AN ACT Relating to transportation funding and appropriations; amending RCW 46.68.170, 47.29.170, 46.16.685, 47.01.390, 88.16.090, 47.12.244, 70.95.521, and 46.68.060; amending 2006 c 53 s 2 (uncodified); amending 2006 c 370 ss 205, 208, 209, 210, 215, 218, 224, 226, 227, 228, 229, 301, 302, 303, 304, 305, 306, 307, 308, 309, 401, 402, 404, 405, and 406 (uncodified); amending 2005 c 313 s 301 (uncodified); adding new sections to 2005 c 313 (uncodified); creating new sections; making appropriations and authorizing expenditures for capital improvements; and declaring an emergency.

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

2007–09 BIENNUM

NEW SECTION. Sec. 1. (1) The transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and...
for other specified purposes, including the payment of any final
judgments arising out of such activities, for the period ending June
30, 2009.

(2) Unless the context clearly requires otherwise, the definitions
in this subsection apply throughout this act.
(a) "Fiscal year 2008" or "FY 2008" means the fiscal year ending
June 30, 2008.
(b) "Fiscal year 2009" or "FY 2009" means the fiscal year ending
June 30, 2009.
(c) "FTE" means full-time equivalent.
(d) "Lapse" or "revert" means the amount shall return to an
unappropriated status.
(e) "Provided solely" means the specified amount may be spent only
for the specified purpose. Unless otherwise specifically authorized in
this act, any portion of an amount provided solely for a specified
purpose which is not expended subject to the specified conditions and
limitations to fulfill the specified purpose shall lapse.
(f) "Reappropriation" means appropriation and, unless the context
clearly provides otherwise, is subject to the relevant conditions and
limitations applicable to appropriations.
(g) "LEAP" means the legislative evaluation and accountability
program committee.

GENERAL GOVERNMENT AGENCIES--OPERATING

NEW SECTION. Sec. 101. FOR THE UTILITIES AND TRANSPORTATION
COMMISSION

Grade Crossing Protective Account--State Appropriation . . . $505,000

The appropriation in this section is subject to the following
conditions and limitations: Per current law, funds will be transferred
from the public service revolving fund's miscellaneous fees and
penalties accounts to the grade crossing protection account--state as
needed to implement the commission's railroad safety program.

NEW SECTION. Sec. 102. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Motor Vehicle Account--State Appropriation . . . . . . . . $3,054,000
Puget Sound Ferry Operations Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $100,000
TOTAL APPROPRIATION .......... $3,154,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $2,545,000 of the motor vehicle account--state appropriation is provided solely for the office of regulatory assistance integrated permitting project.

(2) $75,000 of the motor vehicle account state appropriation is to address transportation budget and reporting requirements.

NEW SECTION. Sec. 103. FOR THE MARINE EMPLOYEES COMMISSION
Puget Sound Ferry Operations Account--State Appropriation ............... $422,000

NEW SECTION. Sec. 104. FOR THE STATE PARKS AND RECREATION COMMISSION
Motor Vehicle Account--State Appropriation ............... $985,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation in this section is provided solely for road maintenance purposes.

NEW SECTION. Sec. 105. FOR THE DEPARTMENT OF AGRICULTURE
Motor Vehicle Account--State Appropriation ............... $1,358,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $351,000 of the motor vehicle account--state appropriation is provided solely for costs associated with the motor fuel quality program.

(2) $1,007,000 of the motor vehicle account--state appropriation is provided solely to test the quality of biodiesel fuel. The department must test fuel quality at the biodiesel manufacturer, distributor, and retailer.

NEW SECTION. Sec. 106. FOR THE DEPARTMENT OF ARCHEOLOGY AND HISTORIC PRESERVATION
Motor Vehicle Account--State Appropriation ............... $223,000

The appropriation in this section is subject to the following conditions and limitations: The entire appropriation is provided
solely for staffing costs to be dedicated to state transportation activities. Staff hired to support transportation activities must have practical experience with complex construction projects.

NEW SECTION. Sec. 107. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE
Motor Vehicle Account--State Appropriation . . . . . . . . $1,596,000

The appropriation in this section is subject to the following conditions and limitations:
(1) $800,000 of the motor vehicle account--state appropriation is provided solely for the continued maintenance and support of the transportation executive information system (TEIS).
(2) $795,000 of the motor vehicle account--state appropriation is provided solely for development of a new transportation capital budgeting system and transition of a copy of the transportation executive information system (TEIS) to LEAP.

TRANSPORTATION AGENCIES--OPERATING

NEW SECTION. Sec. 201. FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION
Highway Safety Account--State Appropriation . . . . . . . . $2,613,000
Highway Safety Account--Federal Appropriation . . . . . . $15,884,000
School Zone Safety Account--State Appropriation . . . . . . $3,300,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $21,797,000

NEW SECTION. Sec. 202. FOR THE COUNTY ROAD ADMINISTRATION BOARD
Rural Arterial Trust Account--State Appropriation . . . . . . $907,000
Motor Vehicle Account--State Appropriation . . . . . . . . $2,077,000
County Arterial Preservation Account--State Appropriation . . $921,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $3,905,000

NEW SECTION. Sec. 203. FOR THE TRANSPORTATION IMPROVEMENT BOARD
Urban Arterial Trust Account--State Appropriation . . . . . . $1,796,000
Transportation Improvement Account--State Appropriation . . $1,789,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $3,584,000
NEW SECTION. Sec. 204. FOR THE BOARD OF PILOTAGE COMMISSIONERS
Pilotage Account--State Appropriation .................. $1,157,000

NEW SECTION. Sec. 205. FOR THE JOINT TRANSPORTATION COMMITTEE
Motor Vehicle Account--State Appropriation ............ $2,853,000
Multimodal Transportation Account--State Appropriation .. $1,650,000
TOTAL APPROPRIATION .................................. $4,503,000

The appropriation in this section is subject to the following conditions and limitations:
(1) $600,000 of the motor vehicle account--state appropriation is provided solely to establish a workgroup to implement Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358 (regarding state ferries) and look at other matters relating to Washington state ferries. The cochairs of the committee shall establish the workgroup comprising committee members, or their designees; an appointee by the governor; and other stakeholders as appointed by the cochairs; to assist in the committee's work. The workgroup shall report the progress of its tasks to the transportation committees of the legislature by December 15, 2007. The workgroup is tasked with the following:

(a) Implementing the recommendations of Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358 (regarding state ferries). As directed by Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358, the committee workgroup shall participate in and provide a review of the following:

(i) The Washington transportation commission's development and interpretation of a market survey of ferry customers;

(ii) The department of transportation's analysis and reestablishment of vehicle level of service standards. In reestablishing the standards, consideration must be given to whether boat wait is the appropriate measure;

(iii) The department's development of operational strategies;

(iv) The department's development of pricing strategies. In developing these strategies, the policy, in effect on some routes, of collecting fares in only one direction must be evaluated to determine whether one-way fare pricing best serves the ferry system;

(v) The department's development of terminal design standards; and

(vi) The department's development of a long-range capital plan;
(b) Reviewing the following Washington state ferry programs:
   (i) Ridership demand forecast;
   (ii) Updated life cycle cost model, as directed by Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358; and
   (iii) Administrative operating costs; nonlabor and nonfuel operating costs; Eagle Harbor maintenance facility program and maintenance costs; administrative and systemwide capital costs; and vessel preservation costs; and
   (c) Making recommendations regarding:
      (i) The most efficient timing and sizing of future vessel acquisitions beyond those currently authorized by the legislature. Vessel acquisition recommendations must be based on the ridership projections, level of service standards, and operational and pricing strategies reviewed by the committee and must include the impact of those recommendations on the timing and size of terminal capital investments and the state ferries' long range operating and capital finance plans; and
      (ii) Capital financing strategies for consideration in the 2009 legislative session. This work must include confirming the department's estimate of future capital requirements based on a long range capital plan and must include the department's project of developing a plan for codevelopment and public private partnership opportunities at public ferry terminals.

(2) $50,000 of the motor vehicle account--state appropriation is provided solely to contract with the joint legislative audit and review committee to:
   (a) Review the Washington state ferries' proposed capital cost allocation plan methodology, as described in Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358, and report regarding its review to the legislature not later than January, 2008.
   (b) Review the Washington state ferries' assignment of preservation costs as required by Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358, for fiscal year 2008, to determine whether costs are capital costs and whether they meet the statutory requirements for preservation activities, and report its findings to the legislature not later than December 15, 2009.
(c) Review the Washington state ferries' implementation of the life
 cycle cost model, as required by Engrossed Substitute Senate Bill No.
 6127 or Engrossed Substitute House Bill No. 2358, and report to the
 legislature not later than June 30, 2009, on whether the model:
   (i) Complies with available industry standards or
       department-adopted standards when industry standards are not available;
   (ii) Is maintained and updated when asset inspections are made;
   (iii) Excludes utilities and other systems that are not replaced on
       a standard life cycle; and
   (iv) Provides that all assets in the life-cycle cost model are
       inspected and updated for asset condition at least every three years.

(3) $250,000 of the motor vehicle account--state appropriation and
 $250,000 of the multimodal transportation account--state appropriation
 are provided solely for the administration of a consultant study to
 evaluate the imposition of a fee on the processing of shipping
 containers, port-related user fees, and other funding mechanisms to
 improve freight corridors for deposit in the freight congestion relief
 account created under chapter 46.68 RCW. The findings and
 recommendations of the report must be submitted to the transportation
 committees of the legislature by December 1, 2007. Although the scope
 of work for the study may be expanded to include analysis of other
 issues relevant to the imposition of container port-related user fees,
 at a minimum the study must:
   (a) Assess the imposition of a shipping container based fee,
       port-related user fees, and other funding mechanisms on the demand
       elasticity of the movement of freight goods through Washington's
       container ports at various rates as well as forecast diversion of
       marine cargo at various price points;
   (b) Measure the return on investment in freight rail and
       highway-based infrastructure supported by the user fee and its impact
       on forecast growth in shipping container traffic and the movement of
       freight goods;
   (c) Recommend the structure of a future project recommendation body
       including its membership, process, and selection criteria; and
   (d) Examine existing data on the health and environmental cost
       impacts of maritime shipping and the movement of freight goods on air
       quality near Washington's container ports.
(4) $300,000 of the multimodal transportation account--state appropriation is provided solely to implement Substitute House Bill No. 1694 (coordinated transportation). If Substitute House Bill No. 1694 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(5) $100,000 of the multimodal transportation account--state appropriation is provided solely for a study of the consolidation of those transportation related functions, currently delegated to the utilities and transportation commission, within other state agencies, which the committee shall report to the legislature by December 15, 2007.

NEW SECTION. Sec. 206. FOR THE TRANSPORTATION COMMISSION
Motor Vehicle Account--State Appropriation . . . . . . . . . $2,177,000
Multimodal Transportation Account--State Appropriation . . $112,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . $2,289,000

The appropriations in this section are subject to the following conditions and limitations: $350,000 of the motor vehicle account--state appropriation is provided solely for the commission to conduct a market survey of ferry customers as described in Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358. Development and interpretation of the survey must be done with participation of the joint transportation committee workgroup established in section 205(1) of this act.

NEW SECTION. Sec. 207. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD
Motor Vehicle Account--State Appropriation . . . . . . . . . $697,000

The appropriation in this section is subject to the following conditions and limitations:
(1) The freight mobility strategic investment board shall, on a quarterly basis, provide status reports to the office of financial management and the transportation committees of the legislature on the delivery of projects funded by this act.
(2) The freight mobility strategic investment board and the department of transportation shall develop a list of freight highway and rail projects funded by the board and the department. The board and the department shall collaborate to submit a report to the office
of financial management and the transportation committees of the legislature by September 1, 2007, describing how the freight projects address state freight priorities. The criteria used for selecting among competing projects shall be clearly identified.

NEW SECTION. Sec. 208. FOR THE WASHINGTON STATE PATROL--FIELD OPERATIONS BUREAU

State Patrol Highway Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $224,659,000

State Patrol Highway Account--Federal
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $10,602,000

State Patrol Highway Account--Private/Local
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $410,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $235,671,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol shall be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol.

(2) In addition to the user fees, the patrol shall transfer into the state patrol nonappropriated airplane revolving account under RCW 43.79.470 no more than the amount of appropriated state patrol highway account and general fund funding necessary to cover the costs for the patrol's use of the aircraft. The state patrol highway account and general fund--state funds shall be transferred proportionately in accordance with a cost allocation that differentiates between highway traffic enforcement services and general policing purposes.

(3) The patrol shall not account for or record locally provided DUI cost reimbursement payments as expenditure credits to the state patrol highway account. The patrol shall report the amount of expected locally provided DUI cost reimbursements to the governor and transportation committees of the senate and house of representatives by September 30th of each year.
(4) $1,662,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1304 (commercial vehicle enforcement). If Substitute House Bill No. 1304 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(5) During the fiscal year 2008, the Washington state patrol shall continue to perform traffic accident investigations on Thurston, Mason, and Lewis county roads, and shall work with the counties to transition the traffic accident investigations on county roads to the counties by July 1, 2008.

(6) $558,000 of the state patrol highway account--state appropriation is provided solely for one-time bonuses of $5,000 for troopers who completed trooper basic training after July 1, 2003, and who have served a continuous commission of four years within the districts to which they are assigned by the Washington state patrol without accepting a transfer, other than a transfer granted for promotion or hardship. This one-time bonus is: Not subject to collective bargaining; available only at the discretion of the chief, who shall consider the trooper's record of service when deciding whether to award the bonus; and is not to be included as compensation for any retirement, pension, or disability purpose.

(7) $100,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1417 (health benefits for surviving dependents). If Substitute House Bill No. 1417 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 209. FOR THE WASHINGTON STATE PATROL--INVESTIGATIVE SERVICES BUREAU
State Patrol Highway Account--State Appropriation . . . . . . $1,597,000

NEW SECTION. Sec. 210. FOR THE WASHINGTON STATE PATROL--TECHNICAL SERVICES BUREAU
State Patrol Highway Account--State Appropriation . . . . $103,922,000
State Patrol Highway Account--Private/Local Appropriation . . . . . . . . . . . . . . . . . . . . . . . $2,008,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $105,930,000
The appropriations in this section are subject to the following conditions and limitations:

(1) The Washington state patrol shall work with the risk management division in the office of financial management in compiling the Washington state patrol's data for establishing the agency's risk management insurance premiums to the tort claims account. The office of financial management and the Washington state patrol shall submit a report to the legislative transportation committees by December 31st of each year on the number of claims, estimated claims to be paid, method of calculation, and the adjustment in the premium.

(2) $12,641,000 of the total appropriation is provided solely for automobile fuel in the 2007-2009 biennium.

(3) $8,678,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

(4) $5,254,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

(5) $384,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the Washington state patrol.

(6) The Washington state patrol may submit information technology related requests for funding only if the department has coordinated with the department of information services as required by section 602 of this act.

NEW SECTION. Sec. 211. FOR THE WASHINGTON STATE PATROL--CRIMINAL HISTORY AND BACKGROUND CHECKS. In accordance with RCW 10.97.100 and chapter 43.43 RCW, the Washington state patrol is authorized to perform criminal history and background checks for state and local agencies and nonprofit and other private entities and disseminate the records resulting from these activities. The Washington state patrol is required to charge a fee for these activities, for which it is the policy of the state of Washington that the fees cover the direct and indirect costs of performing the criminal history and background checks and disseminating the information. For each type of criminal history and background check and dissemination of these records, the Washington state patrol shall, as nearly as practicable, set fees at levels
sufficient to cover the direct and indirect costs. Pursuant to RCW 43.135.055, during the 2007-2009 fiscal biennium, the Washington state patrol may increase fees in excess of the fiscal growth factor if the increases are necessary to fully fund the cost of supervision and regulation.

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF LICENSING--MANAGEMENT AND SUPPORT SERVICES

Marine Fuel Tax Refund Account--State Appropriation . . . . . . . . $4,000
Motorcycle Safety Education Account--State Appropriation . . . . . . . $156,000
Wildlife Account--State Appropriation . . . . . . . . . . . . . . . $100,000
Highway Safety Account--State Appropriation . . . . . . . . . $14,625,000
Motor Vehicle Account--State Appropriation . . . . . . . . . $9,019,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . $15,000
Department of Licensing Services Account--State Appropriation . . . $126,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $24,045,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $182,000 of the highway safety account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1267 (modifying commercial driver's license requirements). If Substitute House Bill No. 1267 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. The department shall informally report to the legislature by December 1, 2008, with measurable data indicating the department's progress in meeting its goal of improving public safety by improving the quality of the commercial driver's license testing process.
(2) $45,000 of the motorcycle safety education account--state appropriation is provided solely for the implementation of Senate Bill No. 5273 (modifying motorcycle driver's license endorsement and education provisions). If Senate Bill No. 5273 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.
(3) $434,000 of the highway safety account--state appropriation is provided solely for costs associated with the systems development and issuance of enhanced drivers' licenses and identicards to facilitate crossing the Canadian border. If Substitute House Bill No. 1289
(relating to the issuance of enhanced drivers' licenses and
identicards) is not enacted by June 30, 2007, the amount provided in
this subsection shall lapse. The department may expend funds only
after acceptance of the enhanced Washington state driver's license for
border crossing purposes by the Canadian and United States governments.
The department may expend funds only after prior written approval of
the director of financial management.

(4) $91,000 of the motor vehicle account--state appropriation and
$152,000 of the highway safety account--state appropriation are
provided solely for contracting with the office of the attorney general
to investigate criminal activity uncovered in the course of the
agency's licensing and regulatory activities. Funding is provided for
the 2008 fiscal year. The department may request funding for the 2009
fiscal year if the request is submitted with measurable data indicating
the department's progress in meeting its goal of increased prosecution
of illegal activity.

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF LICENSING--
INFORMATION SERVICES

Marine Fuel Tax Refund Account--State Appropriation ........ $2,000
State Patrol Highway Account--State Appropriation ........ $1,126,000
Motorcycle Safety Education Account--State
   Appropriation ........................................ $72,000
Wildlife Account--State Appropriation ........................ $47,000
Highway Safety Account--State Appropriation ............ $27,583,000
Motor Vehicle Account--State Appropriation ............ $13,068,000
Motor Vehicle Account--Private/Local Appropriation .... $500,000
Department of Licensing Services Account--State
   Appropriation ........................................ $2,510,000
   TOTAL APPROPRIATION ............................... $44,908,000

The appropriations in this section are subject to the following
conditions and limitations:

(1) $153,000 of the highway safety account--state appropriation is
provided solely for the implementation of Substitute House Bill No.
1267 (modifying commercial driver's license requirements). If
Substitute House Bill No. 1267 is not enacted by June 30, 2007, the
amount provided in this subsection shall lapse. The department shall
informally report to the legislature by December 1, 2008, with
measurable data indicating the department's progress in meeting its
goal of improving public safety by improving the quality of the
commercial driver's license testing process.

(2) $34,000 of the motorcycle safety education account--state
appropriation is provided solely for the implementation of Senate Bill
No. 5273 (modifying motorcycle driver's license endorsement and
education provisions). If Senate Bill No. 5273 is not enacted by June
30, 2007, the amount provided in this subsection shall lapse.

(3) $6,014,000 of the highway safety account--state appropriation
is provided solely for costs associated with the systems development
and issuance of enhanced drivers' licenses and identicards to
facilitate crossing the Canadian border. If Substitute House Bill No.
1289 (relating to the issuance of enhanced drivers' licenses and
identicards) is not enacted by June 30, 2007, the amount provided in
this subsection shall lapse. The department may expend funds only
after acceptance of the enhanced Washington state driver's license for
border crossing purposes by the Canadian and United States governments.
The department may expend funds only after prior written approval of
the director of financial management.

(4) $350,000 of the highway safety account--state appropriation is
provided solely for the costs associated with the systems development
of the interface that will allow insurance carriers and their agents
real time, online access to drivers' records. If Substitute Senate
Bill No. 5937 is not enacted by June 30, 2007, the amount provided in
this subsection shall lapse.

(5) $1,126,000 of the state patrol highway account--state
appropriation is provided solely for the implementation of Substitute
House Bill No. 1304 (modifying commercial motor vehicle carrier
provisions). If Substitute House Bill No. 1304 is not enacted by June
30, 2007, the amount provided in this subsection shall lapse.

(6) The department may submit information technology related
requests for funding only if the department has coordinated with the
department of information services as required by section 602 of this
act.

NEW SECTION. Sec. 214. FOR THE DEPARTMENT OF LICENSING--VEHICLE
SERVICES
Marine Fuel Tax Refund Account--State Appropriation . . . . . $26,000
State Patrol Highway Account--State Appropriation ........ $19,000
Wildlife Account--State Appropriation .................. $694,000
Highway Safety Account--State Appropriation .......... $460,000
Motor Vehicle Account--State Appropriation .......... $57,106,000
Motor Vehicle Account--Federal Appropriation .......... $102,000
Motor Vehicle Account--Private/Local Appropriation ... $872,000
Department of Licensing Services Account--State Appropriation ........ $902,000
TOTAL APPROPRIATION ................................ $60,181,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $19,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1304 (modifying commercial motor vehicle carrier provisions). If Substitute House Bill No. 1304 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(2) The department shall, working with the legislature, develop a proposal to streamline title and registration statutes to specifically address apparent conflicts, fee distribution, and other recommendations by the department that are revenue neutral and which do not change legislative policy. The department shall report the results of this review to the transportation committees of the legislature by December 1, 2007.

NEW SECTION. Sec. 215. FOR THE DEPARTMENT OF LICENSING--DRIVER SERVICES

Motorcycle Safety Education Account--State Appropriation ........ $3,675,000
Highway Safety Account--State Appropriation ............. $99,198,000
Highway Safety Account--Federal Appropriation ........... $233,000
TOTAL APPROPRIATION ................................ $103,106,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $2,606,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1267 (modifying commercial driver's license requirements). If Substitute House Bill No. 1267 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. The department shall
informally report to the legislature by December 1, 2008, with measurable data indicating the department's progress in meeting its goal of improving public safety by improving the quality of the commercial driver's license testing process.

