

Multiple Agency Fiscal Note Summary

Bill Number: 2157 E S HB	Title: Regional trans improvements
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	Fiscal note not available								
Department of Licensing	Fiscal note not available								
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

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Prepared by: Tom Saelid, OFM	Phone: 360-902-0562	Date Published: Preliminary 3/24/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 11730

Individual State Agency Fiscal Note

Bill Number: 2157 E S HB	Title: Regional trans improvements	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/18/2005
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/23/2005
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/23/2005
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 03/23/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

ESHB 2157 creates the regional transportation improvement authority account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the March 2005 Revenue Forecast, the net rate for estimating earnings for FY 05 is 2.19%, FY 06 is 3.04%, and FY 07 is 3.30%. Approximately \$21,900 in FY 05, \$30,400 in FY 06, and \$33,000 in FY 07 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the Debt Service Limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, General State Revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ESHB 2157 creates the regional transportation improvement authority account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2157 E S HB	Title: Regional trans improvements	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/18/2005
Agency Preparation: David Forte	Phone: 206-464-1285	Date: 03/18/2005
Agency Approval: Paula Hammond	Phone: 360-705-7027	Date: 03/18/2005
OFM Review: Tom Saelid	Phone: 360-902-0562	Date: 03/18/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill authorizes the replacement of the existing Regional Transportation Investment District (RTID) with a Regional Transportation Improvement Authority (RTIA). The bill also forms a temporary Commission to investigate and make recommendations on governance of transportation within the Central Puget Sound.

King, Pierce (excluding Gig Harbor area), and Snohomish counties may, with voter approval, form a RTIA separately or jointly with King County. Kitsap County and other areas with the county may be annexed to the multi-county district at a later date. King, Pierce, Snohomish, and Kitsap Counties may form a single county RTIA. The RTIA will have more flexibility than the RTID formerly had for transportation investments and strategies. Eligible projects can include highways, local roadways of regional significance, regional transit, and transportation demand strategies. Includes the potential of funding transit operations if included in the Regional Transportation Planning Organization (RTPO) plan.

The legislation directs the Secretary of Transportation, or the appropriate regional administrator of the department, to serve on the RTIA as a nonvoting member (section 104), and the Department of Transportation shall administer the collection of vehicle tolls and value pricing (section 106), designate an office of dedicated staff and services to assist the RTIA to coordinate the design, preliminary engineering, permitting, financing, and construction of projects under consideration (section 117), conduct a tolling and value pricing study of King, Pierce, and Snohomish Counties (section 118), and provide staff support and contract with other parties for staff support for the Regional Transportation Governance Commission (section 403).

The department’s 2003-05 budget includes funding of \$3.0M for RTID support, including the cost of the election and WSDOT project oversight, and \$5.0M for RTID project estimate reviews that are anticipated to cost \$2.0M. However, the department’s 2005-07 budget proposal eliminates this one-time funding.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The fiscal impact to the operating programs is assumed to be similar to the impact from supporting the RTID with the added requirement of a value pricing study, expanded legal work associated with contracting after a successful vote, and public information and involvement: i.e. \$8.4 million, including the \$2.0 million for project estimate reviews, \$1.8 million for the cost of the election, \$1.6 million for support (including legal), \$1 million for public information and involvement, and \$2 million for the value pricing study. The tolling/value pricing study will require consultants to analyze a high level of variables and options in a short study period (draft study due 1/15/06 and final study due 6/30/06). It is assumed that the study would incorporate any existing tolling work conducted in the region, to include existing value-of-time studies.

An estimated \$0.3 million is assumed to be needed to support the Regional Transportation Governance Commission, including \$0.04 million for WSDOT staff support and \$0.26 million for consultant staff based on \$160 per hour for project management, facilitation, financial analysis, legal support, and materials.

The impact to the capital program cannot be determined at this time. A program of this scale and scope, would

significantly impact the department's ability to deliver projects, services, and assistance required by the legislation. WSDOT will need to study the impact and size the projects before it is able to determine the fiscal impact. Expenditures necessary to administer the collection of vehicle tolls, if included in the regional transportation improvement plan, would be contained in the estimated costs on designated facilities. The cost of toll collection would be a charge against toll revenues, as would other maintenance and operations costs of a toll facility.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2157 E S HB	Title: Regional trans improvements	Agency: 410-Transportation Commission
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Part I: Estimates

