CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1084

Chapter 167, Laws of 2023

68th Legislature 2023 Regular Session

FREIGHT MOBILITY—PRIORITIZATION

EFFECTIVE DATE: July 23, 2023

Passed by the House March 7, 2023 Yeas 95 Nays 0

LAURIE JINKINS

Speaker of the House of Representatives

Passed by the Senate April 12, 2023 Yeas 48 Nays 0

DENNY HECK

President of the Senate Approved April 25, 2023 3:17 PM

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1084** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

April 26, 2023

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE HOUSE BILL 1084

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Ramos, Ryu, Ramel, Leavitt, Timmons, and Wylie)

READ FIRST TIME 02/14/23.

AN ACT Relating to freight mobility prioritization; amending RCW 47.06A.010, 47.06A.001, 47.06A.020, 47.06A.030, 47.06.045, 47.06.070, 46.68.300, 46.68.310, and 47.06A.080; adding a new section to chapter 53.20 RCW; adding a new section to chapter 47.04 RCW; creating a new section; recodifying RCW 47.06A.080 and 47.06A.090; and repealing RCW 47.06A.045, 47.06A.050, and 47.06A.060.

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

8 Sec. 1. RCW 47.06A.010 and 1998 c 175 s 2 are each amended to 9 read as follows:

10 Unless the context clearly requires otherwise, the definitions in 11 this section apply throughout this chapter.

(1) "Board" means the freight mobility strategic investment boardcreated in RCW 47.06A.030.

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(2) "Department" means the department of transportation.

(3) "Freight mobility" means the safe, reliable, and efficient movement of goods within and through the state to ensure the state's economic vitality.

18 (4) <u>"Indian tribe" has the same meaning as provided in RCW</u> 19 43.376.010.

20 <u>(5)</u> "Local governments" means cities, towns, counties, special 21 purpose districts, port districts, and any other municipal

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1 corporations or quasi-municipal corporations in the state excluding 2 school districts. ((((5))) (6) "Overburdened community" has the same meaning as 3 provided in RCW 70A.02.010. 4 (7) "Public entity" means a state agency, city, town, county, 5 6 port district, or municipal or regional planning organization. (((6))) (8) "Strategic freight corridor" means a transportation 7 corridor of great economic importance within an integrated freight 8 9 system that: (a) Serves international and domestic interstate and intrastate 10 11 trade; 12 (b) Enhances the state's competitive position through regional 13 and global gateways; (c) Carries freight tonnages of at least: 14 (i) Four million gross tons annually on state highways, city 15 streets, and county roads; 16 17 (ii) Five million gross tons annually on railroads; or 18 (iii) Two and one-half million net tons on waterways; and (d) Has been designated a strategic corridor by the board under 19 20 RCW 47.06A.020(((3))) <u>(4)</u>. However, new alignments to, realignments of, and new links to strategic corridors that enhance freight 21 movement may qualify, even though no tonnage data exists for 22 23 facilities to be built in the future. 24 Sec. 2. RCW 47.06A.001 and 1998 c 175 s 1 are each amended to read as follows: 25 The legislature finds that: 26 27 (1) Washington state is uniquely positioned as a gateway to the global economy. As the most trade-dependent state in the nation, per 28

29 capita, Washington's economy is highly dependent on an efficient 30 multimodal transportation network in order to remain competitive. 31 (2) The vitality of the state's economy is placed at risk by

32 growing traffic congestion that impedes the safe and efficient 33 movement of goods. The absence of a comprehensive and coordinated 34 state policy that facilitates freight movements to local, national, 35 and international markets limits trade opportunities.

36 (3) Freight corridors that serve international and domestic 37 interstate and intrastate trade, and those freight corridors that 38 enhance the state's competitive position through regional and global 39 gateways are strategically important. In many instances, movement of

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1 freight on these corridors is diminished by: Barriers that block or 2 delay access to intermodal facilities where freight is transferred 3 from one mode of transport to another; conflicts between rail and 4 road traffic; constraints on rail capacity; highway capacity 5 constraints, congestion, and condition; waterway system depths that 6 affect capacity; and institutional, regulatory, and operational 7 barriers.