(2) $637,000 of the motorcycle safety education account--state appropriation is provided solely for implementing Senate Bill No. 5273 (modifying motorcycle driver's license endorsement and education provisions). If Senate Bill No. 5273 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(3) $2,424,000 of the motor vehicle account--state appropriation is provided solely for costs associated with the systems development and issuance of enhanced drivers' licenses and identicards to facilitate crossing the Canadian border. If Substitute House Bill No. 1289 (relating to the issuance of enhanced drivers' licenses and identicards) is not enacted by June 30, 2007, the amount provided in this subsection shall lapse. The department may expend funds only after acceptance of the enhanced Washington state driver's license for border crossing purposes by the Canadian and United States governments. The department may expend funds only after prior written approval of the director of financial management.

NEW SECTION. Sec. 216. FOR THE DEPARTMENT OF TRANSPORTATION-- TOLL OPERATIONS AND MAINTENANCE--PROGRAM B
High-Occupancy Toll Lanes Account--State Appropriation ......................... $2,596,000
Motor Vehicle Account--State Appropriation ....................... $600,000
Tacoma Narrows Toll Bridge Account--State Appropriation ..................... $29,004,000
TOTAL APPROPRIATION ........................................ $32,200,000

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF TRANSPORTATION-- INFORMATION TECHNOLOGY--PROGRAM C
Transportation Partnership Account--State Appropriation ......................... $4,556,000
Motor Vehicle Account--State Appropriation ....................... $66,002,000
Motor Vehicle Account--Federal Appropriation ...................... $1,096,000
Puget Sound Ferry Operations Account--State Appropriation ......................... $9,188,000
Multimodal Transportation Account--State
   Appropriation ........................................ $363,000

Transportation 2003 Account (Nickel Account)--State
   Appropriation ........................................ $4,000,000
   TOTAL APPROPRIATION ............................... $85,205,000

The appropriations in this section are subject to the following conditions and limitations:

1. The department shall consult with the office of financial management and the department of information services to ensure that
   (a) the department's current and future system development is consistent with the overall direction of other key state systems; and
   (b) when possible, use or develop common statewide information systems to encourage coordination and integration of information used by the department and other state agencies and to avoid duplication.

2. The department shall provide updated information on six project milestones for all active projects, funded in part or in whole with 2005 transportation partnership account funds or 2003 nickel account funds, on a quarterly basis in the transportation executive information system (TEIS). The department shall also provide updated information on six project milestones for projects, funded with preexisting funds and that are agreed to by the legislature, office of financial management, and the department, on a quarterly basis in TEIS.

3. $2,300,000 of the motor vehicle account--state appropriation is provided solely for preliminary work needed to transition the department to the state government network. In collaboration with the department of information services the department shall complete an inventory of the current network infrastructure, and develop an implementation plan for transition to the state government network.

4. $1,000,000 of the motor vehicle account--state appropriation, $4,566,000 of the transportation partnership account--state appropriation, and $4,000,000 of the transportation 2003 account (nickel account)--state appropriation are provided solely for the department to develop a project management and reporting system which is a collection of integrated tools for capital construction project managers to use to perform all the necessary tasks associated with project management. The department shall integrate commercial off-the-shelf software with existing department systems and enhanced approaches to data management to provide web-based access for multi-level
reporting and improved business workflows and reporting. Beginning
September 1, 2007, and on a quarterly basis thereafter, the department
shall report to the office of financial management and the
transportation committees of the legislature on the status of the
development and integration of the system. The first report shall
include a detailed work plan for the development and integration of the
system including timelines and budget milestones. At a minimum the
ensuing reports shall indicate the status of the work as it compares to
the work plan, any discrepancies, and proposed adjustments necessary to
bring the project back on schedule or budget if necessary.

(5) The department may submit information technology related
requests for funding only if the department has coordinated with the
department of information services as required by section 602 of this
act.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF TRANSPORTATION--
FACILITY MAINTENANCE, OPERATIONS AND CONSTRUCTION--PROGRAM D--OPERATING
Motor Vehicle Account--State Appropriation ............... $34,553,000

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF TRANSPORTATION--
AVIATION--PROGRAM F
Aeronautics Account--State Appropriation ............... $6,890,000
Aeronautics Account--Federal Appropriation ............... $2,150,000
Multimodal Transportation Account--State Appropriation ... $631,000

TOTAL APPROPRIATION ............... $9,671,000

The appropriations in this section are subject to the following
conditions and limitations: The entire multimodal transportation
account--state appropriation is provided solely for the aviation
planning council as provided for in RCW 47.68.410.

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF TRANSPORTATION--
PROGRAM DELIVERY MANAGEMENT AND SUPPORT--PROGRAM H
Transportation Partnership Account--State

Appropriation ........................................... $2,921,000
Motor Vehicle Account--State Appropriation ............... $50,486,000
Motor Vehicle Account--Federal Appropriation ............... $500,000
Multimodal Transportation Account--State

Appropriation ........................................... $250,000
Transportation 2003 Account (Nickel Account)—State Appropriation ........................................ $2,921,000

TOTAL APPROPRIATION ........................................ $57,078,000

The appropriations in this section are subject to the following conditions and limitations: $2,921,000 of the transportation partnership account—state appropriation and $2,921,000 of the transportation 2003 account (nickel account)—state appropriation are provided solely for consultant contracts to assist the department in the delivery of the capital construction program.

NEW SECTION.  Sec. 221.  FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Motor Vehicle Account—State Appropriation ........................................ $954,000
Multimodal Transportation Account—State Appropriation ........................................ $300,000

TOTAL APPROPRIATION ........................................ $1,254,000

The appropriation in this section is subject to the following conditions and limitations: $300,000 of the multimodal account—state appropriation is provided solely for the department to hire a consultant to develop a plan for codevelopment and public-private partnership opportunities at public ferry terminals.

NEW SECTION.  Sec. 222.  FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M

Motor Vehicle Account—State Appropriation ........................................ $321,684,000
Motor Vehicle Account—Federal Appropriation ........................................ $2,000,000
Motor Vehicle Account—Private/Local Appropriation ........................................ $5,797,000

TOTAL APPROPRIATION ........................................ $329,481,000

The appropriations in this section are subject to the following conditions and limitations:

(1) If portions of the appropriations in this section are required to fund maintenance work resulting from major disasters not covered by federal emergency funds such as fire, flooding, and major slides, supplemental appropriations must be requested to restore state funding for ongoing maintenance activities.

(2) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall
place an equal amount of the motor vehicle account--state into unallotted status. This exchange shall not affect the amount of funding available for snow and ice removal.

(3) The department shall request an unanticipated receipt for any private or local funds received for reimbursements of third party damages that are in excess of the motor vehicle account--private/local appropriation.

(4) $1,500,000 of the motor vehicle account--federal appropriation is provided for unanticipated federal funds that may be received during the 2007-09 biennium. Upon receipt of the funds, the department shall provide a report on the use of the funds to the transportation committees of the legislature and the office of financial management.

(5) Funding is provided for maintenance on the state system to deliver service level targets as listed in LEAP Transportation Document 2007-C, as developed March 27, 2007. In delivering the program and aiming for these targets, the department should concentrate on the following areas:

(a) Eliminating the number of activities delivered in the "f" level of service at the region level; and

(b) Evaluating, analyzing, and potentially redistributing resources within and among regions to provide greater consistency in delivering the program statewide and in achieving overall level of service targets.

(6) The department may work with the department of corrections to utilize corrections crews for the purposes of litter pickup on state highways.

(7) $650,000 of the motor vehicle account--state appropriation is provided solely for increased asphalt costs. If Substitute Senate Bill No. 5080 (waste tire fees) is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF TRANSPORTATION--TRAFFIC OPERATIONS--PROGRAM Q--OPERATING

Motor Vehicle Account--State Appropriation . . . . . . . . $52,017,000
Motor Vehicle Account--Federal Appropriation . . . . . . . $2,050,000
Motor Vehicle Account--Private/Local Appropriation . . . . $127,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . $54,194,000
The appropriations in this section are subject to the following conditions and limitations:

1. $654,000 of the motor vehicle account—state appropriation is provided solely for the department to time state-owned and operated traffic signals. This funding may also be used to program incident, emergency, or special event signal timing plans.

2. $346,000 of the motor vehicle account—state appropriation is provided solely for the department to implement a pilot tow truck incentive program. The department may provide incentive payments to towing companies that meet clearance goals on accidents that involve heavy trucks.

3. $6,800,000 of the motor vehicle account—state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis. By January 1, 2008, and January 1, 2009, the department shall provide a report to the legislature listing all low-cost enhancement projects prioritized on a statewide rather than regional basis completed in the prior year.

4. The department, in consultation with the Washington state patrol, may conduct a pilot program for the patrol to issue infractions based on information from automated traffic safety cameras in roadway construction zones on state highways when workers are present.
   
   (a) In order to ensure adequate time in the 2007-09 biennium to evaluate the effectiveness of the pilot program, any projects authorized by the department must be authorized by December 31, 2007.
   
   (b) The department shall use the following guidelines to administer the program:
       
       (i) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle;
       
       (ii) The department shall plainly mark the locations where the automated traffic safety cameras are used by placing signs on locations that clearly indicate to a driver that he or she is entering a roadway construction zone where traffic laws are enforced by an automated traffic safety camera;
(iii) Notices of infractions must be mailed to the registered owner of a vehicle within fourteen days of the infraction occurring;

(iv) The owner of the vehicle is not responsible for the violation if the owner of the vehicle, within fourteen days of receiving notification of the violation, mails to the patrol, a declaration under penalty of perjury, stating that the vehicle involved was, at the time, stolen or in the care, custody, or control of some person other than the registered owner, or any other extenuating circumstances;

(v) For purposes of the 2007-09 biennium pilot project, infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras must be processed in the same manner as parking infractions for the purposes of RCW 3.46.120, 3.50.100, 35.20.220, 46.16.216, and 46.20.270(3). However, the amount of the fine issued for an infraction generated through the use of an automated traffic safety camera is one hundred thirty-seven dollars. The court shall remit thirty-two dollars of the fine to the state treasurer for deposit into the state patrol highway account;

(vi) If a notice of infraction is sent to the registered owner and the registered owner is a rental car business, the infraction will be dismissed against the business if it mails to the patrol, within fourteen days of receiving the notice, a declaration under penalty of perjury of the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred. If the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred, the business must sign a declaration under penalty of perjury to this effect. The declaration must be mailed to the patrol within fourteen days of receiving the notice of traffic infraction. Timely mailing of this declaration to the issuing agency relieves a rental car business of any liability under this section for the notice of infraction. A declaration form suitable for this purpose must be included with each automated traffic infraction notice issued, along with instructions for its completion and use; and

(vii) By June 30, 2009, the department shall provide a report to the legislature regarding the use, public acceptance, outcomes, and other relevant issues regarding the pilot project.
NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF TRANSPORTATION--
TRANSPORTATION MANAGEMENT AND SUPPORT--PROGRAM S
Motor Vehicle Account--State Appropriation . . . . . . . . . . . . . . $28,439,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . . . . . $30,000
Puget Sound Ferry Operations Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,321,000
Multimodal Transportation Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $973,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . $30,763,000

The appropriations in this section are subject to the following conditions and limitations: The department shall work with staffs from the office of financial management, the legislative evaluation and accountability program committee, and the transportation committees of the legislature to develop a common approach to state transportation budgeting and to develop a strategy to meet identified information needs. At a minimum, that effort must provide comprehensive schematic diagrams of the current and proposed transportation capital budget process, information flows, and data exchanges; common, agreed-upon data definitions and business rules; detailed transportation capital budget data and system requirements; and a strategy that includes a description of a phased implementation approach as well as associated cost and timeframe estimates. The results of this review are due to the office of financial management and the transportation committees of the legislature by September 1, 2007.

NEW SECTION. Sec. 225. FOR THE DEPARTMENT OF TRANSPORTATION--
TRANSPORTATION PLANNING, DATA, AND RESEARCH--PROGRAM T
Motor Vehicle Account--State Appropriation . . . . . . . . . . . . . . $30,691,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . . . . . $19,163,000
Multimodal Transportation Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,178,000
Multimodal Transportation Account--Federal
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,809,000
Multimodal Transportation Account--Private/Local
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $100,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . $53,941,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $3,900,000 of the motor vehicle account--state appropriation is provided solely for the costs of the regional transportation investment district (RTID) and department of transportation project oversight. The department shall provide support from its urban corridors region to assist in preparing project costs, expenditure plans, and modeling. The department shall not deduct a management reserve, nor charge management or overhead fees. These funds, including those expended since 2003, are provided as a loan to the RTID and shall be repaid to the state within one year following formation of the RTID. $2,391,000 of the amount provided under this subsection shall lapse, effective January 1, 2008, if voters fail to approve formation of the RTID at the 2007 general election, as determined by the certification of the election results.

(2) $300,000 of the multimodal transportation account--state appropriation is provided solely for a transportation demand management program, developed by the Whatcom council of governments, to further reduce drive-alone trips and maximize the use of sustainable transportation choices. The community-based program must focus on all trips, not only commute trips, by providing education, assistance, and incentives to four target audiences: (a) Large work sites; (b) employees of businesses in downtown areas; (c) school children; and (d) residents of Bellingham.

(3) $320,000 of the motor vehicle account--state appropriation and $128,000 of the motor vehicle account--federal appropriation are provided solely for development of a freight database to help guide freight investment decisions and track project effectiveness. The database will be based on truck movement tracked through geographic information system technology. TransNow will contribute an additional $192,000 in federal funds which are not appropriated in the transportation budget. The department shall work with the freight mobility strategic investment board to implement this project.

(4) In consultation with the department of community, trade, and economic development, and by December 1, 2007, the department shall develop minimum standards for local land use policies and regulations that protect the capacity and safety of the state transportation system, and provide an update on the standards to the appropriate committees of the legislature prior to the 2008 regular legislative session. By December 1, 2008, the department shall require
confirmation from jurisdictions that plan under the growth management act, chapter 36.70A RCW, and that receive state transportation funding under this act, that the jurisdictions have (a) adopted standards for access permitting on state highways that meet or exceed department standards in accordance with RCW 47.50.030(3); (b) adopted the minimum land use standards developed by the department under this subsection; and (c) adopted a plan for mitigating development impacts on state transportation facilities that identifies how the impacts of the proposed development will be evaluated, how the appropriate mitigation will be determined, and how the mitigation will be enforced. The objective of this subsection is to encourage local governments, through the receipt of state transportation funding, to adhere to best practices in planning, impact mitigation, and access control applicable to development activity significantly impacting state transportation facilities. By January 1, 2009, the department shall submit a report to the appropriate committees of the legislature detailing the progress of the local jurisdictions in adopting the highway access permitting standards, land use standards, and mitigation plans required under this subsection.

(5) $150,000 of the motor vehicle account--federal appropriation is provided solely for the costs to develop an electronic map-based computer application that will enable law enforcement officers and others to more easily locate collisions and other incidents in the field.

NEW SECTION. Sec. 226. FOR THE DEPARTMENT OF TRANSPORTATION--CHARGES FROM OTHER AGENCIES--PROGRAM U
Motor Vehicle Account--State Appropriation . . . . . . . . . . . . . . . $66,342,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . . . . . $400,000
Multimodal Transportation Account--State Appropriation . . . . . . . . . . . . . . . . . $259,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $67,001,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $36,665,000 of the motor vehicle fund--state appropriation is provided solely for the liabilities attributable to the department of transportation. The office of financial management must provide a
detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

(2) Payments in this section represent charges from other state agencies to the department of transportation.

(a) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT
DIVISION OF RISK MANAGEMENT FEES ................................ $1,520,000
(b) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE
AUDITOR ................................................................. $1,150,000
(c) FOR PAYMENT OF COSTS OF DEPARTMENT OF GENERAL
ADMINISTRATION FACILITIES AND SERVICES AND CONSOLIDATED
MAIL SERVICES ....................................................... $4,157,000
(d) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF
PERSONNEL ............................................................. $4,033,000
(e) FOR PAYMENT OF SELF-INSURANCE LIABILITY
PREMIUMS AND ADMINISTRATION ................................. $36,665,000
(f) FOR PAYMENT OF THE DEPARTMENT OF GENERAL
ADMINISTRATION CAPITAL PROJECTS SURCHARGE ........... $1,838,000
(g) FOR ARCHIVES AND RECORDS MANAGEMENT .............. $647,000
(h) FOR OFFICE OF MINORITIES AND WOMEN BUSINESS
ENTERPRISES ......................................................... $1,070,000
(i) FOR USE OF FINANCIAL SYSTEMS PROVIDED BY
THE OFFICE OF FINANCIAL MANAGEMENT ..................... $930,000
(j) FOR POLICY ASSISTANCE FROM THE DEPARTMENT
OF INFORMATION SERVICES ...................................... $1,138,000
(k) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY
GENERAL'S OFFICE ............................................... $8,859,000
(l) FOR LEGAL SERVICE PROVIDED BY THE ATTORNEY
GENERAL'S OFFICE FOR THE SECOND PHASE OF THE BOLDT
LITIGATION .......................................................... $158,000

NEW SECTION. Sec. 227. FOR THE DEPARTMENT OF TRANSPORTATION--
PUBLIC TRANSPORTATION--PROGRAM V
Regional Mobility Grant Program Account--State
Appropriation ....................................................... $40,000,000
Multimodal Transportation Account--State
Appropriation ....................................................... $85,205,000
Multimodal Transportation Account--Federal
Appropriation .............................................. $2,582,000
Multimodal Transportation Account--Private/Local
  Appropriation .............................................. $291,000
  TOTAL APPROPRIATION ...................................... $128,078,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $25,000,000 of the multimodal transportation account--state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.
(a) $5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers shall be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.
(b) $19,500,000 of the amount provided in this subsection is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must have a maintenance of effort for special needs transportation that is no less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies shall be prorated based on the amount expended for demand response service and route deviated service in calendar year 2006 as reported in the "Summary of Public Transportation - 2006" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.

(2) Funds are provided for the rural mobility grant program as follows:
(a) $8,500,000 of the multimodal transportation account--state appropriation is provided solely for grants for those transit systems serving small cities and rural areas as identified in the Summary of Public Transportation - 2006 published by the department of transportation. Noncompetitive grants must be distributed to the transit systems serving small cities and rural areas in a manner similar to past disparity equalization programs.
(b) $8,500,000 of the multimodal transportation account--state
appropriation is provided solely to providers of rural mobility service in areas not served or underserved by transit agencies through a competitive grant process.

(3) $8,600,000 of the multimodal transportation account--state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; no operating costs for public transit agencies are eligible for funding under this grant program. No additional employees may be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. Additional criteria for selecting grants must include leveraging funds other than state funds.

(4) $40,000,000 of the regional mobility grant program account--state appropriation is provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2007-B as developed March 27, 2007. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility shall be used only to fund projects on the LEAP Transportation Document 2007-B as developed March 27, 2007. The department shall provide annual status reports on December 15, 2007, and December 15, 2008, to the office of financial management and the transportation committees of the legislature regarding the projects receiving the grants.

(5) $17,168,087 of the multimodal transportation account--state appropriation is reappropriated and provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2006-D, regional mobility grant program projects as developed March 8, 2006. The department shall continue to review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. The department
shall promptly close out grants when projects have been completed, and any remaining funds available to the office of transit mobility shall be used only to fund projects on the LEAP Transportation Document 2007-B as developed March 27, 2007, or the LEAP Transportation Document 2006-D as developed March 8, 2006.

(6) $200,000 of the multimodal transportation account--state appropriation is provided solely for the department to study and then develop pilot programs aimed at addressing commute trip reduction strategies for K-12 students and for college and university students. The department shall submit to the legislature by January 1, 2009, a summary of the program results and recommendations for future student commute trip reduction strategies. The pilot programs are described as follows:

(a) The department shall consider approaches, including mobility education, to reducing and removing traffic congestion in front of schools by changing travel behavior for elementary, middle, and high school students and their parents; and

(b) The department shall design a program that includes student employment options as part of the pilot program applicable to college and university students.

(7) $2,400,000 of the multimodal account--state appropriation is provided solely for establishing growth and transportation efficiency centers (GTEC). Funds are appropriated for one time only. The department shall provide in its annual report to the legislature an evaluation of the GTEC concept and recommendations on future funding levels.

(8) $381,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of Substitute House Bill No. 1694 (reauthorizing the agency council on coordinated transportation). If Substitute House Bill No. 1694 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(9) $136,000 of the multimodal transportation account--private/local appropriation is provided solely for the implementation of Senate Bill No. 5084 (updating rail transit safety plans). If Senate Bill No. 5084 is not enacted by June 30, 2007, the amount provided in this subsection shall lapse.

(10) $60,000 of the multimodal transportation account--state appropriation is provided solely for low-income car ownership programs.
1 The department shall collaborate with interested regional
2 transportation planning organizations and metropolitan planning
3 organizations to determine the effectiveness of the programs at
4 providing transportation solutions for low-income persons who depend
5 upon cars to travel to their places of employment.
6
7 (11) $1,000,000 of the multimodal transportation account--state
8 appropriation is provided solely for additional funding for the trip
9 reduction performance program, including telework enhancement projects.
10 Funds are appropriated for one time only.
11
12 (12) $2,000,000 of the multimodal transportation account--state
13 appropriation is provided solely for the tri-county connection service
14 for Island, Skagit, and Whatcom transit agencies.

