following entities located within the authority's boundaries:
  - The RTID, if voters approve its formation;
  - The Regional Transit Authority; and
  - The City Transportation Authority.
- Identify transportation facilities and services of the Department of Transportation, cities, counties, and public transportation providers that serve regionally significant corridors or are regionally significant and adopt a plan for allocation of resources for those facilities and services. To achieve this plan:
  - Inter-local agreements are permitted for affected agencies to reimburse the Council for planning costs; and
  - The plan must use tax revenues and related debt for investments that generally provide network benefits to a subarea or county of the system authority in proportion to the general level of tax revenues generated within that subarea or county.
- Develop and enforce standards for the coordination of public transportation services in the Authority, including investment, service, fare policies, and coordination and approval of each transit systems six-year plan;
- Develop and enforce standards for the coordination of regional traffic operations on roadways of regional significance including investment in operations resources;
- Appoint an Authority Policy Advisory Committee (Committee) and any other advisory committees the Council deems necessary; and

- Approve in total, or disapprove all or certain elements of, the regional transportation investment plan developed by the Committee.

The Committee appointed by the Council must develop a recommended regional plan and regional transportation investment plan for the Council's approval. The Committee comprises local elected officials, officials of agencies that operate major transportation modes, appropriate state officials, and others as appropriate, to provide a regional forum for officials to assess transportation policies, evaluate needs and recommend to the Council a recommended regional plan and a regional transportation improvement program. The Committee duties also include review of the consistency of public agencies' plans with standards of coordination for public transportation and traffic operations.

An auditor for the Authority is to be elected at the 2007 general election, to serve beginning January 1, 2008, for a four-year term. The auditors' duties are to investigate operations of the Authority, including financial and performance auditing functions. The auditor must be a certified public accountant or a certified internal auditor and is precluded from service as an Authority councilor for four years after serving as auditor.

#### Modifications to RTID Revenue Options

- 0.5 percent sales and use tax, *but not* for a period in excess of ten years unless extended by voter approval;
- network value pricing system based on vehicle miles traveled and other factors;
- tolls on local or regional arterials or state or federal highways within the boundaries of the district, if approved by the state transportation commission and identified in the Regional Transportation Investment Plan, and in such amounts sufficient to implement the Plan; and
- additional sales and use tax comprising the percentage difference between the sales and use tax imposed for local public transportation systems under RCW 82.14.045 in the affected area and the maximum authorized sales and use tax.

#### RTID Boundaries

The boundaries of the district must be proposed by the district and approved by county legislative authorities by ordinance, before, or in conjunction with, approval of a regional transportation investment plan. At a minimum, the boundaries should include at least the areas within the Regional Transit Authority serving the counties comprising the district. Cities must be entirely in or entirely outside district boundaries. The area of Pierce County located on the peninsula, including Gig Harbor, may be exempt. Areas may be added to the district boundaries by a vote of the people in the proposed annexation area. This annexation option applies to Kitsap County.

#### Regional Transit Authority Governance

Effective January 1, 2008, the Regional Transportation System Authority Council is the governing body of the RTA.

The duty of the regional transit authority to include in its system and finance plan the identification of revenues expected to be generated by corridor and county, phasing of construction and operation of high capacity system facilities, and the degree to which revenues generated within each county will benefit the residents of that county including when such

benefits will accrue, is modified. In a joint plan with the RTID, the RTA's system plan must be consistent with the newly defined "network benefits" principle required of RTID.

#### Regional and Local Transit Authority Planning

RCW 35.58.2795 is amended to require local and regional transit agencies to provide resources, coordinate services, and address the public transportation coordination and regional traffic operations coordination standards developed by the Council in the six-year plans developed by the local and regional transit agencies.

#### City Transportation Authority Governance and Revenue

The Regional Transportation System Authority Council is made the governing board of the City Transportation Authority. The City Transportation Authority may continue to impose an authorized levy if the election for such levy occurred before January 1, 2008. Except to the extent necessary to secure the payment of any bonds or obligations incurred prior to January 1, 2008, the City Transportation Authority's authority to impose taxes and fees and issue bonds is assumed by the Regional Transportation System Authority Council.

#### State Transportation Improvement Board

The TIB is to give preference to Transportation Improvement Account and Urban Arterial Trust Account funds apportioned for projects in the Authority that meet the public transportation and traffic coordination criteria developed by the Council.

#### Transportation Policy Board

The Authority is exempt from the requirement that a regional transportation planning organization create a transportation policy board, but it may create such a board if it elects to do so. If the Authority creates a transportation policy board, the Authority's qualification for state planning funds is not conditioned upon its providing voting membership to the Transportation Commission, the Department of Transportation, and the three largest public port districts, or its assurance that fifty percent of its members are from transit agencies.

**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2006.

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