

# SENATE BILL REPORT

## ESHB 2157

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As of March 30, 2005

**Title:** An act relating to authorizing the financing of regional transportation improvements by counties.

**Brief Description:** Authorizing the creation of a regional transportation improvement authority.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Murray, Simpson, B. Sullivan, Dickerson, Sells, Ericks, McIntire and Conway).

**Brief History:** Passed House: 3/14/05, 77-19.

**Committee Activity:** Transportation: 3/24/05.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Kelly Simpson (786-7403)

**Background:** Under current law, counties with a population greater than 1.5 million persons and adjoining counties with a population greater than 500,000 persons may create a regional transportation investment district (RTID) for the purposes of planning and implementing regional transportation improvements. An RTID is granted several local voter-approved funding options to fund the improvements, including a sales and use tax, vehicle license fee, parking tax, motor vehicle excise tax, employer tax, and vehicle tolls. Eligible projects include capital improvements to highways of statewide significance, including associated multimodal capital improvements, and, under limited circumstances, certain local street, road, & highway improvements.

**Summary of Bill:** The authority to create an RTID is repealed.

A county with a population over 1.5 million persons, together with counties with a population over 500,000 persons, may create a multi-county or single-county Regional Transportation Improvement Authority (RTIA) to fund multimodal transportation projects. A county with a population over 230,000 persons whose boundaries abut three counties eligible to form an RTIA may form a single-county authority or, with voter approval, annex to an existing authority whose plan has been voter approved.

Formation and Governance of an RTIA. The legislative authority of an eligible county, or two or more eligible counties, by ordinance, may create an authority. A single-county RTIA must be countywide and the governing board of a single county RTIA is the county legislative authority, except that in a county with a population between 500,000 persons and less than 1,500,000 persons, that portion of the county located on a peninsula and connected to the other portion of the county by a bridge improved under the Public-Private Initiatives Act may not be included in the authority boundaries until after a plan has been approved by voters.

A multi-county RTIA's boundaries must be based on the urban growth area in that county to the extent deemed appropriate. The governing board consists of the members of participating county legislative authorities and the county executive of each county within the RTIA, with votes weighted by a specified population formula. The board also includes as non-voting members the Secretary of Transportation and representatives of certain larger cities within the participating counties. Areas of member counties not initially included when an RTIA is formed may annex to the RTIA with board, city and/or county, and voter approval.

Eligible projects and improvement plan preparation. Transportation projects that may be included in the regional transportation improvement plan are projects of statewide or regional significance that are included in the transportation plan of state or a regional transportation planning organization. Projects may include highways of statewide significance, principal arterials of regional significance, high-capacity transportation, public transportation, and other projects or programs including transportation demand management. Projects may include operation, preservation and maintenance of those facilities or programs. Projects remain under the lead agency that owns the facility or provides the service unless otherwise provided for.

The regional transportation planning organization (RTPO) within the participating counties must prepare, upon request, a recommended prioritized list of projects, using specified project selection criteria, to be included in an RTIA improvement plan. The RTIA board may modify the list in collaboration with the RTPO. Additionally, a process is specified by which a county may choose to either approve or disapprove the improvement plan.

Revenue options. The RTIA board may select from the following list of revenue options to fund the plan, which are all subject to voter approval: (1) a vehicle license fee of up to \$100 per year, upon initial registration and renewal; (2) a sales and use tax of up to 0.2 percent, which may be imposed for a maximum of ten years before another vote is required; (3) a 0.6 percent motor vehicle excise tax (MVET) to be based on vehicle market value, to the extent that it is not already imposed by a county within the authority boundaries; and (4) with approval of the Transportation Commission, tolls and a value-pricing charge based upon vehicle miles traveled, which may be varied by corridor and time of day.

Miscellaneous provisions. An RTIA is authorized to enter into debt up to amounts provided by constitutional limitations; however, legislative intent is that the plan minimize reliance on bonds, and that it rely instead on revenues, with bonding to be used for critical expenditures and cash flow purposes. Revenue bonds may be issued by the authority without voter approval.

Taxes dedicated to capital projects terminate upon completion of the project, including debt retirement. The authority is required to submit a plan to voters one year in advance of the retirement of all debt, including a finance plan for on-going operation. If there is no debt and no ongoing project operation, the authority must dissolve within 30 days of project completion.

An RTIA may enter into a joint ballot measure agreement with the regional transit authority in central Puget Sound. The RTIA may, with the transit authority's permission, impose unused high capacity transit tax authority for high capacity transit projects that are set forth in the RTIA improvement plan.

The Transportation Commission must study the feasibility of value pricing certain facilities or the transportation network in Puget Sound. The study is to address using such an approach to generate revenues, maximize the efficiency of system operation, and provide economic indicators for system investments. The Commission is to submit an initial draft to the Legislature by January 15, 2006, and a final report by June 30, 2006.

A Transportation Governance Commission is established to make recommendations to the 2006 Legislature regarding transportation governance in the central Puget Sound area.

**Appropriation:** None.

**Fiscal Note:** Requested on March 18, 2005.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill provides a good comprehensive look at regional transportation funding, involving state, regional, and local governments. The flexibility provided for in the bill, particularly regarding project eligibility, will benefit the central Puget Sound region. By limiting the original formation of an RTIA to urban growth boundaries, the bill provides for stronger voter support. The existing RTID laws are too restrictive. Some suggested changes were offered, including allowing larger cities in an RTIA area to have a vote on the board, allowing RTIA revenue to be spent on certain projects outside the RTIA boundaries or that benefit RTIA residents, and making various technical changes.

**Testimony Against:** The bill is too flexible regarding the eligible projects; it should be limited to road projects.

**Who Testified:** PRO: Ron Posthuma, King Co. Transportation Dept.; Randy Lewis, City of Tacoma; Steve Thomsen, Snohomish Co. Dept. of Public Works; David Dye, WA State Department of Transportation; Julie Sexton, Department of Revenue; Doug Levy, City of Everett.

CON: Paul W. Locke.