13 NEW SECTION. Sec. 228. FOR THE DEPARTMENT OF TRANSPORTATION--
14 MARINE--PROGRAM X
15 Puget Sound Ferry Operations Account--State
16 Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $410,710,000
17 Multimodal Transportation Account--State
18 Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,830,000
19 TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . $412,540,000
20
21 The appropriations in this section are subject to the following
22 conditions and limitations:
23 (1) $79,525,000 of the total appropriation is for ferry vessel
24 operating fuel in the 2007-2009 biennium.
25 (2) The Washington state ferries must work with the department's
26 information technology division to implement an electronic fare system,
27 including the integration of the regional fare coordination system
28 (smart card). Each December and June, semiannual updates must be
29 provided to the transportation committees of the legislature concerning
30 the status of implementing and completing this project, with updates
31 concluding the first December after full project implementation.
32 (3) The Washington state ferries shall continue to provide service
33 to Sidney, British Columbia.
34 (4) $1,830,000 of the multimodal transportation account--state
35 appropriation is provided solely to provide passenger-only ferry
36 service. The ferry system shall continue passenger-only ferry service
37 from Vashon Island to Seattle through June 30, 2008. Ferry system
38 management shall continue to implement its agreement with the
inlandboatmen's union of the pacific and the international organization
of masters, mates and pilots providing for part-time passenger-only
work schedules.

(5) The department shall file an alternative compliance plan with
the department of ecology, as allowed by rule, regarding the transfer
of oil on or near state waters.

(6) $1,116,000 of the Puget Sound ferry operations account--state
appropriation is provided solely for ferry security operations
necessary to comply with the ferry security plan submitted by the
Washington state ferry system to the United States coast guard. The
department shall track security costs and expenditures. Ferry security
operations costs shall not be included as part of the operational costs
that are used to calculate farebox recovery.

(7) $378,000 of the Puget Sound ferry operations account--state
appropriation is provided solely to meet the United States coast guard
requirements for appropriate rest hours between shifts for vessel crews
on the Bainbridge to Seattle and Edmonds to Kingston ferry routes.

NEW SECTION. Sec. 229. FOR THE DEPARTMENT OF TRANSPORTATION--
RAIL--PROGRAM Y--OPERATING
Multimodal Transportation Account--State Appropriation . . $37,036,000

The appropriation in this section is subject to the following
conditions and limitations:

(1) The department shall publish a final long-range plan for Amtrak
Cascades by September 30, 2007. By December 31, 2008, the department
shall submit to the office of financial management and the
transportation committees of the legislature a midrange plan for Amtrak
Cascades that identifies specific steps the department would propose to
achieve additional service beyond current levels.

(2)(a) $29,091,000 of the multimodal transportation account--state
appropriation is provided solely for the Amtrak service contract and
Talgo maintenance contract associated with providing and maintaining
the state-supported passenger rail service. Upon completion of the
rail platform project in the city of Stanwood, the department shall
provide daily Amtrak Cascades service to the city.

(b) The department shall negotiate with Amtrak and Burlington
Northern Santa Fe to adjust the Amtrak Cascades schedule to leave
Bellingham at a significantly earlier hour.
(3) No Amtrak Cascade runs may be eliminated.
(4) $40,000 of the multimodal transportation account--state
appropriation is provided solely for the produce railcar program. The
department is encouraged to implement the produce railcar program by
maximizing private investment.
(5) The department shall begin planning for a third roundtrip
Cascades train between Seattle and Vancouver, B.C. by 2010, which shall
depart southbound from Bellingham no later than 8:30 a.m.

NEW SECTION. Sec. 230. FOR THE DEPARTMENT OF TRANSPORTATION--
LOCAL PROGRAMS--PROGRAM Z--OPERATING
Motor Vehicle Account--State Appropriation . . . . . . . . . . $8,641,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . $2,567,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $11,208,000

TRANSPORTATION AGENCIES--CAPITAL

NEW SECTION. Sec. 301. FOR THE WASHINGTON STATE PATROL
State Patrol Highway Account--State Appropriation . . . . $1,550,000
The appropriation in this section is subject to the following
conditions and limitations:
(1) $863,000 is provided solely for the following minor works
projects: $473,000 for replacement of twenty-one communication site
underground fuel tanks; $240,000 for communication site building
replacements at Lind, Scoggans Mountain, and Lewiston Ridge; and
$150,000 for unforeseen emergency repairs.
(2) $687,000 is provided solely for design and construction of
regional waste water treatment systems for the Shelton Academy of the
Washington state patrol.

NEW SECTION. Sec. 302. FOR THE COUNTY ROAD ADMINISTRATION BOARD
Rural Arterial Trust Account--State Appropriation . . . . $64,000,000
Motor Vehicle Account--State Appropriation . . . . . . . . . $2,368,000
County Arterial Preservation Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . $33,342,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . $99,710,000
The appropriations in this section are subject to the following
conditions and limitations:
(1) $2,069,000 of the motor vehicle account--state appropriation is provided solely for county ferries, as set forth in RCW 47.56.725(4), for the following projects: Pierce county replacement ferry, $754,000; Whatcom county replacement ferry, $815,000; and Wahkiakum county ferry ramp reconstruction, $500,000.

(2) $481,000 of the county arterial preservation account--state appropriation is provided solely for continued development and implementation of a maintenance management system to manage county transportation assets.

**NEW SECTION. Sec. 303. FOR THE TRANSPORTATION IMPROVEMENT BOARD**

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small City Pavement and Sidewalk Account--State</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Urban Arterial Trust Account--State Appropriation</td>
<td>$129,600,000</td>
</tr>
<tr>
<td>Transportation Improvement Account--State</td>
<td>$90,643,000</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$224,743,000</td>
</tr>
</tbody>
</table>

The appropriations in this section are subject to the following conditions and limitations:

1. The transportation improvement account--state appropriation includes up to $7,143,000 in proceeds from the sale of bonds authorized in RCW 47.26.500.

2. The urban arterial trust account--state appropriation includes up to $15,000,000 in proceeds from the sale of bonds authorized in Substitute Senate Bill No. 5107.

**NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION--PROGRAM D (DEPARTMENT OF TRANSPORTATION--ONLY PROJECTS)--CAPITAL**

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Account--State Appropriation</td>
<td>$6,202,000</td>
</tr>
</tbody>
</table>

The appropriation in this section is subject to the following conditions and limitations:

1. $584,000 of the motor vehicle account--state appropriation is for statewide administration.

2. $750,000 of the motor vehicle account--state appropriation is for regional minor projects.

3. $568,000 of the motor vehicle account--state appropriation is for the Olympic region headquarters property payments.
(4) By September 1, 2007, the department shall submit to the
transportation committees of the legislature predesign plans, developed
using the office of financial management's predesign process, for all
facility replacement projects to be proposed in the facilities 2008
budget proposal.

(5) $1,600,000 of the motor vehicle account--state appropriation is
for site acquisition for the Tri-cities area maintenance facility.

(6) $2,700,000 of the motor vehicle account--state appropriation is
for site acquisition for the Vancouver light industrial facility.

(7) The department shall work with the office of financial
management and staff of the transportation committees of the
legislature to develop a statewide inventory of all department-owned
surplus property that is suitable for development for department
facilities or that should be sold. By December 1, 2008, the department
shall report to the joint transportation committee on the findings of
this study.

NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION--
IMPROVEMENTS--PROGRAM I
Transportation Partnership Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,073,581,000
Motor Vehicle Account--State Appropriation . . . . . . . . . . . . $78,727,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . . $357,023,000
Motor Vehicle Account--Private/Local
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $41,372,000
Special Category C Account--State Appropriation . . . . . . . . . . $18,245,000
Tacoma Narrows Toll Bridge Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $142,484,000
Transportation 2003 Account (Nickel Account)--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $615,302,000
Freight Congestion Relief Account--State
Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $40,000,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . $2,366,734,000

The appropriations in this section are subject to the following
conditions and limitations:

(1) The entire transportation 2003 account (nickel account)
appropriation and the entire transportation partnership account
appropriation are provided solely for the projects and activities as
listed by fund, project, and amount in LEAP Transportation Document
2007-1, Highway Improvement Program (I) as developed March 27, 2007. However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) The motor vehicle account--state appropriation includes up to $11,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843.

(3) The department shall not commence construction on any part of the state route number 520 bridge replacement and HOV project until a record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as practicable to protect against further adverse impacts on neighborhood environmental quality as a result of repairs and improvements made to the state route 520 bridge and its connecting roadways, and that any such impacts will be addressed through engineering design choices, mitigation measures, or a combination of both. The requirements of this section shall not apply to off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project.

(4) The Tacoma Narrows toll bridge account--state appropriation includes up to $131,016,000 in proceeds from the sale of bonds authorized by RCW 47.10.843.

(5) The department should consider using mitigation banking on appropriate projects whenever possible, without increasing the cost to projects. The department should consider using the advanced environmental mitigation revolving account (AEMRA) for corridor and watershed based mitigation opportunities, in addition to project specific mitigation. However, the department shall not use agricultural lands of long-term commercial significance, as that term is used under chapter 36.70A RCW, for mitigation banking.

(6) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Programs I and P, including, but not limited to, the SR 518, SR 519, SR 520, and Alaskan Way Viaduct projects.

(7) $250,000 of the motor vehicle account--state appropriation is provided solely for an inland pacific hub study to develop an inland
corridor for the movement of freight and goods to and through eastern Washington; and $500,000 of the motor vehicle account--state appropriation is provided solely for the SR3/SR16 corridor study to plan and prioritize state and local improvements needed over the next 10-20 years to support safety, capacity development, and economic development within the corridor.

(8) The department shall, on a quarterly basis beginning July 1, 2007, provide to the office of financial management and the legislature reports providing the status on each project funded in part or whole by the transportation 2003 account (nickel account) or the transportation partnership account. Funding provided at a programmatic level for transportation partnership account and transportation 2003 account (nickel account) projects relating to bridge rail, guard rail, fish passage barrier removal, and roadside safety projects should be reported on a programmatic basis. Projects within this programmatic level funding should be completed on a priority basis and scoped to be completed within the current programmatic budget. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

(9) The SR 519/I-90 to SR 99 intermodal access project is anticipated to cost not more than $74,000,000, with $19,433,000 from the freight congestion relief account and remaining amounts funded from other state, federal, and local sources.

(10) The department shall apply for federal transit administration funds for eligible costs of the SR 520 bridge replacement and HOV project.

(11) Funding provided by this act for the Alaskan Way Viaduct project shall not be spent for preliminary engineering, design, right-of-way acquisition, or construction on the project if completion of the project would more likely than not reduce the capacity of the facility. Capacity shall be measured by including the consideration of the efficient movement of people and goods on the facility.
(12) The governor shall convene a collaborative process involving key leaders to determine the final project design for the Alaskan Way Viaduct.

(a) The process shall be guided by the following common principles: Public safety must be maintained; the final project shall meet both capacity and mobility needs; and taxpayer dollars must be spent responsibly.

(b) The state's project expenditures shall not exceed $2,800,000,000.

(c) A final design decision shall be made by December 31, 2008.

(13) During the 2007-09 biennium, the department shall proceed with a series of projects on the Alaskan Way Viaduct that are common to any design alternative. Those projects include relocation of two electrical transmission lines, Battery Street tunnel upgrades, seismic upgrades from Lenora to the Battery Street tunnel, viaduct removal from Holgate to King Street, and development of transit enhancements and other improvements to mitigate congestion during construction.

NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION--

IMPROVEMENTS--PROGRAM I SPECIAL APPROPRIATIONS

Transportation Partnership Account--State

Appropriation ...................... $489,705,000

Motor Vehicle Account--State Appropriation ........ $3,437,000

Motor Vehicle Account--Federal Appropriation ........ $67,203,000

Motor Vehicle Account--Private/Local Appropriation .... $5,564,000

Special Category C Account--State Appropriation .... $28,723,000

Transportation 2003 Account (Nickel Account)--State

Appropriation ...................... $902,239,000

TOTAL APPROPRIATION ...................... $1,496,871,000

The entire appropriations in this section are subject to the following conditions and limitations: The total appropriation provided in this section includes funding for the total project costs, and not just for the anticipated expenditures for the 2007-09 biennium, for the projects listed below. If projects listed in this section are completed at a rate faster than anticipated, the appropriation authority provided remains available for the projects to continue without delay. However, the transfer authority provided in section 603 of this act shall not apply to the projects listed in this section.
(1) $27,436,000 of the transportation partnership account--state appropriation and $2,000 of the motor vehicle account--private/local appropriation are provided solely for the I-5/172nd St NE (SR 531) Interchange project (100553N);

(2) $15,464,000 of the transportation partnership account--state appropriation and $241,535,000 of the transportation 2003 account (nickel account)--state appropriation are provided solely for the I-5/SR 16 Interchange project (300567A);

(3) $81,303,000 of the transportation 2003 account (nickel account)--state appropriation and $278,000 of the motor vehicle account--federal appropriation are provided solely for the I-5/Grand Mound to Maytown Stage One project (300581A);

(4) $37,406,000 of the transportation 2003 account (nickel account)--state appropriation is provided solely for the I-5/SR 502 Interchange project (400599R);

(5) $36,912,000 of the transportation partnership account--state appropriation, $18,000 of the motor vehicle account--state appropriation, and $1,081,000 of the motor vehicle account--federal appropriation are provided solely for the SR 9/SR 96 to Marsh Rd project (100914G);

(6) $82,614,000 of the transportation 2003 account (nickel account)--state appropriation, $172,000 of the motor vehicle account--state appropriation, $190,000 of the motor vehicle account--private/local appropriation, and $1,192,000 of the motor vehicle account--federal appropriation are provided solely for the SR 20/Fredonia to I-5 project (102039A);

(7) $8,343,000 of the transportation 2003 account (nickel account)--state appropriation, $1,991,000 of the transportation partnership account--state appropriation, and $1,656,000 of the motor vehicle account--federal appropriation are provided solely for the I-90/Two Way Transit project (109040T). Expenditure of these funds on construction is contingent upon revising the access plan for Mercer Island traffic such that Mercer Island traffic will have access to the outer roadway high occupancy vehicle (HOV) lanes during the period of operation of such lanes following the removal of Mercer Island traffic from the center roadway and prior to conversion of the outer roadway HOV lanes to high occupancy toll (HOT) lanes. Sound transit may have access to the center lanes only when alternative R8A is complete;
(8) $78,450,000 of the transportation partnership account--state appropriation is provided solely for the SR 167/8th St E Vic to S 277th St project (816701C);

(9) $90,234,000 of the transportation 2003 account (nickel account)--state appropriation, $28,723,000 of the special category C account--state appropriation, and $112,000 of the motor vehicle account--private/local appropriation are provided solely for the 395/NSC-US 2 to Wandermere and US 2 Lowering project (600003A);

(10) $46,070,000 of the transportation 2003 account (nickel account)--state appropriation, $52,501,000 of the transportation partnership account--state appropriation, and $1,118,000 of the motor vehicle account--private/local appropriation are provided solely for the I-405/SR 181 to SR 167 project (840502B);

(11) $105,839,000 of the transportation partnership account--state appropriation and $796,000 of the motor vehicle account--federal appropriation are provided solely for the I-405/SR 515 project (840505A);

(12) $143,757,000 of the transportation 2003 account (nickel account)--state appropriation and $1,171,000 of the motor vehicle account--private/local appropriation are provided solely for the I-405/I-90 to SE 8th St project (840541F). No funds may be expended from this project for the purpose of funding improvements, construction, or the movement of a rail bridge across the cedar river;

(13) $22,917,000 of the transportation partnership account--state appropriation and $5,479,000 of the motor vehicle account--federal appropriation are provided solely for the I-405/NE 10th St project (840552A);

(14) $90,956,000 of the transportation 2003 account (nickel account)--state appropriation and $72,000 of the motor vehicle account--private/local appropriation are provided solely for the SR 520/W Lake Sammamish Parkway to SR 202, Stage 3 project (152040A);

(15) $3,134,000 of the motor vehicle account--state appropriation, $38,350,000 of the motor vehicle account--federal appropriation, and $2,899,000 of the motor vehicle account--private/local appropriation are provided solely for the SR 539/Horton Road to Tenmile Road project (153902B);

(16) $80,020,000 of the transportation 2003 account (nickel
account) -- state appropriation is provided solely for the SR 539/Tenmile Road to SR 546 project (153910A); and

(17) $148,196,000 of the transportation partnership account -- state appropriation, $109,000 of the motor vehicle account -- state appropriation, and $18,311,000 of the motor vehicle account -- federal appropriation are provided solely for the SR 104/Hood Canal Bridge project (310407B).

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION--PRESERVATION--PROGRAM P

Transportation Partnership Account--State

Appropriation ........................................ $81,989,000

Motor Vehicle Account--State Appropriation ........... $71,382,000

Motor Vehicle Account--Federal Appropriation ........ $412,508,000

Motor Vehicle Account--Private/Local Appropriation .... $15,285,000

Transportation 2003 Account (Nickel Account)--State

Appropriation ........................................ $5,122,000

Puyallup Tribal Settlement Account--State

Appropriation ........................................ $11,000,000

TOTAL APPROPRIATION ................................ $597,286,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2007-1, Highway Preservation Program (P) as developed March 27, 2007. However, limited transfers of specific line-item project appropriations may occur between projects for those amounts listed subject to the conditions and limitations in section 603 of this act.

(2) $295,000 of the motor vehicle account -- federal appropriation and $5,000 of the motor vehicle account -- state appropriation are provided solely for the department to determine the most cost efficient way to replace the current Keller ferry. Options reviewed shall not include an expansion of the current capacity of the Keller ferry.

(3) $5,513,000 of the transportation partnership account -- state appropriation is provided solely for settlement of all claims by the Lower Elwha Klallam tribe relating to the Port Angeles graving dock.
property, including all claims raised in Lower Elwha Klallam Tribe et
al. v. State, Thurston county superior court cause no. 05-2-01595-8.
No moneys may be expended from the amount provided in this subsection
unless the Lower Elwha Klallam tribe has executed a full and
unconditional release of all claims against the state.

(4) The department shall apply for surface transportation program
(STP) enhancement funds to be expended in lieu of or in addition to
state funds for eligible costs of projects in Programs I and P,
including, but not limited to, the SR 518, SR 519, SR 520, and Alaskan
Way Viaduct projects.

(5) The department shall, on a quarterly basis beginning July 1,
2007, provide to the office of financial management and the legislature
reports providing the status on each project funded in part or whole by
the transportation 2003 account (nickel account) or the transportation
partnership account. Funding provided at a programmatic level for
transportation partnership account projects relating to seismic bridges
should be reported on a programmatic basis. Projects within this
programmatic level funding should be completed on a priority basis and
scoped to be completed within the current programmatic budget. Other
projects may be reported on a programmatic basis. The department shall
work with the office of financial management and the transportation
committees of the legislature to agree on report formatting and
elements. Elements shall include, but not be limited to, project
scope, schedule, and costs. The department shall also provide the
information required under this subsection on a quarterly basis via the
transportation executive information systems (TEIS).

(6) The department of transportation shall continue to implement
the lowest life cycle cost planning approach to pavement management
throughout the state to encourage the most effective and efficient use
of pavement preservation funds. Emphasis should be placed on
increasing the number of roads addressed on time and reducing the
number of roads past due.

(7) $2,604,501 of the motor vehicle account--federal appropriation
and $3,000,000 of the motor vehicle account--state appropriation are
for expenditures on damaged state roads due to flooding, mudslides,
rock fall, or other unforeseen events.
NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION--
TRAFFIC OPERATIONS--PROGRAM Q--CAPITAL
Motor Vehicle Account--State Appropriation ................ $9,212,000
Motor Vehicle Account--Federal Appropriation ............... $15,951,000
Motor Vehicle Account--Private/Local Appropriation ....... $74,000
TOTAL APPROPRIATION ...................................... $25,237,000

The appropriations in this section are subject to the following conditions and limitations: The motor vehicle account--state appropriation includes $7,700,000 provided solely for state matching funds for federally selected competitive grant or congressional earmark projects other than the commercial vehicle information systems and network. These moneys shall be placed into reserve status until such time as federal funds are secured that require a state match.

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION--
WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W
Puget Sound Capital Construction Account--State
Appropriation ................................................. $131,800,000
Puget Sound Capital Construction Account--Federal
Appropriation ................................................. $51,742,000
Multimodal Transportation Account--State
Appropriation ................................................. $5,600,000
Transportation 2003 Account (Nickel Account)--State
Appropriation ................................................. $76,525,000
TOTAL APPROPRIATION ...................................... $265,667,000

The appropriations in this section are subject to the following conditions and limitations:
(1) $938,000 of the motor vehicle account--state appropriation is provided solely for implementing Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358 as follows:
   (a) The department shall allow the joint transportation committee workgroup established in section 205(1) of this act to participate in the following elements as they are described in Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358:
      (i) Development and implementation of a market survey of ferry customers;
      (ii) Analysis and reestablishment of vehicle level of service standards. In reestablishing the standards, consideration shall be
given to whether boat wait is the appropriate measure. The level of service standard shall be reestablished in conjunction with or after the market survey has been implemented;

(iii) Development of operational strategies. The operational strategies shall be reestablished in conjunction with the market survey or after the market survey has been implemented;

(iv) Development of pricing strategies. In developing these strategies, the policy, in effect on some routes, of collecting fares in only one direction shall be evaluated to determine whether one-way fare pricing best serves the ferry system. The pricing strategies must be developed in conjunction with or after the market survey has been implemented;

(v) Development of terminal design standards. The terminal design standards shall be developed after the provisions of subsections (a)(i) through (iv) and subsection (b) of this section have been developed and reviewed by the joint transportation committee; and

(vi) Development of a capital plan. The capital plan shall be developed after terminal design standards have been developed by the department and reviewed by the joint transportation committee.

(b) The department shall develop a ridership demand forecast that shall be used in the development of a long-range capital plan. If more than one forecast is developed they must be reconciled.

(c) The department shall update the life cycle cost model to meet the requirements of Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358 no later than August 1, 2007.

(d) The department shall develop a cost allocation methodology proposal to meet the requirements described in Engrossed Substitute Senate Bill No. 6127 or Engrossed Substitute House Bill No. 2358. The proposal shall be completed and presented to the joint legislative audit and review committee and the joint transportation committee no later than August 1, 2007.

(2) $6,432,000 of the Puget Sound capital construction account--state appropriation is provided solely for emergency capital costs.