8 (4) ((Rapidly escalating population growth is placing an added burden on streets, roads, and highways that serve as freight 9 10 corridors. Community benefits from economic activity associated with freight movement often conflict with community concerns over safety, 11 mobility, [and] environmental quality. Efforts to)) The negative 12 13 impacts of freight transportation do not fall equally on all residents of Washington, and historically the negative impacts have 14 15 been concentrated or felt most acutely within overburdened communities. Overburdened communities and vulnerable populations tend 16 17 to be disproportionately located next to industrial areas and freight facilities such as ports, rail yards, highways, and truck stops. As 18 such, the incidence of many health conditions, traffic accidents 19 involving nondrivers, and highways dividing communities are among the 20 highest in these communities. Freight mobility improvement efforts 21 22 must prevent or minimize community impacts in areas of high freight 23 movements ((that)) and must encourage the active participation of 24 communities in the early stages of proposed public and private 25 infrastructure investments ((will facilitate needed freight mobility 26 improvements)).

27 Greenhouse gas emissions from freight transportation (5) 28 contribute to global climate change. In keeping with RCW 70A.45.020, freight mobility efforts must facilitate a transition to zero-29 30 emissions technology and proposed public and private infrastructure investments must align with this transition. Projects that invest in 31 zero-emissions vehicle refueling and transportation patterns and 32 zero-emissions freight movement corridors should be included within 33 34 the investment program.

(6) Ownership of the freight mobility network is fragmented and 35 spread across various public jurisdictions, private companies, and 36 state and national borders. Transportation projects have grown in 37 size, requiring 38 complexity and more resources and longer 39 implementation time frames. Currently, there is no comprehensive and 40 integrated framework for planning the freight mobility needs of

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1 public and private stakeholders in the freight transportation system. A coordinated planning process should identify new infrastructure 2 3 investments that are integrated by public and private planning bodies into a multimodal and multijurisdictional network in all areas of the 4 state, urban and rural, east and west. The state should integrate 5 6 freight mobility goals with state policy on related issues such as 7 economic development, growth management, and environmental 8 management.

9 (((6))) <u>(7)</u> State investment in projects that enhance or mitigate 10 freight movements, should pay special attention to solutions that 11 utilize a corridor solution to address freight mobility issues with 12 important transportation and economic impacts beyond any local area. 13 The corridor approach builds partnerships and fosters coordinated 14 planning among jurisdictions and the public and private sectors.

(((-7))) (8) It is the policy of the state of Washington that 15 16 limited public transportation funding and competition between freight 17 and general mobility improvements for the same fund sources require strategic, prioritized freight investments that reduce barriers to 18 19 freight movement, maximize cost-effectiveness, yield a return on the state's investment, require complementary investments by public and 20 private interests, and solve regional freight mobility problems. 21 22 State financial assistance for freight mobility projects must 23 leverage other funds from all potential partners and sources, 24 including federal, county, city, port district, and private capital.

25 Sec. 3. RCW 47.06A.020 and 2013 c 104 s 1 are each amended to 26 read as follows:

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(1) The purpose of the board is to:

28 (a) Provide strategic guidance to the governor and the 29 legislature regarding the highest priority freight mobility needs in 30 the state;

31 (b) Identify and recommend a program of high-priority strategic 32 freight mobility investments;

33 (c) Encourage policies that support a competitive, resilient, 34 sustainable, and equitable freight system; and

35 <u>(d) Serve as a forum for discussion of state transportation</u> 36 <u>decisions affecting freight mobility.</u>

37 <u>(2)</u> The board shall:

38 (a) Adopt rules and procedures necessary to implement the freight39 mobility strategic investment program;

1 (b) ((Solicit from public entities proposed projects that meet 2 eligibility criteria established in accordance with subsection (4) of 3 this section; and

4 (c) Review and evaluate project applications based on criteria established under this section, and prioritize and select projects 5 6 comprising a portfolio to be funded in part with grants from state 7 funds appropriated for the freight mobility strategic investment program. In determining the appropriate level of state funding for a 8 project, the board shall ensure that state funds are allocated to 9 10 leverage the greatest amount of partnership funding possible. The board shall ensure that projects included in the portfolio are not 11 more appropriately funded with other federal, state, or local 12 government funding mechanisms or programs. The board shall reject 13 those projects that appear to improve overall general mobility with 14 15 limited enhancement for freight mobility.

16 The board shall provide periodic progress reports on its 17 activities to the office of financial management and the senate and 18 house transportation committees.