☒ **No Fiscal Impact**

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/18/2005
Agency Preparation: Pamala Boyd	Phone: 360-705-7070	Date: 03/22/2005
Agency Approval: Jennifer Ziegler	Phone: 360-705-7070	Date: 03/22/2005
OFM Review: Tom Saelid	Phone: 360-902-0562	Date: 03/23/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The proposed legislation requires the Commission to serve as the toll-setting authority on toll projects designated by the Regional Transportation Investment Authority. The Commission currently has toll-setting authority for any state toll facilities. The Commission would be able to absorb any costs associated with the proposed toll-setting responsibilities within its current budget.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Revised

Department of Community, Trade and Economic Development

Bill Number: 2157 E S HB	Title: Regional trans improvements
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Replaces existing Regional Transportation Improvement District statutes, changes revenue and governance options
- ☒ Counties: Replaces existing Regional Transportation Improvement District statutes, changes revenue and governance options
- ☒ Special Districts: Replaces existing Regional Transportation Improvement District statutes, changes revenue and governance options
- ☒ Specific jurisdictions only: King, Pierce, Snohomish and Kitsap Counties
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Counties must opt in through legislative body action and a positive election
- ☒ Key variables cannot be estimated with certainty at this time: Revenue selected from nine options determines the financing of the regional transportation improvement program and would be selected locally as part of implementation.

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 509-649-2608	Date: 03/23/2005
Leg. Committee Contact:	Phone:	Date: 03/18/2005
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 03/23/2005
OFM Review: Tom Saelid	Phone: 360-902-0562	Date: 03/24/2005

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

ESHB 2157 revises the scope and authority of Regional Transportation Investment Districts (RTID) created by the legislature in 2002. RTIDs are renamed Regional Transportation Improvement Authorities (RTIA) and limited to the Counties of King, Kitsap, Snohomish and Pierce by population designators. Revenue available for funding regional transportation improvement plans, the governance of the authority and the manner of plan development are modified.

Part I - Implementing Regional Transportation Investment Plans (RTI Plan)

Changes existing statutes to provide for authority boards to approve a RTI Plan to place before the voters (after adoption by the county legislative body) based on the recommendations of the existing Regional Transportation Planning Organization's list of prioritized projects. Authorities may be created in two ways. King, Pierce and Snohomish County legislative bodies may adopt ordinances that create a two or three county authority subject to voter approval. The boundaries of the authority are based on land area within the Growth Management Act designated Urban Growth Boundaries of each county. After voter approval additional areas including all or part of Kitsap County may be annexed to the authority. The second method of creating an authority is for any of the four counties (including Kitsap County) to separately create an authority with boundaries coincident with the county's boundaries. The membership of the authority board, voting requirements, duties of the Board and dissolution are detailed.

The authority may issue general obligation bonds, after 60% voter approval, equal to up to 5% of the value of taxable property within the authority boundary; the authority may issue without voter approval general obligation bonds or other debt not to exceed one and one half percent of the value of taxable property within the authority boundary; the authority may issue revenue bonds or other indebtedness secured by the pledge of one or more revenues authorized for collection by the authority; and the authority may enter into agreements with other governmental units to pledge revenue to pay indebtedness of the authority (Section 112). A 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.

Voter approval is required for changing tax rate or imposing new taxes and fees. The board is required to develop a "material change" policy to address major plan changes related to cost, scope, and schedule and board policies to address those changes. Annual reports to the public are required to show project cost projections, revenues, and schedules.

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, principle 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 board may refer to the voters a redefinition of the plan scope, projects, schedule, or costs or it may approve the same with a 75 percent weighted majority vote. The board may only change revenue sources with voter approval. The board is required to develop a "material change" policy to address major plan changes related to cost, scope, and schedule and board policies to address those changes. Annual reports to the public are required to show project cost projections, revenues, and schedules.

Part II - Joint Ballot with RTA (Regional Transit Authority)

Re-enacts existing authority for the RTIA, with the approval of the RTA, to use any remaining high-capacity transportation tax authority under RCW 81.104 for implementation of the Regional Transportation Improvement Plan. Use of this authority must be approved through submission of a joint ballot proposition to the voters.

Part III - Finance

RTIA's are provided eight potential options for funding of a regional transportation improvement plan placed before the voters:

~up to two tenths of a cent sales and use tax which may be imposed for up to 10 years (Section 106) (reduced from one half cent in current statute).

~a mileage charge or value priced charge (Section 314) based on vehicle miles traveled by vehicles within the authority boundary or certain travel corridors or by vehicles registered to persons residing in the authority boundary.

~local option vehicle license fee of up to \$100 per registered vehicle per year.

~a local motor vehicle excise tax under RCW 81.100.060 as amended. The maximum MVET rate is increased to 0.6 percent for a RTIA and revenues may be used for any RTIA project purpose (Section 303). The local option MVET may only be imposed to the extent that it is not already imposed by a county within the authority boundaries.