(3) $9,325,000 of the Puget Sound capital construction account--state appropriation is provided solely for the terminal projects listed:

(a) Anacortes ferry terminal - electrical work, upland parking,
interim terminal costs, interim kitchen trailer costs, and demolition costs;
(b) Bremerton ferry terminal - move terminal agent's office and overhead loading control system;
(c) Edmonds ferry terminal - right-of-way acquisition costs and federal match requirements;
(d) Port Townsend ferry terminal - wingwall preservation costs;
(e) Kingston ferry terminal - transfer span retrofit, overhead vehicle holding control system modifications;
(f) Clinton ferry terminal - septic system replacement; and
(g) Friday Harbor ferry terminal - parking resurfacing.
(4) $5,600,000 of the multimodal transportation account--state appropriation is provided solely for right-of-way acquisition costs and tribal mitigation and archeological work costs associated with the Mukilteo ferry terminal.
(5) $76,525,000 of the transportation 2003 account (nickel account)--state appropriation and $62,473,000 of the Puget Sound capital construction account--state appropriation are provided solely for the procurement of four 144-vehicle auto-passenger ferry vessels.
(6) $18,116,000 of the Puget Sound capital construction account--state appropriation is provided solely for the Eagle Harbor maintenance facility preservation project. These funds may not be used for relocating any warehouses not currently on the Eagle Harbor site.
(7) $80,000 of the Puget Sound capital construction account--state appropriation is provided solely to research an asset management system to improve Washington state ferries' management of capital assets and the department's ability to estimate future preservation needs. The department shall report its findings regarding a new asset management system to the governor and the transportation committees of the legislature no later than January 15, 2008.
(8) The multimodal transportation account--state appropriation includes up to $75,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.867.
(9) The department shall sell the M.V. Chinook and M.V. Snohomish passenger-only fast ferries as soon as practicable and deposit the proceeds of the sales into the passenger ferry account created in RCW 47.60.645. Once the department ceases to provide passenger-only ferry
service, the department shall sell the M.V. Kalama and M.V. Skagit
passenger-only ferries and deposit the proceeds of the sales into the
passenger ferry account created in RCW 47.60.645.

(10) The department shall, on a quarterly basis beginning July 1,
2007, provide to the office of financial management and the legislature
reports providing the status on each project listed in this section and
in the project lists submitted pursuant to this act and on any
additional projects for which the department has expended funds during
the 2007-09 fiscal biennium. Elements shall include, but not be
limited to, project scope, schedule, and costs. The department shall
also provide the information required under this subsection via the
transportation executive information systems (TEIS).

NEW SECTION. Sec. 310. FOR THE DEPARTMENT OF TRANSPORTATION--
RAIL--PROGRAM Y--CAPITAL

Essential Rail Assistance Account--State Appropriation . . . $500,000
Freight Congestion Relief Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $25,000,000
Transportation Infrastructure Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $14,500,000
Multimodal Transportation Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $150,678,000
Multimodal Transportation Account--Federal
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $30,450,000
Multimodal Transportation Account--Private/Local
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $7,894,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . $229,022,000

The appropriations in this section are subject to the following
conditions and limitations:

(1)(a) The entire appropriations in this section are provided
solely for the projects and activities as listed by fund, project, and
amount in LEAP Transportation Document 2007-1, Rail Capital Program (Y)
as developed March 27, 2007. However, limited transfers of specific
line-item project appropriations may occur between projects for those
amounts listed subject to the conditions and limitations in section 603
of this act.

(b) Within the amounts provided in this section, $14,500,000 of the
transportation infrastructure account--state appropriation is for low-
interest loans for rail capital projects through the freight rail investment bank program. However, until June 30, 2009, $12,000,000 of the amount provided under this subsection (1)(b), which includes proceeds from the sale of ancillary property pursuant to subsection (5) of this section, must be made available as a no interest loan to any public entity seeking to provide operating service on a state-owned rail line where the loan proceeds are used to refurbish the rail line. With respect to the remaining $2,500,000 of the amount provided under this subsection (1)(b), the department shall issue a call for projects based upon the legislative priorities specified in Engrossed Substitute Senate Bill No. 6120. Application must be received by the department by November 1, 2007. By December 1, 2007, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

(c) Within the amounts provided in this section, $3,335,000 of the multimodal transportation account--state appropriation is for statewide emergent freight rail assistance projects. However, the department shall perform a cost/benefit analysis of the projects according to the legislative priorities regarding public benefits specified in Engrossed Substitute Senate Bill No. 6120, and shall give priority to the following projects: Rail - Tacoma rail yard switching upgrades ($500,000); Rail - Port of Ephrata spur rehabilitation ($127,000); Rail - Lewis and Clark rail improvements ($1,100,000); Rail - Port of Grays Harbor rail access improvements ($543,000); Rail - Port of Longview rail loop construction ($291,000); and Rail - Port of Chehalis ($774,000). If the relative cost of any of the six projects identified in this subsection (1)(c) is not substantially less than the public benefits to be derived from the project, then the department shall not assign the funds to the project, and instead shall use those funds toward those projects identified by the department in the attachments to the "Washington State Department of Transportation FREIGHT RAIL ASSISTANCE FUNDING PROGRAM: 2007-2009 Prioritized Project List and Program Update" dated December 2006 for which the proportion of public benefits to be gained compared to the cost of the project is greatest.

(d) Within the amounts provided in this section, $9,000,000 of the multimodal transportation account--state appropriation is for the replacement of the rail bridge across the Cedar river.
(e) Within the amounts provided in this section, $25,000,000 of the freight congestion relief account—state appropriation is for modifications to the Stampede Pass rail tunnel to facilitate the movement of double stacked rail cars.

(f) Within the amounts provided in this section, $200,000 of the multimodal transportation account—state appropriation is for rescoping the Kelso to Martin's Bluff - 3rd Mainline and Storage Tracks project. The rescoped project may include funds that are committed to the project by local or private funding partners. However, the rescoped project must be capable of being completed with not more than $49,470,000 in future state funding. Subject to this funding constraint, the rescoped project must maximize capacity improvements along the rail mainline.

(2) The multimodal transportation account—state appropriation includes up to $137,620,000 in proceeds from the sale of bonds authorized by RCW 47.10.867.

(3) The department is directed to seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in Program Y, including, but not limited to the "Tacoma -- bypass of Pt. Defiance" project.

(4) If new federal funding for freight or passenger rail is received, the department shall consult with the transportation committees of the legislature and the office of financial management prior to spending the funds on existing or additional projects.

(5) The Palouse River and Coulee City (PCC) rail line system is made up of the CW, P&L and PV Hooper rail lines. The state has purchased the right-of-ways to the PCC rail line system. Watco will continue to operate the PV Hooper line, as required by contract. The department shall select operator(s) for the CW and P&L rail lines for the 2007 and 2008 harvest seasons through a competitive bid process, unless no bid is submitted in response to the department's request for bids. The operating agreement(s) for the CW and P&L rail lines shall not include provision for a state operating or capital subsidy. If, upon expiration of any of the operating agreements, any intergovernmental entity or local rail district expresses interest in the operating rights to the CW, P&L and PV Hooper rail lines, then the department shall give the intergovernmental entity or local rail district the right of first refusal to the long-term operating rights.
of the line(s), provided however that the long-term operating rights shall be available without state operating or capital subsidy. The department shall sell any ancillary property, acquired when the state purchased the right-of-ways to the PCC rail line system, to a lessee of the ancillary property who is willing to pay fair market value for the property. The department shall deposit the proceeds from the sale of ancillary property into the transportation infrastructure account for use according to the provisions of subsection (1)(b) of this section.

NEW SECTION. Sec. 311. FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--CAPITAL

Highway Infrastructure Account--State Appropriation . . . . . . $207,000
Highway Infrastructure Account--Federal Appropriation . . . . . . $1,602,000
Freight Mobility Investment Account--State Appropriation . . . . . . . . . . . $12,500,000
Freight Congestion Relief Account--State Appropriation . . . . . . . . . . . $51,720,000
Transportation Partnership Account--State Appropriation . . . . . . . . . . . $6,906,000
Motor Vehicle Account--State Appropriation . . . . . . . . . . . $6,504,000
Motor Vehicle Account--Federal Appropriation . . . . . . . . . . . $52,900,000
Freight Mobility Multimodal Account--State Appropriation . . . . . . . . . . . $12,100,000
Multimodal Transportation Account--State Appropriation . . . . . . . . . . . $27,658,000
Transportation 2003 Account (Nickel Account)--State Appropriation . . . . . . . . . . . $2,706,000
Passenger Ferry Account--State Appropriation . . . . . . . . . . . $8,500,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . $183,303,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects as outlined in the project lists incorporated in this section. For projects funded by new revenue in the 2003 and 2005 transportation packages, reporting elements shall include, but not be limited to, project scope, schedule, and costs. Other projects may be reported on a programmatic basis.
The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system (TEIS).

(2) $8,500,000 of the passenger ferry account--state appropriation is provided solely for the establishment of a ferry grant program to provide operating or capital grants for ferry systems as provided in chapters 36.54 and 36.57A RCW to operate a passenger-only ferry system.

(3) The department shall seek the use of unprogrammed federal rail crossing funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(4) The department shall apply for surface transportation program (STP) enhancement funds to be expended in lieu of or in addition to state funds for eligible costs of projects in local programs, program Z capital.

(5) Federal funds may be transferred from program Z to programs I and P and state funds shall be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without approval of the office of financial management. The department shall submit a report on those projects receiving fund transfers to the office of financial management and the transportation committees of the legislature by December 1, 2007, and December 1, 2008.

(6) The city of Winthrop may utilize a design-build process for the Winthrop bike path project. Of the amount appropriated in this section for this project, $500,000 of the multimodal transportation account--state appropriation is contingent upon the state receiving from the city of Winthrop $500,000 in federal funds awarded to the city of Winthrop by its local planning organization.

(7) $7,000,000 of the multimodal transportation account--state appropriation, $7,000,000 of the motor vehicle account--federal appropriation, and $4,000,000 of the transportation partnership account--state appropriation are provided solely for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in the LEAP Transportation Document 2007-A, pedestrian and bicycle safety program projects and safe routes to...
schools program projects as developed March 27, 2007. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

(8) Up to a maximum of $5,000,000 of the multimodal transportation account--state appropriation and up to a maximum of $2,000,000 of the motor vehicle account--federal appropriation are reappropriated for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified in the LEAP transportation document 2006-B, pedestrian and bicycle safety program projects and safe routes to schools program projects as developed March 8, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award.

NEW SECTION. Sec. 312. (1) Up to $881,646,000 in proceeds from the sale of bonds authorized in RCW 47.10.873 is available to support both of the transportation partnership account--state appropriations in sections 305 and 306 of this act.

(2) Up to $858,724,000 in proceeds from the sale of bonds authorized by RCW 47.10.861 is available to support both of the transportation 2003 account (nickel account)--state appropriations in sections 305 and 306 of this act.
(3) Up to $22,080,000 in proceeds from the sale of bonds authorized
in Substitute Senate Bill No. 5107 is available to support both of the
special category C account—state appropriations in sections 305 and
306 of this act. If Substitute Senate Bill No. 5107 is not enacted by
June 30, 2007, the amount provided in this subsection shall lapse.

TRANSFERS AND DISTRIBUTIONS

NEW SECTION. Sec. 401. FOR THE STATE TREASURER—BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND
TRANSPORTATION FUND REVENUE

Highway Bond Retirement Account Appropriation .............. $548,852,000
Ferry Bond Retirement Account Appropriation .............. $38,059,000
Transportation Improvement Board Bond Retirement
Account—State Appropriation .................. $26,844,000
Nondebt-Limit Reimbursable Account Appropriation ......... $15,477,000
Transportation Partnership Account—State
Appropriation ................................... $6,612,000
Motor Vehicle Account—State Appropriation ............. $563,000
Transportation Improvement Account—State Appropriation ... $68,000
Multimodal Transportation Account—State
Appropriation ................................... $1,307,000
Transportation 2003 Account (Nickel Account)—State
Appropriation ................................... $6,440,000
Urban Arterial Trust Account—State Appropriation ......... $473,000
Special Category C Account Appropriation ................. $278,000
TOTAL APPROPRIATION .................................. $644,973,000

NEW SECTION. Sec. 402. FOR THE STATE TREASURER—BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
BOND SALE EXPENSES AND FISCAL AGENT CHARGES
Transportation Partnership Account—State Appropriation .. $2,204,000
Motor Vehicle Account—State Appropriation ............. $188,000
Transportation Improvement Account—State Appropriation ... $5,000
Multimodal Transportation Account—State Appropriation ... $130,000
Transportation 2003 Account (Nickel Account)—State
Appropriation ................................... $2,147,000
NEW SECTION. Sec. 403. FOR THE STATE TREASURER--BOND RETIREMENT
AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR
MVFT BONDS AND TRANSFERS

(1) Motor Vehicle Account--State Reappropriation:
For transfer to the Tacoma Narrows Toll Bridge
Account .......................................................... $131,016,000

The department of transportation is authorized to sell up to
$131,016,000 in bonds authorized by RCW 47.10.843 for the Tacoma
Narrows bridge project. Proceeds from the sale of the bonds shall be
deposited into the motor vehicle account. The department of
transportation shall inform the treasurer of the amount to be
deposited.

(2) Motor Vehicle Account--State Appropriation:
For transfer to the Puget Sound Capital Construction
Account .......................................................... $75,000,000

The department of transportation is authorized to sell up to
$75,000,000 in bonds authorized by RCW 47.10.843 for vessel and
terminal acquisition, major and minor improvements, and long lead-time
materials acquisition for the Washington state ferries.

NEW SECTION. Sec. 404. FOR THE STATE TREASURER--STATE REVENUES
FOR DISTRIBUTION
Motor Vehicle Account Appropriation for
motor vehicle fuel tax distributions to cities
and counties ..................................................... $526,320,000

NEW SECTION. Sec. 405. FOR THE STATE TREASURER--TRANSFERS
Motor Vehicle Account--State
Appropriation: For motor vehicle fuel tax
refunds and statutory transfers ......................... $937,181,000

NEW SECTION. Sec. 406. FOR THE DEPARTMENT OF LICENSING--
TRANSFERS

Motor Vehicle Account--State
Appropriation: For motor vehicle fuel tax refunds and transfers ....................... $346,657,000

NEW SECTION. Sec. 407. FOR THE STATE TREASURER--ADMINISTRATIVE TRANSFERS

(1) Recreational Vehicle Account--State
Appropriation: For transfer to the Motor Vehicle Account--State ....................... $3,005,000

(2) License Plate Technology Account--State
Appropriation: For the Highway Safety Account--State ................................ $4,500,000

(3) Motor Vehicle Account--State Appropriation:
For transfer to the High-Occupancy Toll Lanes Operations--State Account ................ $3,000,000

(4) Motor Vehicle Account--State Appropriation:
For transfer to the Puget Sound Capital Construction Account--State ................ $30,000,000

(5) Multimodal Transportation Account--State
Appropriation: For transfer to the Puget Sound Ferry Operations Account--State ................ $35,000,000

(6) Advanced Right-of-Way Revolving Account--State
Appropriation: For transfer to the Motor Vehicle Account--State ......................... $30,000,000

(7) Waste Tire Removal Account--State Appropriation:
For transfer to the Motor Vehicle Account--State ........................................ $5,600,000

(8) Motor Vehicle Account--State Appropriation:
For transfer to the Transportation Partnership Account--State ......................... $28,000,000

(9) Multimodal Transportation Account--State
Appropriation: For transfer to the Puget Sound Capital Construction Account--State ................ $7,000,000

The transfers identified in this section are subject to the following conditions and limitations: The amount transferred in subsection (3) of this section may be spent only on "highway purposes" as that term is construed in Article II, section 40 of the Washington state Constitution.
NEW SECTION. Sec. 408. STATUTORY APPROPRIATIONS. In addition to
the amounts appropriated in this act for revenue for distribution,
state contributions to the law enforcement officers' and firefighters'
retirement system, and bond retirement and interest including ongoing
bond registration and transfer charges, transfers, interest on
registered warrants, and certificates of indebtedness, there is also
appropriated such further amounts as may be required or available for
these purposes under any statutory formula or under any proper bond
covenant made under law.

NEW SECTION. Sec. 409. The department of transportation is
authorized to undertake federal advance construction projects under the
provisions of 23 U.S.C. Sec. 115 in order to maintain progress in
meeting approved highway construction and preservation objectives. The
legislature recognizes that the use of state funds may be required to
temporarily fund expenditures of the federal appropriations for the
highway construction and preservation programs for federal advance
construction projects prior to conversion to federal funding.

COMPENSATION

NEW SECTION. Sec. 501. COMPENSATION--NONREPRESENTED EMPLOYEES--
INSURANCE BENEFITS. The appropriations for state agencies, are subject
to the following conditions and limitations:

(1)(a) The monthly employer funding rate for insurance benefit
premiums, public employees' benefits board administration, and the
uniform medical plan, shall not exceed $707 per eligible employee for
fiscal year 2008. For fiscal year 2009 the monthly employer funding
rate shall not exceed $732 per eligible employee.

(b) In order to achieve the level of funding provided for health
benefits, the public employees' benefits board shall require any or all
of the following: Employee premium copayments, increases in
point-of-service cost sharing, the implementation of managed
competition, or make other changes to benefits consistent with RCW
41.05.065.

(c) The health care authority shall deposit any moneys received on
behalf of the uniform medical plan as a result of rebates on
prescription drugs, audits of hospitals, subrogation payments, or any
other moneys recovered as a result of prior uniform medical plan claims
payments, into the public employees' and retirees' insurance account to
be used for insurance benefits. Such receipts shall not be used for
administrative expenditures.

(2) The health care authority, subject to the approval of the
public employees' benefits board, shall provide subsidies for health
benefit premiums to eligible retired or disabled public employees and
school district employees who are eligible for medicare, pursuant to
RCW 41.05.085. From January 1, 2008, through December 31, 2008, the
subsidy shall be $165.31. Starting January 1, 2009, the subsidy shall
be $184.26 per month.

NEW SECTION. Sec. 502. COMPENSATION--REPRESENTED EMPLOYEES
OUTSIDE SUPER COALITION--INSURANCE BENEFITS. The appropriations for
state agencies, are subject to the following conditions and
limitations:

(1)(a) The monthly employer funding rate for insurance benefit
premiums, public employees' benefits board administration, and the
uniform medical plan, for represented employees outside the super
coalition under chapter 41.80 RCW, shall not exceed $707 per eligible
employee for fiscal year 2008. For fiscal year 2009 the monthly
employer funding rate shall not exceed $732 per eligible employee.

(b) In order to achieve the level of funding provided for health
benefits, the public employees' benefits board shall require any or all
of the following: Employee premium copayments, increases in
point-of-service cost sharing, the implementation of managed
competition, or make other changes to benefits consistent with RCW
41.05.065.

(c) The health care authority shall deposit any moneys received on
behalf of the uniform medical plan as a result of rebates on
prescription drugs, audits of hospitals, subrogation payments, or any
other moneys recovered as a result of prior uniform medical plan claims
payments, into the public employees' and retirees' insurance account to
be used for insurance benefits. Such receipts shall not be used for
administrative expenditures.

(2) The health care authority, subject to the approval of the
public employees' benefits board, shall provide subsidies for health
benefit premiums to eligible retired or disabled public employees and
school district employees who are eligible for medicare, pursuant to RCW 41.05.085. From January 1, 2008, through December 31, 2008, the subsidy shall be $165.31. Starting January 1, 2009, the subsidy shall be $184.26 per month.

NEW SECTION. Sec. 503. COMPENSATION--REPRESENTED EMPLOYEES--SUPER COALITION. Collective bargaining agreements negotiated as part of the super coalition under chapter 41.80 RCW include employer contributions to health insurance premiums at 88% of the cost. Funding rates at this level are currently $707 per month for fiscal year 2008 and $732 per month for fiscal year 2009. The agreements also include a one-time payment of $756 for each employee who is eligible for insurance for the month of June, 2007, as well as continuation of the salary increases that were negotiated for the twelve-month period beginning July 1, 2006, and scheduled to terminate June 30, 2007.

NEW SECTION. Sec. 504. COMPENSATION--PENSION CONTRIBUTIONS. The appropriations for state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are provided to fund employer contributions to state pension funds at the rates adopted by the pension funding council.

NEW SECTION. Sec. 505. COMPENSATION--REVISE PENSION GAIN SHARING. The appropriations for (schools) state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to pension gain sharing as provided in Z--.......

NEW SECTION. Sec. 506. NONREPRESENTED EMPLOYEE COMPENSATION. The appropriations for nonrepresented employee compensation adjustments are provided solely for:

(1) Across the Board Adjustments.

(a) Appropriations are provided for a 3.2% salary increase effective July 1, 2007, for all classified employees, except those represented by a collective bargaining unit under chapter 41.80 RCW, and except the certificated employees of the state schools for the deaf and blind and employees of community and technical colleges covered by
the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the director of personnel.

The appropriations are also sufficient to fund a 3.2% salary increase effective July 1, 2007, and for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(b) Appropriations are provided for a 2.0% salary increase effective July 1, 2008, for all classified employees, except those represented by a collective bargaining unit under chapter 41.80 RCW, and except for the certificated employees of the state schools of the deaf and blind and employees of community and technical colleges covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the director of personnel. The appropriations are also sufficient to fund a 2.0% salary increase effective July 1, 2008, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(2) Salary Survey.

For state employees, except those represented by a bargaining unit under chapters 41.80, 41.56, and 47.64 RCW, funding is provided for implementation of the department of personnel's 2006 salary survey, for job classes more than 25% below market rates and affected classes.

(3) Classification Consolidation.

For state employees, except those represented by a bargaining unit under chapters 41.80, 41.56, and 47.64 RCW, funding is provided for implementation of the department of personnel's phase 4 job class consolidation and revisions under the personnel system reform act of 2002.

(4) Agency Request Consolidation.

For state employees, except those represented by a bargaining unit under chapters 41.80, 41.56, and 47.64 RCW, funding is provided for implementation of the department of personnel's agency request job class consolidation and reclassification plan.

(5) Additional Pay Step.
For state employees, except those represented by a bargaining unit under chapters 41.80, 41.56, and 47.64 RCW, funding is provided for a new pay step L for those who have been in step K for at least one year.