19 (2)) After seeking input from local governments, transportation 20 planning organizations, other public entities, and Indian tribes 21 recommend a six-year investment program of the highest priority 22 freight mobility projects for the state across freight modes, 23 jurisdictions, and the regions of the state;

24 (c) Ensure that the program provides statewide inclusion and 25 maximum federal funding options, projects recommended as a part of 26 the six-year investment program that intend to leverage federal funds 27 must be developed consistent with planning requirements for inclusion 28 in the federally recognized state freight plan;

29 (d) Monitor the implementation of projects included in the six-30 year investment program on an ongoing basis;

31 (e) Identify critical emerging freight mobility issues not yet 32 addressed by investments considered for inclusion in the six-year 33 investment program of the highest priority freight mobility 34 investments required in (a) of this subsection; and

35 (f) Submit an initial full report meeting the requirements of 36 this subsection to the governor and the transportation committees of 37 the legislature by December 1, 2024. Updated reports may be submitted 38 annually to the transportation committees of the legislature and 39 governor by December 1st of each year; however, a full update must be 40 provided every two years. 1

(3) The board may:

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

5 (b)) Provide technical assistance to project ((applicants))
6 sponsors;

7 (((c))) <u>(b)</u> Accept any gifts, grants, or loans of funds, 8 property, or financial, or other aid in any form from any other 9 source on any terms and conditions which are not in conflict with 10 this chapter;

11 (((d))) (c) Adopt rules under chapter 34.05 RCW as necessary to 12 carry out the purposes of this chapter; ((and

13 (e)) (d) Do all things necessary or convenient to carry out the 14 powers expressly granted or implied under this chapter;

15 <u>(e) Evaluate and recommend for state sponsorship priority</u> 16 projects eligible for federal grant funding under the nationally 17 significant multimodal freight and highway projects program, also 18 known as the infrastructure for rebuilding America program, 19 established in 23 U.S.C. Sec. 117 and the railroad crossing 20 elimination program established in 49 U.S.C. Sec. 22909; and

21 (f) For critical emerging freight issues identified under 22 subsection (2)(e) of this section, proactively work with potential 23 project sponsors, impacted communities, and other interested parties 24 to facilitate project development to address these critical issues.

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(((3))) <u>(4)</u> The board shall ((designate)):

26 (a) Designate strategic freight corridors within the state. The 27 board shall update the list of designated strategic corridors not 28 less than every two years, and shall establish a method of collecting 29 and verifying data, including information on city and county-owned 30 roadways((\div

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(4) The board shall));

32 (b) Coordinate with the department of transportation throughout 33 the process of its periodic update of the state's freight mobility 34 plan and review and provide feedback on the plan;

35 <u>(c) For the purposes of developing the six-year program of</u> 36 <u>highest priority freight mobility investments</u>, utilize threshold 37 project eligibility criteria that, at a minimum, includes the 38 following:

39 (((a))) <u>(i)</u> The project must be on a strategic freight corridor;

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

- 1 (i) It is primarily aimed at reducing identified barriers to
 2 freight movement with only incidental benefits to general or personal
 3 mobility; or
- 4 (ii) It is primarily aimed at increasing capacity for the
 5 movement of freight with only incidental benefits to general or
 6 personal mobility; or
- 7 (iii) It is primarily aimed at mitigating the impact on 8 communities of increasing freight movement, including roadway/railway 9 conflicts; and
- 10 (c) The project must have a total public benefit/total public
 11 cost ratio of equal to or greater than one.

(5) From June 11, 1998, through the biennium ending June 30, 12 2001, the board shall use the multicriteria analysis and scoring 13 14 framework for evaluating and ranking eligible freight mobility and freight mitigation projects developed by the freight mobility project 15 prioritization committee and contained in the January 16, 1998, 16 report entitled "Project Eligibility, Priority and Selection Process 17 for a Strategic Freight Investment Program." The prioritization 18 process shall measure the degree to which projects address important 19 program objectives and shall generate a project score that reflects a 20 project's priority compared to other projects. The board shall assign 21 scoring points to each criterion that indicate the relative 22 importance of the criterion in the overall determination of project 23 priority. After June 30, 2001, the board may supplement and refine 24 25 the initial project priority criteria and scoring framework developed by the freight mobility project prioritization committee as expertise 26 and experience is gained in administering the freight mobility 27 28 program.

