



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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January 22, 2015

TO: Honorable Judy Clibborn
Honorable Ed Orcutt
House Transportation Committee

Honorable Curtis King
Honorable Steve Hobbs
Senate Transportation Committee

FROM: David Schumacher /s/
Director

SUBJECT: TECHNICAL CHANGES TO GOVERNOR'S 2015-17 TRANSPORTATION PACKAGE

I am writing to provide proposed technical changes to Governor Inslee's 2015-17 transportation budget and revenue bills for your consideration. We look forward to working with you this session.

Proposed Changes to 2015-17 Transportation Budget Bill

Section 209(2) – Toll Operations and Maintenance – Operating – Program B

The bill text for the SR-520 Civil Penalty Account proviso exceeds the amount provided in the beginning of the section. The proviso should be adjusted to \$4,032,000 to match the amount provided.

Section 214(3) – Program Delivery Management and Support – Program H

Only the incremental add of \$673,000 for enhanced surplus property sales was provisoed. To show the full amount, include the carry forward level of \$1,750,000 for a total of \$2,423,000. The appropriation does not need to be adjusted; only the proviso.

Section 216 - Highway Maintenance – Program M

- We neglected to add FTEs to the proposed \$8 million backlog reduction. The department estimates 67 additional FTES will be needed.
- The department recommends moving the \$6 million LIDAR appropriation from program M to program P.
- The low-height bridge proviso should be moved from program M to program Q; no fiscal change is needed.

Section 218 – Transportation Management and Support – Program S

Several of the compensation adjustment items were funded in Motor Vehicle Account-Federal rather than Motor Vehicle Account-State. These items are 9D, G06, G09, GGG, and GL9. The state amount should be increased by \$1,723,000 and the federal amount reduced by this amount.

Section 221 – Public Transportation – Program V

The bill text in Section 6 should be revised to state an appropriation of \$11,670,000 of Multimodal Transportation Fund-State for grants to local jurisdictions, and \$754,000 of the State Vehicle Parking Account is for other commute trip reduction expenditures, including the Guaranteed Ride Home and STAR pass programs. The total appropriation is correct; only the proviso needs to be revised.

Section 222(3) – Marine – Program X

The bill text for the ferry fuel proviso was transposed. The proviso should be \$102,654,000.

Section 224 – Local Programs Operating – Program Z

The Complete Streets Grant Program Account-State appropriation totaling \$9,750,000 would be better suited to Section 311, Program Z – Capital.

Section 306 – Highway Improvements – Program I

RCW 47.10.879 and 47.10.866 requires authority in order for bonds to be issued by the State Finance Committee for the SR-520 project. Please include the following suggested language:

(6) The state route number 520 corridor account—state appropriation includes up to \$343,810,000 in proceeds from the sale of bonds authorized in RCW 47.10.879 and 47.10.886.

(7) The state route number 520 corridor account—federal appropriation includes up to \$104,801,000 in proceeds from the sale of bonds authorized in RCW 47.10.879 and 47.10.886.

Section 309(3) – Washington State Ferries Construction – Program W

The proviso should be adjusted as follows:

(3) ~~\$4,935,000~~ \$4,000,000 of the Puget Sound capital construction account-state appropriation is provided solely for emergency capital repair costs (project 999910K). . .

Section 309(4) – Washington State Ferries Construction – Program W

The proviso should be revised as follows:

4) ~~\$4,026,000~~ \$81,000 of the Puget Sound capital construction account-state appropriation is provided solely for the reservation and communications system projects (~~L200041~~ & ~~L200042~~ 998949A & 998949B).

Language for Back of Budget Bill

The budget includes funding for the SR-167 HOT lanes: however, this tolling facility is still designated as a pilot project in statute. Back-of-the budget language extending the program through June 30, 2017, is needed in the event that legislation making a permanent change is not enacted.

Proposed Changes to 2015-17 Transportation Revenue Bill

Section 113(1) – Alternatively Fueled Vehicle Definition

The Department of Revenue wants to ensure that the Department of Licensing statute defines “clean alternative fuel” in the same manner. Therefore, the following language change is proposed:

(1) “Before accepting an application for an annual vehicle registration renewal ((~~an electric~~)) for a vehicle that is exclusively powered by a clean alternative fuel as defined in RCW 82.08.809 ~~at least one method of propulsion that is capable of being reenergized by an external source of electricity~~, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay.....”

Sections 201(4) and (5) – Sustainability Account Transfers for Exemptions

Please strike all of subsection (5) and make the following change to subsection (4):

(4) “Beginning July 1, 2016, and each year thereafter, the state treasurer shall transfer from the sustainability account to the Tacoma Narrows toll bridge account, state route 520 corridor account, high occupancy toll lanes operations account, ~~and~~ Interstate 405 express toll lanes operations account and the Puget Sound ferry operations account an amount up to two million eighty-three thousand dollars or the amount necessary to compensate each account its equivalent value of the exemptions provided to electric vehicle cars and driver fares by each facility.”

Section 202(b) – Multimodal Distribution to Public Transportation Grant Program Account

Please strike the year:

(b) For purposes of this subsection, "vehicle miles of service," "vehicle hours of service "and" passenger trips" are transit service metrics as reported by the public transportation grant program of the department of transportation in the annual report required in RCW 36 35.58.2796 ~~for calendar year 2011~~.

Sections 402 1(a) and 1(b) – Sales and Use Tax Exemption on Electric Vehicles Until 2025

Please make the following change to both subsections (a) and (b):

The tax levied by RCW 82.08.020 does not apply to ~~sales~~ the first sixty thousand dollars of the purchase price for.....

Section 609 – Effective Dates

Please add sections 402, 403 and 405.

“Sections 309, 402, 403, and 405 of this act.....”

cc: Kelly Simpson
David Ward
Mark Matteson
Amy Skei