(6) Retain Fiscal Year 2007 Pay Increase.

For all classified state employees, except those represented by a bargaining unit under chapters 41.80, 41.56, and 47.64 RCW, and except for the certificated employees of the state schools of the deaf and blind and employees of community and technical colleges covered by the provisions of Initiative Measure No. 732, funding is provided for continuation of the 1.6% salary increase that was provided during fiscal year 2007. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the director of personnel. The appropriations are also sufficient to continue a 1.6% salary increase for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

NEW SECTION. Sec. 507. COLLECTIVE BARGAINING AGREEMENTS.

Provisions of the collective bargaining agreements contained in sections 508 through 518 of this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements contained in sections 506 through 516 may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

NEW SECTION. Sec. 508. COLLECTIVE BARGAINING AGREEMENT--IBU.

Appropriations in this act contain funding for the collective bargaining agreement reached between the governor and the inlandboatmen's union of the pacific under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and increases ranging from
1.5% to 4% to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 509. COLLECTIVE BARGAINING AGREEMENT--MEBA-LICENSED. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the marine engineers' beneficial association under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and increases ranging from 1% to 6% to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 510. COLLECTIVE BARGAINING AGREEMENT--MEBA-UNLICENSED. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the marine engineers' beneficial association under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, and a 2% salary increase effective July 1, 2008.

NEW SECTION. Sec. 511. COLLECTIVE BARGAINING AGREEMENT--MM&P. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the international organization of master, mates & pilots, local 6, under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and increases ranging from 2.5% to 7.5% to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.
NEW SECTION. Sec. 512. COLLECTIVE BARGAINING AGREEMENT--MM&P-WATCH SUPERVISORS. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the international organization of master, mates & pilots, watch supervisors, local 6, under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and a 3% increase to address this specific classification which is below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 513. COLLECTIVE BARGAINING AGREEMENT--METAL TRADES COUNCIL. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the Puget Sound metal trades council under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and a $0.95/hour salary adjustment to all classifications which are below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 514. COLLECTIVE BARGAINING AGREEMENT--FASPAA. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the ferry agents, supervisors, & project administrators association under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and a 10% increase to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.
NEW SECTION. Sec. 515. COLLECTIVE BARGAINING AGREEMENT--OPEIU.
Appropriations in this act reflect the collective bargaining agreement reached between the governor and the office & professional employees international union, local 8, under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and a one salary range (5%) increase to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 516. COLLECTIVE BARGAINING AGREEMENT--SEIU.
Appropriations in this act reflect the collective bargaining agreement reached between the governor and the service employees international union, local 6, under chapter 47.64 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, a 2% salary increase effective July 1, 2008, and a 5% increase to address specific classifications which are below market rates as established by the marine employees commission 2006 salary survey.

NEW SECTION. Sec. 517. COLLECTIVE BARGAINING AGREEMENT--WSP TROOPERS ASSOCIATION.
Appropriations in this act reflect funding for the collective bargaining agreement reached between the governor and the Washington state patrol trooper's association under the provisions of chapter 41.56 RCW. For employees covered under this agreement, provisions include a 4.0% salary increase effective July 1, 2007, and a 4.0% salary increase effective July 1, 2008.

NEW SECTION. Sec. 518. COLLECTIVE BARGAINING AGREEMENT--WSP LIEUTENANTS ASSOCIATION.
Appropriations in this act reflect funding for the collective bargaining agreement reached between the governor and the Washington state patrol lieutenant's association under the provisions of chapter 41.56 RCW. For employees covered under this
agreement, provisions include a 4.0% salary increase effective July 1, 2007, and a 4.0% salary increase effective July 1, 2008.

NEW SECTION. Sec. 519. COLLECTIVE BARGAINING AGREEMENT--IFPTE. Appropriations in this act reflect the collective bargaining agreement reached between the governor and the international federation of professional and technical engineers under the provisions of chapter 41.80 RCW. For employees covered under this agreement, provisions include a 1.6% salary increase effective July 1, 2007, which continues the increase that went into effect July 1, 2006, and is set to terminate June 30, 2007. Also included is a 3.2% salary increase effective July 1, 2007, and a 2% salary increase effective July 1, 2008. Select classifications will receive wage increases due to the implementation of the department of personnel's 2006 salary survey for classes more than 25% below market rates. These increases will be effective July 1, 2007. All employees covered under the agreement that have been at the top step of their range for a year or longer will progress to a new step L effective July 1, 2007.

IMPLEMENTING PROVISIONS

NEW SECTION. Sec. 601. Executive Order number 05-05, archaeological and cultural resources, was issued effective November 10, 2005. Agencies and higher education institutions that issue grants or loans for capital projects shall comply with the requirements set forth in this executive order.

NEW SECTION. Sec. 602. INFORMATION SYSTEMS PROJECTS. Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) Agency planning and decisions concerning information technology shall be made in the context of its information technology portfolio. "Information technology portfolio" means a strategic management approach in which the relationships between agency missions and information technology investments can be seen and understood, such that: Technology efforts are linked to agency objectives and business plans; the impact of new investments on existing infrastructure and
1 business functions are assessed and understood before implementation; and agency activities are consistent with the development of an integrated, nonduplicative statewide infrastructure.

(2) Agencies shall use their information technology portfolios in making decisions on matters related to the following:

(a) System refurbishment, acquisitions, and development efforts;

(b) Setting goals and objectives for using information technology in meeting legislatively-mandated missions and business needs;

(c) Assessment of overall information processing performance, resources, and capabilities;

(d) Ensuring appropriate transfer of technological expertise for the operation of any new systems developed using external resources; and

(e) Progress toward enabling electronic access to public information.

(3) Each project will be planned and designed to take optimal advantage of Internet technologies and protocols. Agencies shall ensure that the project is in compliance with the architecture, infrastructure, principles, policies, and standards of digital government as maintained by the information services board.

(4) The agency shall produce a feasibility study for information technology projects at the direction of the information services board and in accordance with published department of information services policies and guidelines. At a minimum, such studies shall include a statement of: (a) The purpose or impetus for change; (b) the business value to the agency, including an examination and evaluation of benefits, advantages, and cost; (c) a comprehensive risk assessment based on the proposed project's impact on both citizens and state operations, its visibility, and the consequences of doing nothing; (d) the impact on agency and statewide information infrastructure; and (e) the impact of the proposed enhancements to an agency's information technology capabilities on meeting service delivery demands.

(5) The agency shall produce a comprehensive management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan(s) shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information technology project is intended to address; a statement of project objectives and assumptions;
a definition and schedule of phases, tasks, and activities to be accomplished; and the estimated cost of each phase. The planning for the phased approach shall be such that the business case justification for a project needs to demonstrate how the project recovers cost or adds measurable value or positive cost benefit to the agency's business functions within each development cycle.

(6) The agency shall produce quality assurance plans for information technology projects. Consistent with the direction of the information services board and the published policies and guidelines of the department of information services, the quality assurance plan shall address all factors critical to successful completion of the project and successful integration with the agency and state information technology infrastructure. At a minimum, quality assurance plans shall provide time and budget benchmarks against which project progress can be measured, a specification of quality assurance responsibilities, and a statement of reporting requirements. The quality assurance plans shall set out the functionality requirements for each phase of a project.

(7) A copy of each feasibility study, project management plan, and quality assurance plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. The plans and studies shall demonstrate a sound business case that justifies the investment of taxpayer funds on any new project, an assessment of the impact of the proposed system on the existing information technology infrastructure, the disciplined use of preventative measures to mitigate risk, and the leveraging of private-sector expertise as needed. Authority to expend any funds for individual information systems projects is conditioned on the approval of the relevant feasibility study, project management plan, and quality assurance plan by the department of information services and the office of financial management.

(8) Quality assurance status reports shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees at intervals specified in the project's quality assurance plan.

NEW SECTION. Sec. 603. FUND TRANSFERS. (1) The transportation 2003 projects or improvements and the 2005 transportation partnership
projects or improvements are listed in LEAP Transportation Document 2007-1, which consists of a list of specific projects by fund source and amount over a sixteen year period. Current biennium funding for each project is a line item appropriation, while the outer year funding allocations represent a sixteen year balanced plan. Unless otherwise provided in this act, the director of financial management may authorize a transfer of spending allocation within the appropriation provided and between projects funded with transportation 2003 account (nickel account) appropriations, transportation partnership account appropriations, or multimodal transportation account appropriations, in order to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

(b) Transfers from a project may not be made as a result of the reduction of the scope of a project, nor shall a transfer be made to support increases in the scope of a project;

(c) Each transfer between projects may only occur if the director of financial management finds that any resulting change will not hinder the completion of the projects as approved by the legislature;

(d) Transfers to a project may be made without an offsetting project reduction if the office of financial management finds there is sufficient appropriation authority to accommodate the allocation increase;

(e) Transfers of less than $500,000 may be made by the department without approval from the office of financial management;

(f) Transfers may not occur to projects not identified on the applicable project list; and

(g) Transfers may not be made while the legislature is in session.

(2) At the time the department submits a request to transfer funds under this section a copy of the request shall be submitted to the transportation committees of the legislature. The request must include how the fund transfer requests will be accommodated in a balanced financial plan, consistent with legislative intent. A report of all approved transfers made under this section shall be submitted on October 1st of each fiscal year to the transportation committees of the legislature.
(3) The office of financial management shall work with legislative staff of the house of representatives and senate transportation committees and the legislative evaluation and accountability program committee to review the requested transfers.

(4) The office of financial management shall document approved transfers and/or schedule changes in the transportation executive information system (TEIS), compare changes to the last legislative session, and transmit revised project lists to chairs of the transportation committees of the legislature on a quarterly basis.

NEW SECTION. Sec. 604. MEGA-PROJECT REPORTING. Mega-projects are defined as individual or groups of related projects that cost $1,000,000,000 or more. These projects include, but are not limited to: Alaskan Way Viaduct, SR 520, SR 167, I-405, North Spokane corridor, I-5 Tacoma HOV, and the Columbia River Crossing. The office of financial management shall track mega-projects and report the financial status and schedule of these projects at least once a year to the transportation committees of the legislature.

MISCELLANEOUS 2007-09 BIENNium

Sec. 701. RCW 46.68.170 and 1996 c 237 s 2 are each amended to read as follows:

There is hereby created in the motor vehicle fund the RV account. All moneys hereafter deposited in said account shall be used by the department of transportation for the construction, maintenance, and operation of recreational vehicle sanitary disposal systems at safety rest areas in accordance with the department's highway system plan as prescribed in chapter 47.06 RCW. During the 2005-2007 and 2007-2009 fiscal biennia, the legislature may transfer from the RV account to the motor vehicle fund such amounts as reflect the excess fund balance of the RV account.

Sec. 702. RCW 47.29.170 and 2006 c 370 s 604 are each amended to read as follows:

Before accepting any unsolicited project proposals, the commission must adopt rules to facilitate the acceptance, review, evaluation, and
selection of unsolicited project proposals. These rules must include
the following:

(1) Provisions that specify unsolicited proposals must meet
predetermined criteria;
(2) Provisions governing procedures for the cessation of
negotiations and consideration;
(3) Provisions outlining that unsolicited proposals are subject to
a two-step process that begins with concept proposals and would only
advance to the second step, which are fully detailed proposals, if the
commission so directed;
(4) Provisions that require concept proposals to include at least
the following information: Proposers' qualifications and experience;
description of the proposed project and impact; proposed project
financing; and known public benefits and opposition; and
(5) Provisions that specify the process to be followed if the
commission is interested in the concept proposal, which must include
provisions:
  (a) Requiring that information regarding the potential project
would be published for a period of not less than thirty days, during
which time entities could express interest in submitting a proposal;
  (b) Specifying that if letters of interest were received during the
thirty days, then an additional sixty days for submission of the fully
detailed proposal would be allowed; and
  (c) Procedures for what will happen if there are insufficient
proposals submitted or if there are no letters of interest submitted in
the appropriate time frame.

The commission may adopt other rules as necessary to avoid
conflicts with existing laws, statutes, or contractual obligations of
the state.

The commission may not accept or consider any unsolicited proposals
before (June 30, 2007) July 1, 2009.

NEW SECTION. Sec. 703. To the extent that any appropriation
authorizes expenditures of state funds from the motor vehicle account,
special category C account, Tacoma Narrows toll bridge account,
transportation 2003 account (nickel account), transportation
partnership account, transportation improvement account, Puget Sound
capital construction account, multimodal transportation account, or
other transportation capital project account in the state treasury for a state transportation program that is specified to be funded with proceeds from the sale of bonds authorized in chapter 47.10 RCW, the legislature declares that any such expenditures made prior to the issue date of the applicable transportation bonds for that state transportation program are intended to be reimbursed from proceeds of those transportation bonds in a maximum amount equal to the amount of such appropriation.

Sec. 704. RCW 46.16.685 and 2003 c 370 s 4 are each amended to read as follows:
The license plate technology account is created in the state treasury. All receipts collected under RCW 46.01.140(4)(e)(ii) must be deposited into this account. Expenditures from this account must support current and future license plate technology and systems integration upgrades for both the department and correctional industries. Moneys in the account may be spent only after appropriation. Additionally, the moneys in this account may be used to reimburse the motor vehicle account for any appropriation made to implement the digital license plate system. During the 2007-2009 fiscal biennium, the legislature may transfer from the license plate technology account to the highway safety fund such amounts as reflect the excess fund balance of the license plate technology account.

Sec. 705. RCW 47.01.390 and 2006 c 311 s 27 are each amended to read as follows:
(1) Prior to commencing construction on either project, the department of transportation must complete all of the following requirements for both the Alaskan Way viaduct and Seattle Seawall replacement project, and the state route number 520 bridge replacement and HOV project: (a) In accordance with the national environmental policy act, the department must designate the preferred alternative, prepare a substantial project mitigation plan, and complete a comprehensive cost estimate review using the department's cost estimate validation process, for each project; (b) in accordance with all applicable federal highway administration planning and project management requirements, the department must prepare a project finance plan for each project that clearly identifies secured and anticipated
1 fund sources, cash flow timing requirements, and project staging and
2 phasing plans if applicable; and (c) the department must report these
3 results for each project to the joint transportation committee.

(2) The requirements of this section shall not apply to (a) utility
5 relocation work, and related activities, on the Alaskan Way viaduct and
6 Seattle Seawall replacement project and (b) off-site pontoon
7 construction supporting the state route number 520 bridge replacement
8 and HOV project.

(3) The requirements of subsection (1) of this section shall not
10 apply during the 2007-2009 fiscal biennium.

Sec. 706. RCW 88.16.090 and 2005 c 26 s 2 are each amended to read
12 as follows:

(1) A person may pilot any vessel subject to this chapter on waters
14 covered by this chapter only if licensed to pilot such vessels on such
15 waters under this chapter.

(2)(a) A person is eligible to be licensed as a pilot if the
17 person:

(i) Is a citizen of the United States;

(ii) Is over the age of twenty-five years and under the age of
20 seventy years;

(iii) Is a resident of the state of Washington at the time of
22 licensure as a pilot;

(iv) (A) Holds at the time of application, as a minimum, a United
24 States government license as master of steam or motor vessels of not
25 more than one thousand six hundred gross register tons (three thousand
26 international tonnage convention tons) upon oceans, near coastal
27 waters, or inland waters; or the then most equivalent federal license
28 as determined by the board; any such license to have been held by the
29 applicant for a period of at least two years before application;

(B) Holds at the time of licensure as a pilot, after successful
31 completion of the board-required training program, a first class United
32 States endorsement without restrictions on the United States government
33 license for the pilotage district in which the pilot applicant desires
34 to be licensed; however, all applicants for a pilot examination
35 scheduled to be given before July 1, 2008, must have the United States
36 pilotage endorsement at the time of application; and
(C) The board may establish such other federal license requirements for applicants and pilots as it deems appropriate; and

(v) Successfully completes a board-specified training program.

(b) In addition to the requirements of (a) of this subsection, a pilot applicant must meet such other qualifications as may be required by the board.

(c) A person applying for a license under this section shall not have been convicted of an offense involving drugs or the personal consumption of alcohol in the twelve months prior to the date of application. This restriction does not apply to license renewals under this section.

(3) The board may establish such other training license and pilot license requirements as it deems appropriate.

(4) Pilot applicants shall be evaluated and ranked in a manner specified by the board based on their experience, other qualifications as may be set by the board, performance on a written examination or examinations established by the board, and performance in such other evaluation exercises as may be required by the board, for entry into a board-specified training program.

When the board determines that the demand for pilots requires entry of an applicant into the training program it shall issue a training license to that applicant, but under no circumstances may an applicant be issued a training license more than four years after taking the written entry examination. The training license authorizes the trainee to do such actions as are specified in the training program.

After the completion of the training program the board shall evaluate the trainee's performance and knowledge. The board, as it deems appropriate, may then issue a pilot license, delay the issuance of the pilot license, deny the issuance of the pilot license, or require further training and evaluation.

(5) The board may appoint a special independent committee or may contract with a firm knowledgeable and experienced in the development of professional tests and evaluations for development and grading of the examinations and other evaluation methods. Active licensed state pilots may be consulted for the general development of any examinations and evaluation exercises but shall have no knowledge of the specific questions. The pilot members of the board may participate in the grading of examinations. If the board does appoint a special
examination or evaluation development committee it is authorized to pay
the members of the committee the same compensation and travel expenses
as received by members of the board. Any person who willfully gives
advance knowledge of information contained on a pilot examination or
other evaluation exercise is guilty of a gross misdemeanor.

(6) Pilots are licensed under this section for a term of five years
from and after the date of the issuance of their respective state
licenses. Licenses must thereafter be renewed as a matter of course,
unless the board withholds the license for good cause. Each pilot
shall pay to the state treasurer an annual license fee ((of three
thousand dollars)) in an amount set by the board by rule. The fees
established under this subsection may be increased in excess of the
fiscal growth factor as provided in RCW 43.135.055 through the fiscal
year ending June 30, 2009. The fees must be deposited in the state
treasury to the credit of the pilotage account. The board may assess
partially active or inactive pilots a reduced fee.

(7) All pilots and applicants are subject to an annual physical
examination by a physician chosen by the board. The physician shall
examine the applicant's heart, blood pressure, circulatory system,
lungs and respiratory system, eyesight, hearing, and such other items
as may be prescribed by the board. After consultation with a physician
and the United States coast guard, the board shall establish minimum
health standards to ensure that pilots licensed by the state are able
to perform their duties. Within ninety days of the date of each annual
physical examination, and after review of the physician's report, the
board shall make a determination of whether the pilot or applicant is
fully able to carry out the duties of a pilot under this chapter. The
board may in its discretion check with the appropriate authority for
any convictions of offenses involving drugs or the personal consumption
of alcohol in the prior twelve months.

(8) The board may require vessel simulator training for a pilot
applicant and shall require vessel simulator training for a licensed
pilot subject to RCW 88.16.105. The board shall also require vessel
simulator training in the first year of active duty for a new pilot and
at least once every five years for all active pilots.

(9) The board shall prescribe, pursuant to chapter 34.05 RCW, such
reporting requirements and review procedures as may be necessary to
assure the accuracy and validity of license and service claims.
Willful misrepresentation of such required information by a pilot
applicant shall result in disqualification of the pilot applicant.

Sec. 707. RCW 47.12.244 and 1991 c 291 s 2 are each amended to
read as follows:
There is created the "advance right of way revolving fund" in the
custody of the treasurer, into which the department is authorized to
deposit directly and expend without appropriation:
(1) An initial deposit of ten million dollars from the motor
vehicle fund included in the department of transportation's 1991-93
budget;
(2) All moneys received by the department as rental income from
real properties that are not subject to federal aid reimbursement,
except moneys received from rental of capital facilities properties as
defined in chapter 47.13 RCW; and
(3) Any federal moneys available for acquisition of right of way
for future construction under the provisions of section 108 of Title
23, United States Code.
(4) During the 2007-09 fiscal biennium, the legislature may
transfer from the advance right of way revolving fund to the motor
vehicle account amounts as reflect the excess fund balance of the
advance right of way revolving fund.

Sec. 708. RCW 70.95.521 and 2005 c 354 s 3 are each amended to
read as follows:
The waste tire removal account is created in the state treasury.
All receipts from tire fees imposed under RCW 70.95.510 must be
deposited in the account. Moneys in the account may be spent only
after appropriation. Expenditures from the account may be used for the
cleanup of unauthorized waste tire piles and measures that prevent
future accumulation of unauthorized waste tire piles. During the 2007-
2009 fiscal biennium, the legislature may transfer from the waste tire
removal account to the motor vehicle fund such amounts as reflect the
excess fund balance of the waste tire removal account.

NEW SECTION. Sec. 709. The department of transportation, in
conjunction with the office of financial management, must implement the
governmental accounting standards board's (GASB) statement number 34 including a complete inventory and valuation of the state's highway system. The financial reporting value of the state's highway system must be adjusted for any new additions to the system. The biennial reporting of the condition of the system must be related to the funding levels of maintaining the system. The department must maintain a current inventory of the state's highway system and estimate the actual cost to maintain and preserve the assets. In addition to the GASB statement 34, the department of transportation with the office of financial management's assistance must establish an asset replacement value for the entire state's highway system. During 2007, the speaker of the house of representatives must select one member from each caucus to work with the office of financial management and the department of transportation. The purpose of this effort is to enhance decision making that will result in strategic long-term investment decisions in transportation capital project management and asset preservation. The office of financial management will coordinate and manage the inventory and the valuation. The office of financial management must submit a final report to the legislative transportation committees on or before December 1, 2008.

2005-07 BIENNium

TRANSPORTATION AGENCIES--OPERATING

Sec. 801. 2006 c 53 s 2 (uncodified) is amended to read as follows:

FOR THE BOARD OF PILOTAGE COMMISSIONERS
Pilotage Account--State Appropriation . . . . . . . . . . (($1,017,000))

$1,317,000

((The appropriation in this section is subject to the following conditions and limitations: $500,000 of the appropriation is provided solely for stipends to trainees in the training program as set forth in rules adopted by the board.))