~ vehicle tolls or value priced charges on a local or regional arterial or state or federal highway or either of the Lake Washington bridges within the boundaries of the authority.

~a parking tax under RCW 82.80.030
~ local option fuel tax under RCW 82.80.120;
~ an employer excise tax of up to \$2 per employee per month under RCW 81.100.030; and

All of the revenue authority is the same as existing statute except for the first five items listed. All funding is restricted to use for implementing the RTI Plan. The local option taxes may only be imposed to the extent those taxes are not already imposed by a county within the authority boundaries. RTIA may contract with the Department of Revenue, DOT or Department of Licensing to collect specific revenues

Part IV -- New Governance Development

A jointly appointed Regional Transportation Governance Commission is created and charged with evaluating and making recommendations related to the current transportation governance system in the Central Puget Sound region under the jurisdiction of the Puget Sound Regional Council. The commission is to report to the legislature their findings and conclusions by January 1, 2006.

Part V -- Repeal of Regional Transportation Investment District Provisions

RTID statutes are repealed and replaced with the provisions of this bill in total.

Engrossed Bill Compared to Original Bill:

A county of over 230,000 persons, abutting three counties eligible to form a RTIA, may form a RTIA (Kitsap County), or portions of that county may annex, with voter approval, to an existing RTIA after the RTIA plan has been approved by that authority's voters. An annexation process is set forth, permitting areas of RTIA counties not initially included in the boundaries to join the RTIA, with the approval of the RTIA, local governments, and voters in the annexed area.

Requirements for the Board to change a plan are set forth, including a 75 percent majority for some changes and a public re-vote option for certain changes and a mandatory vote for a change in taxes. The Board must also develop a policy for addressing major plan changes in cost, scope, or schedule.

Eliminates start up funding borrowed from the State and reimbursed one year after voter ratification of the authority.

The additional 0.6 percent MVET authorization is eliminated, and the existing 0.3 percent MVET for HOV lanes is increased to 0.6 percent; and the use of that tax for RTIAs is expanded to any RTIA project purpose. The \$100 vehicle license fee is applied to first-time vehicle registrations. The concept of value priced charges is added and is intended to be substituted for sales taxes in the long term (Section 106). All tolls or value priced charges on local arterials must be approved by the Transportation Commission. Tolls, value priced charges and vehicle miles taxes may be varied by corridor and time of day. The requirement that when project construction is complete, revenues can only be used for debt service is expanded to permit funding of other plan elements. Sales tax increases are limited to 10 years unless reauthorized by public vote.

Restricts the use of general obligation bonds through legislative intent 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.

Provides the option for vehicle miles charges to be collected by the Department of Licensing or valued priced charges/tolls to be collected by DOT.

The Transportation Commission is to 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.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The expenditure impact of the bill on Counties and PSRC is indeterminate. The cost of implementing the RTIPlan including construction of capital projects are defined as implementation costs which may be paid for by voter approved revenue on the ballot with the RTIPlan (SEE CASH RECEIPTS SECTION FOR REVENUE OPTIONS). If start up and operating costs of the Authority are not considered "implementation costs" (Section 106) then Counties would bear significant costs from current resources for operation of an Authority. Counties and special districts may also bear the cost of operating programs initiated by the RTIPlan if voter approval is withheld at the end of construction of built projects in the plan.

AUTHORITY OPERATING COSTS

The costs of authority operation may be considered a "plan implementation" cost under the bill. The definition of RTIPlan is "...a plan to develop, construct and finance a transportation project or projects", authority operation may be considered integral to carrying out the plan and therefore part of implementation costs. If the operation of the authority or certain parts of the operation are not considered

"implementation" costs then the local governments involved would be responsible for those costs from general government or road fund revenue.

START UP FUNDING AND PUGET SOUND REGIONAL COUNCIL COSTS

Start up costs include operation of the authority prior to public vote, the cost of the election(s) and specific and general assistance to be provided by the Regional Transportation Planning Organization which is the Puget Sound Regional Council. Section 103 requires that a prioritized list of projects is provided to the Authority by the PSRC. The PSRC estimates the cost of this work to be \$150,000 for four counties. Since all of the ballot approved funding sources under the bill are dedicated to the "implementation" of the RTIPlan (section 106) it is unclear whether start up costs of the Authority including reimbursements to the Regional Transportation Planning Organization are considered "implementation" costs. If ballot approved funding is not available then the local governments involved may be responsible for start up costs.