29 (6) It is the intent of the legislature that each freight 30 mobility project contained in the project portfolio approved by the board utilize the greatest amount of nonstate funding possible. The 31 32 board shall adopt rules that give preference to projects that contain the greatest levels of financial participation from nonprogram fund 33 sources. The board shall consider twenty percent as the minimum 34 35 partnership contribution, but shall also ensure that there are provisions allowing exceptions for projects that are located in areas 36 where minimal local funding capacity exists or where the magnitude of 37 38 the project makes the adopted partnership contribution financially 39 unfeasible.

1	(7) The board shall develop)) <u>(ii) The project sponsor must</u>
2	demonstrate a plan for:
3	(A) Sufficient engagement with overburdened communities impacted
4	by the project; and
5	(B) The evaluation of project alternatives and mitigation
6	measures addressing the impacts on these communities to the greatest
7	<u>extent possible;</u>
8	(d) Adopt other evaluation criteria for the six-year program of
9	highest priority freight mobility investments to include, but not be
10	limited to, benefits to the state's freight system, how much funding
11	has already been secured for a project, project readiness for
12	construction, and the regional distribution of projects;
13	(e) For the six-year investment program, solicit from public
14	entities proposed projects that meet threshold criteria established
15	in accordance with this subsection. The procedures for collecting and
16	validating project information must rely on information project
17	sponsors have already developed to the greatest extent possible; and
18	(f) Develop and recommend policies that address operational
19	improvements that primarily benefit and enhance freight movement(($_{ au}$))
20	including, but not limited to, policies that reduce congestion in
21	truck lanes at border crossings and weigh stations and provide for

23 NEW SECTION. Sec. 4. The freight mobility strategic investment 24 board must contract for a study of best practices for preventing or 25 mitigating the impacts of investments in and the operation of freight systems in overburdened communities, with a focus on developing 26 27 common procedures and practices for use by jurisdictions developing 28 freight projects. The study must also make recommendations to the 29 board regarding methods to evaluate the threshold criteria requiring 30 projects to demonstrate a plan for engagement with overburdened 31 communities and mitigation of project impacts in those communities. 32 The recommended methods should not create duplicative burdens on 33 project sponsors. The board must work with the department of 34 enterprise services to ensure that a diverse group of potential 35 consultants are notified of the contracting opportunity. By December 36 1. 2024, the board must submit a report to the governor and 37 transportation committees of the legislature with its findings and 38 recommendations.

access to ports during nonpeak hours.

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1 Sec. 5. RCW 47.06A.030 and 1999 c 216 s 2 are each amended to 2 read as follows:

3 (1) The freight mobility strategic investment board is created.
4 The board shall convene by July 1, 1998.

(2) The board is composed of ((twelve)) <u>17</u> members. The following 5 6 members are appointed by the governor for terms of four years, except that five members initially are appointed for terms of two years: (a) 7 Two members, one of whom is from a city located within or along a 8 strategic freight corridor, appointed from a list of at least four 9 persons nominated by the association of Washington cities or its 10 successor; (b) two members, one of whom is from a county having a 11 12 strategic freight corridor within its boundaries, appointed from a list of at least four persons nominated by the Washington state 13 association of counties or its successor; (c) two members, one of 14 whom is from a port district located within or along a strategic 15 16 freight corridor, appointed from a list of at least four persons 17 nominated by the Washington public ports association or its successor; (d) one member representing the office of financial 18 management; (e) one member appointed as a representative of the 19 trucking industry; (f) one member appointed as a representative of 20 21 the railroads; (g) the secretary of the department of transportation 22 or the secretary's designee; (h) one member representing the 23 steamship industry; ((and)) (i) one member representing the package delivery industry; (j) one labor member representing the freight 24 25 sector; (k) one member representing the heavy highway construction industry; (1) one member representing environmental protection 26 interests; (m) one member representing the interests of overburdened 27 28 communities; and (n) one member of the general public. In appointing 29 the general public member, the governor shall endeavor to appoint a member with special expertise in relevant fields such as public 30 31 finance, freight transportation, or public works construction. The 32 governor shall appoint the general public member as chair of the 33 board. In making appointments to the board, the governor shall ensure that each geographic region of the state is represented. 34

35 (3) Members of the board shall be reimbursed for reasonable and 36 customary travel expenses as provided in RCW 43.03.050 and 43.03.060.