NEW SECTION. Sec. 802. A new section is added to 2005 c 313 (uncodified) to read as follows:

FOR THE DEPARTMENT OF LICENSING. The appropriations to the
department of licensing in chapter 370, Laws of 2006 shall be expended for the programs and in the amounts specified herein. However, after May 1, 2007, unless specifically prohibited, the department may transfer motor vehicle account--state appropriations for the 2005-2007 fiscal biennium, highway safety account--state appropriations for the 2005-2007 fiscal biennium, and department of licensing services account--state appropriations for the 2005-2007 fiscal biennium between programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any allotment modifications or transfers under this section.

NEW SECTION. Sec. 803. A new section is added to 2005 c 313 (uncodified) to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION. (1) The appropriations to the department of transportation in this act shall be expended for the programs and in the amounts specified in this act. However, in order to meet extraordinary expenses in snow and ice removal, after May 1, 2007, unless specifically prohibited by this act, the department may transfer state appropriations among operating programs after approval by the director of financial management. However, the department shall not transfer state moneys that are provided solely for a specified purpose.

(2) The department shall not transfer funds, and the director of financial management shall not approve the transfer, unless the transfer is consistent with the objective of conserving, to the maximum extent possible, the expenditure of state funds and not federal funds. The director of financial management shall notify the appropriate transportation committees of the legislature in writing seven days prior to approving any allotment modifications or transfers under this subsection. The written notification shall include a narrative explanation and justification of the changes, along with expenditures and allotments by program and appropriation, both before and after any allotment modifications or transfers.
Sec. 804. 2006 c 370 s 205 (uncodified) is amended to read as follows:

FOR THE JOINT TRANSPORTATION COMMITTEE
Motor Vehicle Account--State Appropriation . . . . . . . . . $1,679,000

The appropriation in this section is subject to the following conditions and limitations:

(1)(a) $200,000 of the total appropriation is provided solely for the joint transportation committee to conduct a finance study of the Washington state ferry system. The purpose of the study is to facilitate policy discussions and decisions by members of the legislature regarding the Washington state ferry system. The legislature recognizes there is a need within the Washington state ferry system for predictable cash flows, transparency, assessment of organizational structure, verification that the Washington state ferry system is operating at maximum efficiency, and better labor relations. The committee shall report the study to the house of representatives and senate transportation committees by January 1, 2007.

(b) The study must include, at a minimum, a review and evaluation of the ferry system's financial plan, including current assumptions and past studies, in the following areas:

(i) Operating program, including ridership, revenue, and cost forecasts and the accuracy of those forecasts; and

(ii) Capital program, including project scoping, prioritization and cost estimating, project changes including legislative input regarding significant project changes, and performance measures.

(c) In addition to committee members, or their designees, the governor shall appoint a representative for this study. The committee may retain consulting services to assist the committee in conducting the study, including the evaluation of financial, operating, and capital plans. The committee may also appoint other persons to assist with the study.

(2) The joint transportation committee shall conduct a study regarding the feasibility of a statewide uniform motor vehicle excise tax (MVET) depreciation schedule. In addition to committee members, the participants in the study must include at a minimum the following individuals: (a) A representative of a regional transit authority (Sound Transit); (b) a representative of a regional transportation planning organization; (c) the secretary of transportation, or his or
(a) The study shall be guided by a 18 member task force consisting of the chairs and ranking members of the house of representatives and senate transportation committees, a designee of the director of the office of financial management, a member of the transportation commission, a designee of the secretary of transportation, a representative of organized labor, and ten stakeholders to be appointed by the governor as follows: Six representatives of ferry user communities, two representatives of public transportation agencies, and two representatives of commercial ferry operators.

(b) The study shall examine issues including but not limited to the long-term viability of different service providers, cost to ferry passengers, the state subsidies required by each provider, and the availability of federal funding for the different service providers.

(c) By November 30, 2005, the task force shall make its recommendations to the house of representatives and senate transportation committees.

(4) ($450,000 of the motor vehicle account—state appropriation is provided solely to administer a consultant study of the long-term viability of the state's transportation financing methods and sources.

(a) At a minimum, the study must examine the following: (i) The short and long-term viability of the motor fuel tax (both state and federal) as a major source of funding for transportation projects and programs; (ii) the desirability and effectiveness of state-distributed transportation funds for the benefit of local units of government; (iii) the potential for alternative and/or emerging sources of transportation revenues, with particular emphasis on user-based fees and charges; and (iv) trends and implications of debt financing for transportation projects. The scope of work for the study may be expanded to include analysis of other financing issues relevant to the long-term viability of the state's transportation system.
(b) The findings and recommendations must be submitted to the fiscal committees of the legislature by November 1, 2006.

(5) $75,000 of the motor vehicle account--state appropriation is provided solely for the joint transportation committee to contract for a review of existing research on programs and policies which decrease accidents by teenage drivers, including but not limited to publicly operated driver education and intermediate drivers licensing programs. The institute shall also evaluate the costs and benefits of programs and policies showing the greatest positive impact on teenage driving safety.

((6)) The committee shall conduct an evaluation of the department of transportation surface transportation program enhancement grant program. The evaluation will include (a) information about the categories of projects submitted for consideration; (b) a review of the allocation of funds awarded across the categories of STP enhancement eligible activities; (c) a review of the criteria used to score projects; and (d) a finding by the committee whether certain categories of projects are disproportionally funded or unfunded.

Sec. 805. 2006 c 370 s 208 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--FIELD OPERATIONS BUREAU
State Patrol Highway Account--State Appropriation . . ((201,063,000)) $197,234,000
State Patrol Highway Account--Federal Appropriation . . $10,544,000
State Patrol Highway Account--Private/Local Appropriation . . $169,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . $(211,776,000) $207,947,000

The appropriations in this section are subject to the following conditions and limitations:
(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol shall be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state patrol. The patrol

Code Rev/LL:mos 77 S-2925.5/07 5th draft
shall report to the house of representatives and senate transportation
committees by December 31, 2005, on the use of agency vehicles by
officers engaging in the off-duty employment specified in this
subsection. The report shall include an analysis that compares cost
reimbursement and cost-impacts, including increased vehicle mileage,
maintenance costs, and indirect impacts, associated with the private
use of patrol vehicles.

(2) In addition to the user fees, the patrol shall transfer into
the state patrol nonappropriated airplane revolving account under RCW
43.79.470 no more than the amount of appropriated state patrol highway
account and general fund funding necessary to cover the costs for the
patrol's use of the aircraft. The state patrol highway account and
general fund--state funds shall be transferred proportionately in
accordance with a cost allocation that differentiates between highway
traffic enforcement services and general policing purposes.

(3) The patrol shall not account for or record locally provided DUI
cost reimbursement payments as expenditure credits to the state patrol
highway account. The patrol shall report the amount of expected
locally provided DUI cost reimbursements to the transportation
committees of the senate and house of representatives by December 31st
of each year.

(4) The state patrol highway account--state appropriation for DUI
reimbursements shall only be spent for pursuit vehicle video cameras,
datamaster DUI testing equipment, tire deflator equipment, and taser
guns. The Washington state patrol prior to the issuance of any taser
guns will train the troopers on using the equipment. The agency will
provide a report to the transportation committees of the senate and
house of representatives by December 31st of each year on the
occurrences where the taser guns were utilized along with any issues
that have been identified.

(5) $29,000 of the state patrol highway account--state
appropriation is provided solely for the implementation of House Bill
No. 1469. If House Bill No. 1469 is not enacted by June 30, 2005, the
amount provided in this subsection shall lapse.

(6) $5,580,000 of the total appropriation is provided solely for a
3.8% salary increase for commissioned officers effective July 1, 2005,
in addition to any other salary increases provided for in this act.
(7) The Washington state patrol is authorized to use certificates of participation to fund the King Air aircraft replacement over a term of not more than ten years and an amount not to exceed $1,900,000.

(8)(a) $834,000 of the state patrol highway account--state appropriation is provided solely for the collective bargaining agreement reached between the governor and the Washington state patrol troopers association under chapter 438, Laws of 2005. For commissioned troopers and sergeants covered under this section, funding is provided for a 2.6% salary increase effective July 1, 2006. This increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Provisions of the collective bargaining agreement contained in this subsection are described in general terms. Only major economic terms are included in this description. This description does not contain the complete contents of the agreement. Due to the timing challenges in negotiating the initial collective bargaining agreement under chapter 438, Laws of 2005, this agreement was not concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

(b) $62,000 of the state patrol highway account--state appropriation is provided solely for salary increases for commissioned captains and lieutenants covered under this section, if a new collective bargaining agreement is reached between the governor and the Washington state patrol lieutenants association by July 1, 2006. The amount provided in this subsection is contingent on an agreement being reached by July 1, 2006, and shall be held in reserve status until the agreement is reached. If an agreement is not reached by July 1, 2006, the amount provided in this subsection shall lapse. If an agreement is reached by July 1, 2006, the increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Due to the timing challenges in negotiating a collective bargaining agreement funded under this subsection, the agreement will not have been concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.
(9) The Washington state patrol, in consultation with the department of licensing, local law enforcement agencies, and other appropriate organizations, shall study the options for implementing an inspection program for tow truck operators that are not licensed as registered tow truck operators. This study shall also evaluate prospective sources of funding and the amount of funding necessary for the program. The Washington state patrol shall report to the transportation committees of the legislature by December 1, 2006, on the options, strategies, and recommendations for implementing an inspection program for tow truck operators that are not licensed as registered tow truck operators.

(10) $2,040,000 of the state patrol highway account--state appropriation is provided solely for eighteen additional commissioned officers in the vessel and terminal security division.

(11) The office of financial management shall conduct a review of the state patrol highway account and report its findings to the legislature by January 1, 2007.

Sec. 806. 2006 c 370 s 209 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--INVESTIGATIVE SERVICES BUREAU
State Patrol Highway Account--State Appropriation . . . (($1,358,000)) $778,000

Sec. 807. 2006 c 370 s 210 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL--TECHNICAL SERVICES BUREAU
State Patrol Highway Account--State Appropriation . . (($91,359,000)) $91,742,000
State Patrol Highway Account--Private/Local Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . $2,008,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . (($93,367,000)) $93,750,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $247,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Second
Substitute House Bill No. 1188. If Second Substitute House Bill No. 1188 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(2) The Washington state patrol is instructed to work with the risk management division in the office of financial management in compiling the state patrol data for establishing the agency's risk management insurance premiums to the tort claims account. The office of financial management and the Washington state patrol shall submit a report to the transportation committees of the senate and house of representatives by December 31st of each year on the number of claims, estimated claims to be paid, method of calculation, and the adjustment in the premium.

(3) $8,678,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

(4) $5,254,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

(5) $384,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the patrol.

(6)(a) $28,000 of the state patrol highway account--state appropriation is provided solely for the collective bargaining agreement reached between the governor and the Washington state patrol troopers association under chapter 438, Laws of 2005. For commissioned troopers and sergeants covered under this section, funding is provided for a 2.6% salary increase effective July 1, 2006. This increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Provisions of the collective bargaining agreement contained in this subsection are described in general terms. Only major economic terms are included in this description. This description does not contain the complete contents of the agreement. Due to the timing challenges in negotiating the initial collective bargaining agreement under chapter 438, Laws of 2005, this agreement was not concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

(b) $2,000 of the state patrol highway account--state appropriation is provided solely for salary increases for commissioned captains and
lieutenants covered under this section, if a new collective bargaining
agreement is reached between the governor and the Washington state
patrol lieutenants association by July 1, 2006. The amount provided in
this subsection is contingent on an agreement being reached by July 1,
2006, and shall be held in reserve status until the agreement is
reached. If an agreement is not reached by July 1, 2006, the amount
provided in this subsection shall lapse. If an agreement is reached by
July 1, 2006, the increase supersedes the fiscal year 2007 increase
granted under section 501, chapter 313, Laws of 2005. Due to the
timing challenges in negotiating a collective bargaining agreement
funded under this subsection, the agreement will not have been
concluded by the October 1st statutory deadline. However, the
legislature does not intend to fund bargaining agreements concluded
after the October 1st deadline, or other salary increases not included
in the governor's budget proposal, in future biennia.

Sec. 808. 2006 c 370 s 215 (uncodified) is amended to read as
follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TOLL OPERATIONS AND
MAINTENANCE--PROGRAM B
Tacoma Narrows Toll Bridge Account--State Appropriation (($8,294,000))
$5,288,000

Sec. 809. 2006 c 370 s 218 (uncodified) is amended to read as
follows:

FOR THE DEPARTMENT OF TRANSPORTATION--AVIATION--PROGRAM F
Aeronautics Account--State Appropriation ........ (($7,137,000))
$6,925,000
Aeronautics Account--Federal Appropriation ........ $2,150,000
Multimodal Transportation Account--State Appropriation ... $100,000
Multimodal Transportation Account--Federal Appropriation .. $900,000
TOTAL APPROPRIATION ................... (($10,287,000))
$10,075,000

The appropriations in this section are subject to the following
conditions and limitations:

(1)(a) $433,000 of the aeronautics account--state appropriation is
provided solely for airport pavement projects. The department's
aviation division shall complete a priority airport pavement project
list by January 1, 2006, to be considered by the legislature in the 2006 supplemental budget. If Substitute Senate Bill No. 5414 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(b) If Substitute Senate Bill No. 5414 is enacted by July 1, 2005, then the remaining unexpended fund balance in the aircraft search and rescue, safety, and education account shall be deposited into the state aeronautics account.

(2) The entire multimodal transportation account--state and federal appropriations are provided solely for implementing Engrossed Substitute Senate Bill No. 5121. If Engrossed Substitute Senate Bill No. 5121 is not enacted by June 30, 2005, or if federal funds are not received by March 1, 2006, for the purpose of implementing Engrossed Substitute Senate Bill No. 5121, the amount provided in this subsection shall lapse.

Sec. 810. 2006 c 370 s 224 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRANSPORTATION PLANNING, DATA, AND RESEARCH--PROGRAM T
Motor Vehicle Account--State Appropriation . . . . . . (($24,052,000)) $23,053,000
Motor Vehicle Account--Federal Appropriation . . . . . . $16,756,000
Multimodal Transportation Account--State Appropriation . . $2,279,000
Multimodal Transportation Account--Federal Appropriation . . . . . . . . . . . . . . . . . $2,829,000
Multimodal Transportation Account--Private/Local Appropriation . . . . . . . . . . . . . . . . . . . . . . . . $100,000
Transportation Partnership Account--State Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,300,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . (($48,316,000)) $47,317,000

The appropriations in this section are subject to the following conditions and limitations:

(1) In order to qualify for state planning funds available to regional transportation planning organizations under this section, a regional transportation planning organization containing any county with a population in excess of one million shall provide voting
membership on its executive board to any incorporated principal city of a metropolitan statistical area within the region, as designated by the United States census bureau, and to any incorporated city within the region with a population in excess of eighty thousand as of July 1, 2005. Additionally, a regional transportation planning organization described under this subsection shall conduct a review of its executive board membership criteria to ensure that the criteria appropriately reflects a true and comprehensive representation of the organization's jurisdictions of significance within the region.

(2) $175,000 of the motor vehicle account--state appropriation is provided to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department to support the processing and analysis of the backlog of city and county collision reports by January 2006. The amount provided in this subsection shall lapse if federal funds become available for this purpose.

(3) $150,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1565. If Engrossed Second Substitute House Bill No. 1565 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(4) The department of transportation shall evaluate the number of spaces available for long-haul truck parking relative to current and projected future needs. The department of transportation shall also explore options for augmenting the number of spaces available, including, but not limited to, expanding state-owned rest areas or modifying regulations governing the use of these facilities, utilizing weigh stations and park and ride lots, and encouraging the expansion of the private sector's role. Finally, the department shall explore the utility of coordinating with neighboring states on long-haul truck parking and evaluate methodologies for alleviating any air quality issues relative to the issue. The department must report to the transportation committees of the legislature by December 1, 2005, on the options, strategies, and recommendations for long-haul truck parking.

(5) $50,000 of the multimodal transportation account--state appropriation is provided solely for evaluating high-speed passenger transportation facilities and services, including rail or magnetic levitation transportation systems, to connect airports as a means to
more efficiently utilize airport capacity, as well as connect major population and activity centers. This evaluation shall be coordinated with the airport capacity and facilities market analysis conducted pursuant to Engrossed Substitute Senate Bill No. 5121 and results of the evaluation shall be submitted by July 1, 2007. If Engrossed Substitute Senate Bill No. 5121 is not enacted by June 30, 2005, or if federal funds are not received by March 1, 2006, for the purpose of implementing Engrossed Substitute Senate Bill No. 5121, the amount provided in this subsection shall lapse.

(6) $700,000 of the motor vehicle account--state appropriation is provided solely for completing funding for a route development plan of U.S. route 2.

(7) The department shall conduct a study of the resources allocated to each of the seven department regions and the corresponding workloads. Given the magnitude of the investments in the Puget Sound region, particular emphasis shall be given to reviewing the resources allocated and corresponding workloads with respect to the urban corridors region and the northwest region. Based on the results of this study, the department shall submit recommendations by December 1, 2006, to the legislature and the office of financial management regarding reallocating resources and revising regional boundaries within the department, as appropriate, in order to better coincide allocated resources with designated regional boundaries.

(8) $750,000 of the multimodal transportation account--state appropriation is provided solely for implementing Engrossed Substitute House Bill No. 2871. If Engrossed Substitute House Bill No. 2871 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse. The regional transportation commission's duties to develop, complete, and submit a governance proposal to the 2007 legislature are highly time sensitive. As a result, the legislature finds that competitive bidding is not cost-effective or appropriate for personal service contracts entered into by the commission, and that the director of the office of financial management should, by the director's authority under RCW 39.29.011(5), exempt any such personal service contract from the competitive bidding requirements of chapter 39.29 RCW.

(9) $2,300,000 of the transportation partnership account--state appropriation is provided solely for the costs of the regional
transportation investment district (RTID) and department of transportation project oversight. The department shall provide support from its urban corridors region to assist in preparing project costs, expenditure plans, and modeling. The department shall not deduct a management reserve, nor charge management or overhead fees. These funds are provided as a loan to the RTID and shall be repaid to the state motor vehicle account within one year following the certification of the election results related to the RTID.

(10) $100,000 of the motor vehicle account--state appropriation is provided solely to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department solely to conduct an analysis of expanding the transportation concurrency requirements prescribed under the growth management act, chapter 36.70A RCW, to include development impacts on level of service standards applicable to state-owned transportation facilities, including state highways and state ferry routes. The objective of the analysis is to determine how to ensure that jurisdictional divisions do not defeat growth management act concurrency goals. The department shall convene a committee to oversee the analysis, with the committee comprised of, at a minimum, four members of the transportation committees of the legislature, four members of the appropriate land use committees of the legislature, and one member each from the association of Washington cities and the Washington state association of counties, or a designee thereof. The completed study, including recommendations, must be submitted to the appropriate standing committees of the legislature, and to the office of financial management, by December 1, 2006.

(11) The department of transportation, the Washington state economic revenue forecast council, and the office of financial management shall review and adopt a method of forecasting motor vehicle and special fuel prices, revenue, and the amount of consumption that has an increased rate of accuracy as compared to the existing method. The three agencies shall submit a report to the transportation committees of the legislature by December 1, 2006, outlining the methods researched and the criteria utilized to select and adopt the new fuel forecasting method.

(12) $150,000 of the multimodal transportation account--state appropriation is provided solely for a transportation demand management program, developed by the Whatcom council of governments, to further
reduce drive-alone trips and maximize the use of sustainable transportation choices. The community based program must focus on all trips, not only commute trips, by providing education, assistance, and incentives to four target audiences: (a) Large work sites; (b) employees of businesses in downtown areas; (c) school children; and (d) residents of Bellingham.

Sec. 811. 2006 c 370 s 225 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--CHARGES FROM OTHER AGENCIES--PROGRAM U

Motor Vehicle Account--State Appropriation ........ (($46,874,000))

$47,334,000

Motor Vehicle Account--Federal Appropriation .......... $400,000

TOTAL APPROPRIATION .................. (($47,274,000))

$47,734,000

The appropriations in this section are subject to the following conditions and limitations:

(1) (($31,749,000)) $32,209,000 of the motor vehicle fund--state appropriation is provided solely for the liabilities attributable to the department of transportation. The office of financial management must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

(2) Payments in this section represent charges from other state agencies to the department of transportation.

(a) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT DIVISION OF RISK MANAGEMENT FEES ............... $1,667,000

(b) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE AUDITOR ......................................................... $1,026,000

(c) FOR PAYMENT OF COSTS OF DEPARTMENT OF GENERAL ADMINISTRATION FACILITIES AND SERVICES AND CONSOLIDATED MAIL SERVICES ........................................... $4,049,000

(d) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF PERSONNEL ....................................................... $4,548,000

(e) FOR PAYMENT OF SELF-INSURANCE LIABILITY PREMIUMS AND ADMINISTRATION ................................ (($31,749,000))

$32,209,000
(f) FOR PAYMENT OF THE DEPARTMENT OF GENERAL ADMINISTRATION CAPITAL PROJECTS SURCHARGE . . . . . . . $1,717,000

(g) FOR ARCHIVES AND RECORDS MANAGEMENT . . . . . . . $545,000

(h) FOR OFFICE OF MINORITIES AND WOMEN BUSINESS ENTERPRISES . . . . . . . . . . . . . . . . . . . . . . . . . . . . $1,124,000

(i) FOR PAYMENT OF THE DEPARTMENT OF PERSONNEL HRMS PAYROLL SYSTEM . . . . . . . . . . . . . . . . . . . . . $817,000

(j) FOR PAYMENT OF THE OFFICE OF FINANCIAL MANAGEMENT ROADMAP CHARGES . . . . . . . . . . . . . . . . . . . . $12,000

(k) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT CAPITAL BUDGET SYSTEM CHARGES . . . . . . . . . . . . . . . . . . . . $15,000

(l) FOR PAYMENT OF DEPARTMENT OF INFORMATION SERVICES RATE INCREASES . . . . . . . . . . . . . . . . . . . . . . . . . $5,000

Sec. 812. 2006 c 370 s 226 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PUBLIC TRANSPORTATION--PROGRAM V

Multimodal Transportation Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($87,233,000)

$70,005,000

Multimodal Transportation Account--Federal

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $2,603,000

Multimodal Transportation Account--Private/Local

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $155,000

TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($89,991,000)

$72,763,000

The appropriations in this section are subject to the following conditions and limitations:

(1) $25,000,000 of the multimodal transportation account--state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.