FUNDING OF AUTHORITY PROGRAMS AFTER CONSTRUCTION IS COMPLETED

The requirement that when project construction is complete, revenues can only be used for debt service is expanded to permit funding of other plan elements. At least one year before the time that capital debt service on transportation projects are completed, the authority shall develop a plan, including a finance plan, for ongoing project operation, and the plan must be submitted by member counties to the voters in the authority. This provision allows plan elements that include such things as transit or high capacity program operations and demand management to continue to be funded by Authority revenue. Counties, cities or transit agencies would likely bear the cost of continued operation and maintenance if voters did not approve funding. These funding obligations could be significant depending on the contents of the RTIPlan.

REVENUE COLLECTION COSTS

The bill provides the opportunity to contract with the Department of Revenue (Section 106), Licensing (Section 311 and 314) or Transportation (Section 313 and 315) for the collection of specific revenues. In most cases the bill specifies that the cost of the collect is to be deducted from the revenue collected prior to distribution to the Authority.

SOURCES:

Puget Sound Regional Council, Charlie Hanson

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

Significantly changes the revenue authority for implementing Regional Transportation Improvement Plans. Increases the number of funding options available for regional transportation improvement plans from seven to eight and decreases and restricts sales and use tax authority from one half cent to two tenths of one cent. Restricts the use of bond financing for the RTIPlan implementation. The total amount of revenue available to finance transportation improvements is determined locally from these options. The number of counties that may fund regional transportation improvement plans is reduced from any group of two or more counties in the state to four counties based on population limits.

IMPROVEMENT PLAN FUNDING OPTIONS

A local government fiscal note was prepared in 2002 for the original adoption of legislation funding regional transportation improvements (E 2S SB 6140), which provided for the seven funding source options currently available for improvement plan funding that would be re-authorized or amended by this bill. Following is an analysis of the five new or modified financing options under the bill --

Sales and Use Tax -- Sales and Use Tax authority is reduced to 2/10 of one cent from one half cent and limited to ten years without voter re-authorization. Based on Retail Sales for 2003 at the full 2/10 of one cent the following revenue would be generated for each County:

King \$70.7M

Pierce \$18.9M

Snohomish \$15.5M

Kitsap \$5.6 M

Total for RTIA = \$110.7 M per year at maximum tax rate

Vehicle Mileage or value priced charge fee -- a mileage charge or value priced charge (Section 314) based on vehicle miles traveled by vehicles within the authority boundary or certain travel corridors or by vehicles registered to persons residing in the authority boundary. There were the following number of vehicles registered in each County in 2004 with some exceptions:

King 1,759,518

Pierce 674,639

Snohomish 639,729

There is no maximum mileage charge or method for assessing the charge described in the bill. Section 118 sets up a DOT study to establish value priced charges or tolls and any additional laws, rules, procedures, resources, studies, reports, or support infrastructure necessary or

desirable before proceeding with the review, evaluation, or implementation of any toll projects or a system-wide value pricing transportation structure.

The amount of tolls or charges would be approved by voters as part of the ballot proposition on the RTI Plan. If each car registered in the authority was charged 1/2 cent per mile traveled and each vehicle traveled an average of 10,000 miles per year at an average charge of \$50 per vehicle then the revenue for each county would be:

King \$88 M

Pierce \$33.7 M

Snohomish \$32 M

Total for RTIA = \$153.7 M per year at 1/2 per mile driven by registered cars in the authority boundary driving an average of 10,000 miles per year

MVET High Occupancy Vehicle surcharge (RCW 81.100.060) -- The maximum MVET rate is increased to 0.6 percent for a RTIA and revenues may be used for any RTIA project purpose (Section 303). At the maximum rate the following revenue would be generated in FY08 based on Department of Licensing assumptions and estimates:

Total for RTIA at maximum rate = \$100.9 M FY08

Local Option Vehicle License Fee -- The fee basis includes new and existing licensed vehicles in King, Snohomish and Pierce Counties. The revenue estimate based on Department of Licensing projections and assumptions for 2008 is:

Total for RTIA at maximum rate = \$295.6 M FY08

Toll or Value Price Charges -- Existing authority is modified to add local arterials to those roadways that may require tolls; and, to establish a Value Priced Charge or tolling method study by DOT (Section 118). The method and rate of charges is determined by the Authority and has many variables. Estimating the amount of revenue available from this option will be facilitated by the DOT study.

RTIA BOND AUTHORITY

The general obligation and revenue bond authority for the RTIA is the same as under prior statutes with the exception of a statement of legislative intent (Section 112(4)) that "...the transportation plan developed by the authority minimize its reliance on bonds..." . In addition, sales tax authority is limited to ten years (Section 106(a)) which would limit bonding capacity.

SOURCES

Department of Licensing Fiscal Note

Department of Revenue Sales statistics

Department of Licensing, Registered vehicle statistics by County