37 (4) If a vacancy on the board occurs by death, resignation, or 38 otherwise, the governor shall fill the vacant position for the 39 unexpired term. Each vacancy in a position appointed from lists 40 provided by the associations and departments under subsection (2) of

1 this section must be filled from a list of at least four persons 2 nominated by the relevant association or associations.

3 (5) The appointments made in subsection (2) of this section are 4 not subject to confirmation.

5 Sec. 6. RCW 47.06.045 and 1998 c 175 s 10 are each amended to 6 read as follows:

7 The state-interest component of the statewide multimodal transportation plan shall include a freight mobility plan which shall 8 assess the transportation needs to ensure the safe, reliable, and 9 10 efficient movement of goods within and through the state and to 11 ensure the state's economic vitality. The department shall coordinate with the freight mobility strategic investment board throughout the 12 process of the department's periodic update of the state's freight 13 mobility plan and provide opportunities for the board to review and 14 15 provide feedback on the plan.

16 Sec. 7. RCW 47.06.070 and 1993 c 446 s 7 are each amended to 17 read as follows:

18 The state-interest component of the statewide multimodal 19 transportation plan shall include a state marine ports and navigation plan, which shall assess the transportation needs of Washington's 20 21 marine ports, including navigation, and identify transportation 22 system improvements needed to support the international trade and 23 economic development role of Washington's marine ports. The department shall coordinate with the freight mobility strategic 24 investment board throughout the process of the department's periodic 25 26 update of the state marine ports and navigation plan and provide opportunities for the board to review and provide feedback on the 27 28 plan.

29 Sec. 8. RCW 46.68.300 and 2021 c 333 s 711 are each amended to 30 read as follows:

The freight mobility investment account is hereby created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account ((may)) <u>shall</u> be used only for freight mobility projects that have been ((approved)) <u>recommended</u> by the freight mobility strategic investment board in RCW 47.06A.020 and may include any principal and interest on bonds authorized for the projects or improvements. ((During the 2019-2021

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1 and 2021-2023 fiscal biennia, the expenditures from the account may 2 also be used for the administrative expenses of the freight mobility 3 strategic investment board.))

4 Sec. 9. RCW 46.68.310 and 2020 c 219 s 702 are each amended to 5 read as follows:

6 The freight mobility multimodal account is created in the state treasury. Money in the account may be spent only after appropriation. 7 Expenditures from the account ((may)) shall be used only for freight 8 mobility projects that have been ((approved)) recommended by the 9 10 freight mobility strategic investment board in RCW 47.06A.020 and may include any principal and interest on bonds authorized for the 11 12 projects or improvements. ((However, during the 2019-2021 fiscal 13 biennium, the legislature may direct the state treasurer to make transfers of moneys in the freight mobility multimodal account to the 14 15 multimodal transportation account.))

16 Sec. 10. RCW 47.06A.080 and 1998 c 175 s 9 are each amended to 17 read as follows:

18 Any port district may adopt and amend a freight development plan as an amendment to the port's comprehensive scheme of harbor 19 20 improvements, pursuant to RCW 53.20.020. Port districts in the state 21 shall submit their <u>freight</u> development plans to the relevant regional 22 transportation planning organization or metropolitan planning 23 organization, the Washington state department of transportation, the 24 freight mobility strategic investment board, and affected cities and counties to better coordinate the development and funding of freight 25 26 mobility projects.

27 <u>NEW SECTION.</u> Sec. 11. The following acts or parts of acts are 28 each repealed:

29 (1) RCW 47.06A.045 (Board—Standing committee—Travel 30 reimbursement) and 2013 c 306 s 707;

31 (2) RCW 47.06A.050 (Allocation of funds) and 2016 c 23 s 1, 2013
 32 c 104 s 2, & 1998 c 175 s 6; and

33 (3) RCW 47.06A.060 (Grants and loans) and 1998 c 175 s 7.

34 <u>NEW SECTION.</u> Sec. 12. (1) RCW 47.06A.080 is recodified as a 35 section in chapter 53.20 RCW.

1 (2) RCW 47.06A.090 is recodified as a section in chapter 47.04 2 RCW.

> Passed by the House March 7, 2023. Passed by the Senate April 12, 2023. Approved by the Governor April 25, 2023. Filed in Office of Secretary of State April 26, 2023.

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