(a) $5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers shall be based on need, including the availability of other providers of service in the area,
efforts to coordinate trips among providers and riders, and the cost
effectiveness of trips provided.

(b) $19,500,000 of the amount provided in this subsection is
provided solely for grants to transit agencies to transport persons
with special transportation needs. To receive a grant, the transit
agency must have a maintenance of effort for special needs
transportation that is no less than the previous year's maintenance of
effort for special needs transportation. Grants for transit agencies
shall be prorated based on the amount expended for demand response
service and route deviated service in calendar year 2003 as reported in
the "Summary of Public Transportation - 2003" published by the
department of transportation. No transit agency may receive more than
thirty percent of these distributions. The first $450,000 provided to
King county shall be used as follows:

(i) $320,000 shall be used to provide electric buses, instead of
diesel buses, for service on Capital Hill in Seattle, Washington
through June 30, 2007;

(ii) $130,000 shall be used to provide training for blind
individuals traveling through Rainier Valley and the greater Seattle
area. The training is to include destination training and retraining
due to the expected closure of the downtown bus tunnel and training on
how to use the Sound Transit light rail system.

(2) Funds are provided for the rural mobility grant program as
follows:

(a) $7,000,000 of the multimodal transportation account--state
appropriation is provided solely for grants for those transit systems
serving small cities and rural areas as identified in the Summary of
Public Transportation - 2003 published by the department of
transportation. Noncompetitive grants must be distributed to the
transit systems serving small cities and rural areas in a manner
similar to past disparity equalization programs.

(b) $7,000,000 of the multimodal transportation account--state
appropriation is provided solely to providers of rural mobility service
in areas not served or underserved by transit agencies through a
competitive grant process.

(3) $8,900,000 of the multimodal transportation account--state
appropriation is provided solely for a vanpool grant program for: (a)
Public transit agencies to add vanpools; and (b) incentives for
employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; no operating costs for public transit agencies are eligible for funding under this grant program. No additional employees may be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. Additional criteria for selecting grants must include leveraging funds other than state funds.

(4) $3,000,000 of the multimodal transportation account—state appropriation is provided solely for the city of Seattle for the Seattle streetcar project on South Lake Union.

(5) $1,200,000 of the multimodal transportation account—state appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 2124. If Engrossed Substitute House Bill No. 2124 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(6)(a) ($20,000,000) $2,832,000 of the multimodal transportation account—state appropriation is provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2006-D, Regional Mobility Grant Program Projects as developed March 8, 2006. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. When funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout, the department shall expeditiously extend new grant awards to qualified alternative projects identified on the list.

(b) Pursuant to the grant program established in RCW 47.66.030, the department shall issue a call for projects and/or service proposals. Applications must be received by the department by November 1, 2005, and November 1, 2006. The department must submit a prioritized list
for funding to the transportation committees of the legislature that
reflects the department's recommendation, as well as, a list of all
project or service proposals received.

(7) $2,000,000 of the multimodal transportation account--state
appropriation is provided solely for new tri-county connection service
for Island, Skagit, and Whatcom transit agencies.

(8) $2,000,000 of the multimodal transportation account--state
appropriation is provided solely to King county as a state match to
obtain federal funding for a car sharing program for persons meeting
certain income or employment criteria.

(9) $750,000 of the multimodal transportation account--state
appropriation is provided solely for the implementation of the local
government and regional transportation planning requirements in
Engrossed Substitute Senate Bill No. 6566 (commute trip reduction).
The department may use contract or temporary employees to implement the
bill and shall allocate the remaining funds to regional transportation
planning organizations, counties, and cities on an as needed basis. If
Engrossed Substitute Senate Bill No. 6566 is not enacted by June 30,
2006, the amount provided in this subsection shall lapse.

(10) (($200,000)) $140,000 of the multimodal account appropriation
is provided solely for up to three low-income car ownership programs.
The department shall seek to leverage available federal funds from the
job access and reverse commute program to augment the funding provided
in this subsection. Additionally, the department shall report back to
the appropriate committees of the legislature with a review of the
obstacles presented by state laws on surplus property disposal to
community organizations reconditioning cars and selling those cars at
below market rates to low-income families.

Sec. 813. 2006 c 370 s 227 (uncodified) is amended to read as
follows:

FOR THE DEPARTMENT OF TRANSPORTATION--MARINE--PROGRAM X
Puget Sound Ferry Operations Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . ($372,254,000)
   $388,101,000
Multimodal Transportation Account--State
   Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . $3,660,000
   TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . . . . ($375,914,000)
The appropriations in this section are subject to the following conditions and limitations:

(1) $80,476,000 of the total appropriation is provided solely for auto ferry vessel operating fuel in the 2005-2007 biennium.

(2) The maximum amount of expenditures for compensation paid to ferry employees during the 2005-2007 biennium shall not exceed $235,325,000. This amount reflects the sole source of state funding available to support the implementation of any collective bargaining agreements or arbitration awards with respect to state ferry employee compensation, including salaries, wages, and employee benefits, during the 2005-2007 biennium, which amount includes $6,223,000 in full satisfaction of the arbitration awards for the 2001-2003 biennium and $1,339,000 for labor productivity gains agreements and $8,870,000 in full satisfaction of the arbitration awards and the negotiated collective bargaining agreements for the 2003-2005 and 2005-2007 biennia. The department's use of this expenditure authority constitutes a good faith attempt to implement such agreements and awards, including those applicable to prior biennia. It is the intent of the legislature that the expenditure authority provided in this subsection fully satisfy any agreements or awards required to be implemented during the 2005-2007 biennium, and that the provisions of Substitute House Bill No. 3178 (marine employees collective bargaining) will govern the implementation of agreements or awards effective beginning with the 2007-2009 biennium. For the purposes of this section, the expenditures for compensation paid to ferry employees shall be limited to salaries and wages and employee benefits as defined in the office of financial management's state administrative and accounting manual, chapter 75.70, named under objects of expenditure "A" and "B".

(3) $1,116,000 of the Puget Sound ferry operations account--state appropriation is provided solely for ferry security operations necessary to comply with the ferry security plan submitted by the Washington state ferry system to the United States coast guard. The department shall track security costs and expenditures. Ferry security operations costs shall not be included as part of the operational costs that are used to calculate farebox recovery.
(4) The Washington state ferries must work with the department's information technology division to implement an electronic fare system, including the integration of the regional fare coordination system (smart card). Each December and June, semi-annual updates must be provided to the transportation committees of the legislature concerning the status of implementing and completing this project, with updates concluding the first December after full project implementation.

(5) The Washington state ferries shall continue to provide service to Sidney, British Columbia.

(6) $3,660,000 of the multimodal transportation account--state appropriation is provided solely to provide passenger-only ferry service. The ferry system shall continue passenger-only ferry service from Vashon Island to Seattle until such time as a county ferry district's assumption of the route, as authorized by Substitute Senate Bill No. 6787. Beginning September 1, 2005, ferry system management shall implement its agreement with the Inlandboatmen's Union of the Pacific and the International Organization of Masters, Mates and Pilots providing for part-time passenger-only work schedules.

(7) $350,000 of the Puget Sound ferry operations account--state appropriation is provided solely for the implementation of Substitute House Bill No. 3178 (marine employees collective bargaining). If Substitute House Bill No. 3178 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

Sec. 814. 2006 c 370 s 228 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--OPERATING Multimodal Transportation Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . (($36,876,000))

$35,626,000

The appropriation in this section is subject to the following conditions and limitations:

(1)(a) $29,091,000 of the multimodal transportation account--state appropriation is provided solely for the Amtrak service contract and Talgo maintenance contract associated with providing and maintaining the state-supported passenger rail service. Upon completion of the rail platform project in the city of Stanwood, the department shall provide daily Amtrak Cascades service to the city.
(b) The department shall negotiate with Amtrak and Burlington Northern Santa Fe to adjust the Amtrak Cascades schedule to leave Bellingham at a significantly earlier hour.

(2) $1,500,000 of the multimodal transportation account--state appropriation is provided solely for a new round trip rail service between Seattle and Portland beginning July 1, 2006.

(3) No AMTRAK Cascade runs may be eliminated.

(4) $40,000 of the multimodal transportation account--state appropriation is provided solely for the produce railcar program. The department is encouraged to implement the produce railcar program by maximizing private investment.

(5) $500,000 of the multimodal transportation account--state appropriation is provided solely for a study of the realignment of highway and rail in the Longview industrial area (SR 432) corridor, specifically regarding whether the construction of a limited access bypass highway to reduce congestion resulting from anticipated growth in future rail and truck traffic, is a feasible alternative. In conducting the study, the department shall consult port districts, local government planning staff, and rail road companies, and other appropriate stakeholders.

(6) $60,000 of the multimodal transportation account--state appropriation is provided solely for a study of the need for transloading capabilities in the West Plains area that could be served by the Geiger Spur, including evaluation of prospective transloader sites, potential operators and users, and the type, size, and special needs of shippers/customers. The study must also evaluate the costs associated with building and operating a transloader site and the impact to local roadways and surrounding land uses. In conducting the study, the department shall consult with Spokane County.

Sec. 815. 2006 c 370 s 229 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z-- OPERATING
Motor Vehicle Account--State Appropriation . . . . . . (($8,500,000)) $8,836,000
Motor Vehicle Account--Federal Appropriation . . . . . . $2,597,000
Multimodal Transportation Account--State
The appropriations in this section are subject to the following conditions and limitations:

1. $211,000 of the motor vehicle account--state appropriation and $200,000 of the multimodal transportation account--state appropriation are provided solely for the state's contribution to county and city studies of flood hazards in association with interstate highways. First priority shall be given to threats along the I-5 corridor.

2. $861,000 of the motor vehicle account--state appropriation is provided solely to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department solely for contract services with the association of Washington cities and the Washington state association of counties for improving transportation permitting and mitigation processes.

TRANSPORTATION AGENCIES--CAPITAL

Sec. 901. 2005 c 313 s 301 (uncodified) is amended to read as follows:

FOR THE WASHINGTON STATE PATROL

State Patrol Highway Account--State Appropriation . . . (($2,801,000)) $4,138,000

The appropriation in this section is subject to the following conditions and limitations:

1. $1,535,000 of the appropriation is provided solely for the Shelton training academy domestic water and wastewater treatment project.

2. $1,266,000 of the appropriation is provided solely for minor works projects.

Sec. 902. 2006 c 370 s 301 (uncodified) is amended to read as follows:

FOR THE COUNTY ROAD ADMINISTRATION BOARD

Rural Arterial Trust Account--State Appropriation . . (($64,933,000))
<table>
<thead>
<tr>
<th>Account Description</th>
<th>Appropriation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Account--State Appropriation</td>
<td>$355,000</td>
<td></td>
</tr>
<tr>
<td>County Arterial Preservation Account--State Appropriation</td>
<td>($32,697,000)</td>
<td></td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>($70,283,000)</td>
<td></td>
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</table>

The appropriations in this section are subject to the following conditions and limitations: $355,000 of the motor vehicle account--state appropriation is provided for county ferries as set forth in RCW 47.56.725(4).

Sec. 903.  2006 c 370 s 302 (uncodified) is amended to read as follows:

FOR THE TRANSPORTATION IMPROVEMENT BOARD

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Appropriation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Arterial Trust Account--State Appropriation</td>
<td>($101,425,000)</td>
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<tr>
<td>Small City Preservation and Sidewalk Account--State Appropriation</td>
<td>($2,000,000)</td>
<td></td>
</tr>
<tr>
<td>Transportation Improvement Account--State Appropriation</td>
<td>($94,401,000)</td>
<td></td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>($177,379,000)</td>
<td></td>
</tr>
</tbody>
</table>

The appropriations in this section are subject to the following conditions and limitations:

1. The transportation improvement account--state appropriation includes up to ($14,143,000) $7,000,000 in proceeds from the sale of bonds authorized in RCW 47.26.500.

2. ($2,000,000) $1,696,000 of the small city preservation and sidewalk account--state appropriation is provided to fund the provisions of chapter 83, Laws of 2005 (Substitute Senate Bill No. 5775).

Sec. 904.  2006 c 370 s 303 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF TRANSPORTATION--PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)--CAPITAL

Motor Vehicle Account--State Appropriation . . . . . (($2,328,000))

$1,911,000

The appropriation in this section is subject to the following conditions and limitations:

(1) $584,000 of the motor vehicle account--state appropriation is provided solely for statewide administration.

(2) (($632,000)) $561,000 of the motor vehicle account--state appropriation is provided solely for regional minor projects.

(3) (($305,000)) $40,000 of the motor vehicle account--state appropriation is provided solely for designing the replacement of the existing outdated maintenance facility in Ephrata.

(4) (($239,000)) $158,000 of the motor vehicle account--state appropriation is provided solely for the designing of the northwest regional maintenance complex in Seattle.

(5) $568,000 of the motor vehicle account--state appropriation is provided solely for the Olympic region headquarters project.

(a) The department of transportation is authorized to use certificates of participation for the financing of the Olympic region project in the amount of $34,874,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW.

(b) The Washington state department of transportation may utilize the design-build process in accordance with chapter 39.10 RCW for the Olympic region project. If the design-build process is used, it may be developed in partnership with the department of general administration.

Sec. 905. 2006 c 370 s 306 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRAFFIC OPERATIONS--PROGRAM Q--CAPITAL

Motor Vehicle Account--State Appropriation . . . . . (($17,555,000))

$11,162,000

Motor Vehicle Account--Federal Appropriation . . . . . (($15,068,000))

$10,308,000

Motor Vehicle Account--Local Appropriation . . . . . (($108,000))

$50,000

TOTAL APPROPRIATION . . . . . . . . . . . . ((($32,731,000))
The appropriations in this section are subject to the following conditions and limitations: The motor vehicle account--state appropriation includes ($11,255,000) $11,162,000 for state matching funds for federally selected competitive grant or congressional earmark projects other than the commercial vehicle information systems and network. These moneys shall be placed into reserve status until such time as federal funds are secured that require a state match.

Sec. 906. 2006 c 370 s 304 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--IMPROVEMENTS--PROGRAM I
Transportation 2003 Account (Nickel Account)--State Appropriation . . . . . . . . . . . . . . . . . . . . ((1,190,511,000)) $1,079,697,000
Motor Vehicle Account--State Appropriation . . . . . . ((85,165,000)) $84,385,000
Motor Vehicle Account--Federal Appropriation . . . . . . ($395,043,000) $352,856,000
Motor Vehicle Account--Private/Local Appropriation . . . ((58,522,000)) $46,807,000
Special Category C Account--State Appropriation . . . . ($3,479,000) $3,152,000
Tacoma Narrows Toll Bridge Account Appropriation . . . $274,038,000
Transportation Partnership Account--State Appropriation . . . . . . . . . . . . . . . . . . . . ($384,186,000) $282,784,000
Multimodal Transportation Account--State Appropriation . . . . . . . . . . . . . . . . . . . . ($1,002,000) $750,000
TOTAL APPROPRIATION . . . . . . . . . . . . . . . . . ($2,391,946,000) $2,124,469,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by ((fund,)) project ((and amount)) in LEAP Transportation
Document 2006-1, Highway Improvement Program (I) as developed March 8, 2006. (However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.)

(b) Within the amounts provided in this subsection, $6,835,000 of the transportation partnership account--state appropriation, $5,002,000 of the transportation 2003 account (nickel account)--state appropriation, and $2,645,000 of the motor vehicle account--federal appropriation are for project 109040T: I-90/Seattle to Mercer Island—Two way transit/HOV. Expenditure of these funds on construction is contingent upon the development of an access plan that provides equitable and dependable access for I-90 Mercer Island exit and entry.

(c) Within the amounts provided in this subsection, $500,000 of the transportation partnership account--state appropriation is for a west Olympia access study, to complete an access study for state route 101/west Olympia.

(d) Within the amounts provided in this subsection, $800,000 of the transportation partnership account--state appropriation is for an SR 534 access point decision report.

(f) Within the amounts provided within this subsection, $6,000,000 of the transportation partnership account--state appropriation is for project 509009B: I-90 Snoqualmie Pass East—Hyak to Keechelus dam. However, if the preferred alternative selected for this project results in a lower total project cost, the remaining funds may be used for concrete rehabilitation on I-90 in the vicinity of this project.

(g) Within the amounts provided in this subsection, $12,841,000 of the transportation 2003 account (nickel account)--state appropriation and $4,939,000 of the transportation partnership account--state appropriation are for construction of a new interchange on SR 522 to provide direct access to the University of Washington Bothell/Cascadia community college joint campus. This appropriation assumes an additional $8,061,000 will be provided in the 2007-09 biennium from the transportation partnership account.

(h) Within the amounts provided in this subsection, $19,262,149 of the motor vehicle account--federal appropriation and $1,873,478 of the transportation 2003 account (nickel account) appropriation are for project 154302E: SR 543 (I-5 to the international boundary).
(2) The motor vehicle account--state appropriation includes up to $50,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843.

(3) The department shall not commence construction on any part of the state route number 520 bridge replacement and HOV project until a record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as practicable to protect against further adverse impacts on neighborhood environmental quality as a result of repairs and improvements made to the state route 520 bridge and its connecting roadways, and that any such impacts will be addressed through engineering design choices, mitigation measures, or a combination of both. The requirements of this section shall not apply to off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project.

(4) The transportation partnership account--state appropriation includes up to $150,000,000 in proceeds from the sale of bonds authorized in RCW 47.10.873.

(5) The Tacoma Narrows toll bridge account--state appropriation includes up to $257,016,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. The Tacoma Narrows toll bridge account--state appropriation includes up to $17,022,000 in unexpended proceeds from the March 2005 bond sale authorized in RCW 47.10.843 for the Tacoma Narrows bridge project.

(6) The transportation 2003 account (nickel account)--state appropriation includes up to $880,000,000 in proceeds from the sale of bonds authorized by chapter 147, Laws of 2003.

(7) The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).
(8) The department of transportation shall conduct an analysis of the causes of traffic congestion on I-5 in the vicinity of Fort Lewis and develop recommendations for alleviating the congestion. The department must report to the transportation committees of the legislature by December 1, 2005, on its analysis and recommendations regarding traffic congestion on I-5 in the vicinity of Fort Lewis.

(9) The department of transportation is authorized to proceed with the SR 519 Intermodal Access project if the city of Seattle has not agreed to a project configuration or design by July 1, 2006.

(10) The motor vehicle account--state appropriation includes up to $14,214,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.843.

(11) The special category C account--state appropriation includes up to $1,710,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.812.

(12) The department should consider using mitigation banking on appropriate projects whenever possible, without increasing the cost to projects. The department should consider using the advanced environmental mitigation revolving account (AEMRA) for corridor and watershed based mitigation opportunities, in addition to project specific mitigation.

(13) $500,000 of the motor vehicle account--state appropriation is provided solely for a planning study regarding congestion mitigation improvements on state route 101 in the vicinity of the city of Aberdeen.

(14) $6,200,000 of the motor vehicle account--federal appropriation is provided solely for eastern Washington international border crossing and freight mobility projects, including pavement preservation, pavement structural strengthening, and other safety enhancements. Projects shall include funding for U.S. route 97 international border vicinity paving and improvement projects.

(15) $3,509,738 of the motor vehicle account--federal appropriation and $30,793 of the motor vehicle account--state appropriation are provided solely for project 100598C: I-5 Blaine Exit interchange improvements.

(16) The legislature recognizes that the finance and project implementation planning processes required for the Alaskan Way viaduct and Seattle Seawall replacement project and the SR 520 bridge
replacement and HOV project cannot guarantee appropriate decisions unless key study assumptions are reasonable with respect to each project.

To assure appropriate finance plan and project implementation plan assumptions, an expert review panel shall be appointed to provide independent financial and technical review for development of a finance plan and project implementation plan for the projects described in this subsection.

(a) The expert review panel shall consist of five to ten members who are recognized experts in relevant fields, such as planning, engineering, finance, law, the environment, emerging transportation technologies, geography, and economics.

(b) The expert review panel shall be selected cooperatively by the chairs of the senate and house transportation committees, the secretary of the department of transportation, and the governor to assure a balance of disciplines.

(c) The chair of the expert review panel shall be designated by the governor.

(d) The expert panel shall, with respect to completion of the project alternatives as described in the draft environmental impact statement of each project:

(i) Review the finance plan for the project to ensure that it clearly identifies secured and anticipated funding sources and is feasible and sufficient;

(ii) Review the project implementation plan covering all state and local permitting and mitigation approvals that ensure the most expeditious and cost-effective delivery of the project; and

(iii) Report its findings and recommendations on the items described in (d)(i) and (ii) of this subsection to the joint transportation committee, the office of financial management, and the governor no later than September 1, 2006.

(e) Upon receipt of the expert review panel's findings and recommendations under (d)(iii) of this subsection, the governor must make a finding of whether each finance plan is feasible and sufficient to complete the project as described in the draft environmental impact statement.

(f) Nothing in this section shall be interpreted to delay construction of any of the projects referenced in this subsection.
(17) (a) Prior to commencing construction on either project, the department of transportation must complete all of the following requirements for both the Alaskan Way viaduct and Seattle Seawall replacement project, and the state route number 520 bridge replacement and HOV project: (i) In accordance with the national environmental policy act, the department must designate the preferred alternative, prepare a substantial project mitigation plan, and complete a comprehensive cost estimate review using the department's cost estimate validation process, for each project; (ii) in accordance with all applicable federal highway administration planning and project management requirements, the department must prepare a project finance plan for each project that clearly identifies secured and anticipated fund sources, cash flow timing requirements, and project staging and phasing plans if applicable; and (iii) the department must report these results for each project to the joint transportation committee.

(b) The requirements of this subsection shall not apply to (i) utility relocation work, and related activities, on the Alaskan Way viaduct and Seattle Seawall replacement project and (ii) off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project.

Sec. 907. 2006 c 370 s 305 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--PRESERVATION--PROGRAM P

Transportation 2003 Account (Nickel Account)--State

Appropriation ........................................... (($1,687,000))

$1,690,000

Motor Vehicle Account--State Appropriation .......... (($94,799,000))

$88,954,000

Motor Vehicle Account--Federal Appropriation ........ (($435,310,000))

$426,297,000

Motor Vehicle Account--Private/Local Appropriation .. (($8,485,000))

$6,194,000

((Puyallup Tribal Settlement Account--State Appropriation ............................................. $11,000,000))

Transportation Partnership Account--State

Appropriation ........................................... (($24,540,000))

$20,180,000
The appropriations in this section are subject to the following conditions and limitations:

1. The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by ((fund, project (and amount))) in LEAP Transportation Document 2006-1, Highway Preservation Program (P) as developed March 8, 2006. (However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.)

2. $11,000,000 of the Puyallup tribal settlement account--state appropriation is provided solely for mitigation costs associated with the Murray Morgan/11th Street Bridge demolition. The department may negotiate with the city of Tacoma for the purpose of transferring ownership of the Murray Morgan/11th Street Bridge to the city. The department may use the Puyallup tribal settlement account appropriation, as well as any funds appropriated in the current biennium and planned in future biennia for the demolition and mitigation for the demolition of the bridge to rehabilitate or replace the bridge, if agreed to by the city. In no event shall the department's participation exceed $26,500,000 and no funds may be expended unless the city of Tacoma agrees to take ownership of the bridge in its entirety and provide that the payment of these funds extinguishes any real or implied agreements regarding future expenditures on the bridge.

3. $740,000 of the motor vehicle account--state appropriation, $106,149,000 of the motor vehicle account--federal appropriation, and $10,305,000 of the transportation partnership account--state appropriation are provided solely for the Hood Canal bridge project.

4. The motor vehicle account--state appropriation includes up to $735,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.761 and 47.10.762 for emergency purposes.

5. The department of transportation shall continue to implement the lowest life cycle cost planning approach to pavement management throughout the state to encourage the most effective and efficient use
of pavement preservation funds. Emphasis should be placed on increasing the number of roads addressed on time and reducing the number of roads past due.

(6) The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

(7) The motor vehicle account--state appropriation includes up to $912,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.843.

(8) The motor vehicle account--state appropriation includes up to $6,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843.

(9) ($4,000,000) $3,200,000 of the motor vehicle account--federal appropriation and $6,000,000 of the motor vehicle account--state appropriation, as specified in subsection (8) of this section, are for expenditures on damaged state roads due to flooding, mudslides, rock fall, or other unforeseen events. Slide repair on state routes 101, 4, 107, and 105 must be funded from this amount if federal emergency funds are not available.

Sec. 908. 2006 c 370 s 307 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W

Puget Sound Capital Construction Account--State

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . ([$122,324,000])

$100,254,000

Puget Sound Capital Construction Account--Federal

Appropriation . . . . . . . . . . . . . . . . . . . . . . . . . . . ([$73,590,000])

$62,842,000
Puget Sound Capital Construction Account--Private/Local
Appropriation .................................. $26,000

Multimodal Transportation Account--State
Appropriation ................................. (($13,249,000))

$10,749,000

Transportation 2003 Account (Nickel Account)--State
Appropriation ................................. (($34,991,000))

$18,275,000

TOTAL APPROPRIATION ........................ (($244,180,000))

$192,146,000

The appropriations in this section are provided for improving the Washington state ferry system, including, but not limited to, vessel construction, major and minor vessel preservation, and terminal preservation, construction, and improvements. The appropriations in this section are subject to the following conditions and limitations:

(1) The Puget Sound capital construction account--state appropriation includes up to (($40,950,000)) $40,288,000 in proceeds from the sale of bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead time materials acquisition for the Washington state ferries.

(2) The multimodal transportation account--state appropriation includes up to (($10,249,000)) $9,079,000 in proceeds from the sale of bonds authorized by RCW 47.10.867.

(3) $15,617,000 of the Puget Sound capital construction account--state appropriation is provided solely for the Eagle Harbor Terminal Preservation project.

(4) The entire transportation 2003 account (nickel account) appropriation and $10,249,000 of the multimodal transportation account--state appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document 2006-1, Ferries Construction Program (W) as developed March 8, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

(5) The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act and on any additional projects for which
the department has expended funds during the 2005-07 fiscal biennium. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection via the transportation executive information systems (TEIS).

(6) $3,000,000 of the multimodal transportation account--state appropriation is provided solely for passenger-only projects. Projects may include vessel or terminal projects or costs associated with selling vessels.

(7) The multimodal transportation account--state appropriation includes up to $1,170,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.867.

Sec. 909. 2006 c 370 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--CAPITAL

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Essential Rail Assistance Account--State Appropriation</td>
<td>$250,000</td>
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<tr>
<td>Motor Vehicle Account--Federal Appropriation</td>
<td>$1,485,000</td>
</tr>
<tr>
<td>Multimodal Transportation Account--State Appropriation</td>
<td>($68,176,000)</td>
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<td>$57,814,000</td>
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<tr>
<td>Multimodal Transportation Account--Private/Local</td>
<td>($8,287,000)</td>
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<td>$551,000</td>
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<tr>
<td>Multimodal Transportation Account--Federal Appropriation</td>
<td>($17,268,000)</td>
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<tr>
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<td>$10,198,000</td>
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<td>TOTAL APPROPRIATION</td>
<td>($93,981,000)</td>
</tr>
<tr>
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<td>$70,048,000</td>
</tr>
</tbody>
</table>

The appropriations in this section are subject to the following conditions and limitations:

(1) The multimodal transportation account--state appropriation includes up to ($33,435,000) $1,422,000 in proceeds from the sale of bonds (and up to $830,000 in unexpended bond proceeds authorized by RCW 47.10.867).

(2) If federal block grant funding for freight or passenger rail is received, the department shall consult with the transportation
committees of the legislature prior to spending the funds on additional projects.

(3)(a) ($68,176,000) $57,714,000 of the multimodal transportation account--state appropriation, ($17,268,000) $10,198,000 of the multimodal transportation account--federal appropriation, ($8,287,000) $551,000 of the multimodal transportation account--local appropriation, and ($250,000 of the essential rail assistance account) $1,485,000 of the motor vehicle account--federal appropriation are provided solely for the projects and activities as listed by (fund,) project (and amount) in LEAP Transportation Document 2006-C, Rail Capital Program (Y) as developed March 8, 2006. (However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.)

(b) Within the amounts provided in this subsection, ($6,500,000) $5,000,000 of the multimodal transportation account--state appropriation is for the (two) commuter rail project(s) listed in the LEAP Transportation Document 2006-C, Rail Capital Program (Y) as developed March 8, 2006.

(c) Within the amounts provided in this subsection, $10,937,000 of the multimodal transportation account--state appropriation is for the cost of the memorandum of understanding for the acquisition of the Palouse River Coulee City (PCC) rail lines.

(i) The office of financial management shall negotiate the purchase of the CW line. The purchase agreement must include both the operating and capital rights of the CW line. If the office of financial management is unable to negotiate the purchase of the CW line, the office may stop all negotiations and acquire the line and operational rights through any other alternative means available. The office of financial management shall also negotiate a new operational agreement for the line for the 2007 and 2008 harvest seasons, in consultation with local governments and other stakeholders.

((d)) (ii) The office of financial management shall negotiate the purchase of the operating rights of the P&L and PV Hooper lines. If the office of financial management is unable to negotiate the purchase of the operating rights of the P&L and PV Hooper lines, the office may stop all negotiations and acquire the operating rights through any other alternative means available. The office of financial management
shall also negotiate new operational agreement(s) for the P&L and PV Hooper lines, for the 2007 and 2008 harvest seasons, in consultation with local governments and other stakeholders.

((iii)) In order to maintain the operation of the Palouse River & Coulee City rail lines, the office of financial management is authorized to negotiate an agreement wherein they may forgive all or part of the existing freight rail assistance loan to the current operator of the Palouse River & Coulee City rail lines in exchange for good and valuable consideration.

(iv) Following acquisition of the PCC rail lines, the department shall not expend funds provided in (a) of this subsection to refurbish the lines or provide an operating subsidy for the lines.

(4) If the department issues a call for projects, applications must be received by the department by November 1, 2005, and November 1, 2006.

(5) $50,000 of the multimodal transportation account--state appropriation is provided solely for a study of eastern Skagit county freight rail. The study shall examine the feasibility of restoring portions of freight rail line to the towns of Lyman, Hamilton, and Concrete. The study must also identify existing and potential industrial sites available for development and redevelopment, and the freight rail service needs of the identified industrial sites.

(6) The department shall finalize and issue the Amtrak Cascades long range plan update as of the effective date of this act.

(7) Funds provided for the Tacoma rail improvement project may be expended for preconstruction engineering.

(8) $2,500,000 of the multimodal transportation account--state appropriation is provided solely for a rail loop at the Port of Walla Walla.

Sec. 910. 2006 c 370 s 309 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--CAPITAL

((Highway Infrastructure Account--State Appropriation . . . . $207,000
Highway Infrastructure Account--Federal Appropriation . . $1,602,000))
Motor Vehicle Account--Federal Appropriation . . . . ($48,998,000))

$16,734,000
Motor Vehicle Account--State Appropriation .................................. ($8,340,000)

Transportation Partnership Account--State Appropriation .................................. ($2,008,000)

(Freight Mobility Investment Account--State Appropriation) .................................. $6,000,000

Passenger Ferry Account--State Appropriation .................................. $9,000,000)

Multimodal Transportation Account--State Appropriation .................................. ($39,403,000)

Transportation 2003 Account (nickel account)--State Appropriation .................................. ($557,000)

Freight Mobility Multimodal Account--State Appropriation .................................. ($9,700,000)

Freight Mobility Multimodal Account--Private/Local Appropriation .................................. $3,050,000

TOTAL APPROPRIATION .................................. ($125,815,000)

$45,533,000

The appropriations in this section are subject to the following conditions and limitations:

(1) To manage some projects more efficiently, federal funds may be transferred from program Z to programs I and P and state funds shall be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without approval of the office of financial management. The department shall submit a report on those projects receiving fund transfers to the transportation committees of the senate and house of representatives by December 1, 2006.

(2) The department shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects as outlined in the project lists distributed with this act, and on any additional projects for which the department has expended funds during the 2005-07
fiscal biennium, except for projects managed by the freight mobility strategic investment board. The department shall work with the transportation committees of the legislature to agree on report formatting and elements. For projects funded by new revenue in the 2003 and 2005 transportation packages, reporting elements shall include, but not be limited to, project scope, schedule, and costs. Other projects may be reported on a programmatic basis. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system (TEIS).

(3) The multimodal transportation account--state appropriation includes up to $6,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.867.

(4) $1,545,000 of the multimodal transportation account--state appropriation is reappropriated and provided solely to fund the multiphase cooperative project with the state of Oregon to dredge the Columbia River. The amount provided in this subsection shall lapse unless the state of Oregon appropriates a dollar-for-dollar match to fund its share of the project.

(5) Up to $206,000 of the motor vehicle account--state appropriation is reappropriated and provided (solely) for additional traffic and pedestrian safety improvements near schools. The highways and local programs division within the department of transportation shall administer this program. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded traffic and pedestrian safety improvement grant funds, but does not report activity on the project within one year of grant award should be reviewed by the department to determine whether the grant should be terminated. The department must promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. The department shall expeditiously extend new grant awards to qualified projects when funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout.
(6) The motor vehicle account--state appropriation includes up to $905,000 in unexpended proceeds from the sale of bonds authorized by RCW 47.10.843.

(7) Up to $607,000 of the multimodal transportation account--state appropriation is reappropriated and provided ((solely)) to support the safe routes to school program.

(8) (($16,110,000)) Up to $7,488,000 of the motor vehicle account--federal appropriation is provided ((solely)) for the local freight capital projects in progress identified in this subsection. The specific funding listed is provided ((solely)) for the respective projects: SR 397 Ainsworth Ave. Grade Crossing, $4,992,000; Colville Alternate Truck Route, $1,746,000; ((S. 228th Street Extension and Grade Separation, $6,500,000; Bigelow Gulch Road Urban Boundary to Argonne Rd., $2,000,000; Granite Falls Alternate Route, $122,000;)) and Pacific Hwy. E./Port of Tacoma Road to Alexander, $750,000.

(9) (($2,898,000)) Up to $1,011,000 of the motor vehicle account--state appropriation is provided ((solely)) for the local freight capital projects in progress identified in this subsection. The specific funding listed is provided ((solely)) for the respective projects: Duwamish Intelligent Transportation Systems (ITS), ($2,382,000) $495,000; Port of Kennewick/Piert Road, $516,000.

(10) Up to $6,000,000 of the multimodal account--state appropriation is provided ((solely)) for the local freight 'D' street grade separation project.

(11) The department shall issue a call for pedestrian safety projects, such as safe routes to schools and transit, and bicycle and pedestrian paths. Applications must be received by the department by November 1, 2005, and November 1, 2006. The department shall identify cost-effective projects, and submit a prioritized list to the legislature for funding by December 15th of each year. Recommendations made to the legislature for safe routes to schools and bicycle and pedestrian path projects must, to the extent practicable based on available funding, allocate sixty percent of available funds to bicycle and pedestrian path projects and forty percent to safe routes to schools. Preference shall be given to projects that provide a local match.

(12) (($18,370,000)) Up to $12,000,000 of the multimodal transportation account--state appropriation, (($6,000,000)) up to
$2,440,000 of the freight mobility multimodal account--state appropriation, and up to $2,008,000 of the transportation partnership account--state appropriation((, and $6,000,000 of the freight mobility investment account--state appropriation)) are provided ((solely)) for the projects and activities as listed by fund, project and amount in LEAP Transportation Document 2006-1, Local Programs (Z) as developed March 8, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

(13) $870,000 of the multimodal transportation account--state appropriation is provided solely for the Yakima Avenue, 9th Street to Front Street, pedestrian safety improvement project.

(14) Up to $5,000,000 of the multimodal transportation account--state appropriation and up to $2,000,000 of the motor vehicle account--federal appropriation are provided ((solely)) for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified on the LEAP Transportation Document 2006-B, Pedestrian and Bicycle Safety Program Projects and Safe Routes to Schools Program Projects as developed March 8, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. When funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout, the department shall expeditiously extend new grant awards to qualified alternative projects identified on the list.

(15) Up to $9,700,000 of the motor vehicle account--federal appropriation is provided ((solely)) for the intersection and corridor safety program projects as identified on the LEAP Transportation Document 2006-A, Intersection and Corridor Safety Program Projects as developed March 8, 2006.
(16) Up to $19,500,000 of the motor vehicle account--federal appropriation is provided ((solely)) for rural county two-lane roadway pilot projects including $7,500,000 already under contract. Any further allocations shall be prioritized by the department based on high-accident-corridor criteria. For purposes of this subsection, "high-accident-corridor" means a highway corridor of one mile or more where analysis of collision history indicates that the section has higher than average collision and severity factors.

(17) Up to $2,500,000 of the motor vehicle account--state appropriation is provided ((solely)) for the Yakima downtown futures initiative.

(18) Up to $810,000 of the multimodal transportation account--state appropriation is provided ((solely)) for the projects identified in this subsection: Des Moines creek trail, $250,000; SR 282 to Port of Ephrata connector, $385,000; Mount Baker Ridge viewpoint, $175,000.

(19) Up to $688,000 of the motor vehicle account--federal appropriation is provided ((solely)) for completion of the Coal Creek Parkway project.

(20) $9,000,000 of the passenger ferry account--state appropriation is provided solely for the implementation of the passenger-only ferry grant program created in Substitute Senate Bill No. 6787. If Substitute Senate Bill No. 6787 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(21) $827,000 of the motor vehicle account--federal appropriation is provided solely for the projects identified in this subsection: The Franklin county slide project, $800,000; and the Loomis-Oroville Road guardrail replacement project, $27,000.

(22) $252,000 of the multimodal transportation account--state appropriation is provided solely for the Winthrop pedestrian and bike path project.

TRANSFERS AND DISTRIBUTIONS

Sec. 1001. 2006 c 370 s 401 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND
<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Bond Retirement Account</td>
<td>($334,313,000)</td>
</tr>
<tr>
<td>Nondebt-Limit Reimbursable Account</td>
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<tr>
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<td>Motor Vehicle Account--State</td>
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<tr>
<td>Multimodal Transportation Account--State</td>
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<tr>
<td>Transportation 2003 Account (Nickel Account)</td>
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<tr>
<td>Transportation Partnership Account--State</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
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<tr>
<td></td>
<td>$413,535,000</td>
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</tbody>
</table>

**Sec. 1002.** 2006 c 370 s 402 (uncodified) is amended to read as follows:

**FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES AND FISCAL AGENT CHARGES**

<table>
<thead>
<tr>
<th>Account</th>
<th>Appropriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Account--State</td>
<td>$248,000</td>
</tr>
<tr>
<td>Transportation Improvement Account--State</td>
<td>($13,000)</td>
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<tr>
<td>Multimodal Transportation Account--State</td>
<td>$18,000</td>
</tr>
<tr>
<td>Transportation 2003 Account (Nickel Account)</td>
<td>$35,000</td>
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<tr>
<td>Transportation Partnership Account--State</td>
<td>$2,200,000</td>
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<tr>
<td>TOTAL APPROPRIATION</td>
<td>($2,871,000)</td>
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</table>
Sec. 1003. 2006 c 370 s 404 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

Motor Vehicle Account Appropriation for
motor vehicle fuel tax distributions to cities
and counties . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . (.($487,612,000))

$468,391,000

Sec. 1004. 2006 c 370 s 405 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--TRANSFERS

Motor Vehicle Account--State
Appropriation: For motor vehicle fuel tax
refunds and transfers . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($1,037,342,000))

$1,031,321,000

Sec. 1005. 2006 c 370 s 406 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION--TRANSFERS

(1) RV Account--State Appropriation:
For transfer to the Motor Vehicle Account--State . . . ($2,000,000)

$2,104,000

(2) Motor Vehicle Account--State Appropriation:
For transfer to Puget Sound Capital Construction
Account--State . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($73,000,000)

$70,223,000

(3) Highway Safety Account--State Appropriation:
For transfer to the Motor Vehicle Account--State . . . $5,000,000

(4) Motor Vehicle Account--State Appropriation:
For transfer to the Puget Sound Ferry Operations
Account--State . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . ($31,000,000)

$50,680,000

(5) Motor Vehicle Account--State Appropriation:
For transfer to the Transportation Partnership
Account--State . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . $33,127,000

(6) Highway Safety Account--State Appropriation:
For transfer to the Multimodal Transportation Account--State .................. $25,980,000
(7) Transportation Partnership Account--State Appropriation:
For transfer to the Small City Pavement and Sidewalk Account--State .................. $1,000,000
(8) Transportation Partnership Account--State Appropriation:
For transfer to the Transportation Improvement Account--State .................. $2,500,000
(9) Transportation Partnership Account--State Appropriation:
For transfer to the County Arterial Preservation Account--State .................. $1,500,000
(10) License Plate Technology Account--State Appropriation:
For transfer to the Motor Vehicle Account--State .................. $2,500,000
(11) Multimodal Transportation Account--State Appropriation:
For transfer to the Transportation Partnership Account--State .................. $29,417,000
(12) Motor Vehicle Account--State Appropriation:
For transfer to the Freight Mobility Multimodal Account--State, up to a maximum of ................. (($3,700,000)) $3,537,000
(13) Multimodal Transportation Account--State Appropriation:
For transfer to the Tacoma Narrows Toll Bridge Account--State .................. $1,300,000
(14) Multimodal Transportation Account--State Appropriation:
For transfer to the Freight Mobility Multimodal Account--State .................. $4,610,000
(15) Motor Vehicle Account--State Appropriation:
For transfer to the Tacoma Narrows Toll Bridge Account--State .................. $5,288,000
(16) Multimodal Transportation Account--State Appropriation: For transfer to the Transportation Infrastructure Account--State .................. $11,000,000

The transfers identified in this section are subject to the following conditions and limitations:
(a) The department of transportation shall only transfer funds in subsection (2) of this section up to the level provided, on an as-needed basis.
(b) The amount transferred in subsection (12) of this section shall be the same as the Union Pacific Railroad's original contribution, adjusted for earned interest and expenditures, and shall be made on June 30, 2006.

(c) The amount transferred in subsection (14) of this section is the equivalent of the Burlington Northern Santa Fe funds advanced to the SR 519 project and shall be invested in a freight mobility project agreed to by the freight mobility strategic investment board and the BNSF railway if the final design of the SR 519 project does not include the original rail benefit.

(d) The amount transferred in subsection (13) of this section is appropriated as a nonreimbursable state financial contribution to the project and does not require repayment.

MISCELLANEOUS

Sec. 1101. RCW 46.68.060 and 1969 c 99 s 11 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which shall be deposited all moneys directed by law to be deposited therein. This fund shall be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010. During the 2005-2007 fiscal biennium, the legislature may transfer from the highway safety fund to the motor vehicle fund and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund.

NEW SECTION. Sec. 1102. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 1103. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the
state government and its existing public institutions, and takes effect immediately.

(End of bill)
<table>
<thead>
<tr>
<th>INDEX</th>
<th>PAGE #</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD OF PILOTAGE COMMISSIONERS</td>
<td>5</td>
</tr>
<tr>
<td>COLLECTIVE BARGAINING AGREEMENT</td>
<td></td>
</tr>
<tr>
<td>FASPA</td>
<td>60</td>
</tr>
<tr>
<td>IBU</td>
<td>58</td>
</tr>
<tr>
<td>MEBA-LICENSED</td>
<td>59</td>
</tr>
<tr>
<td>MEBA-UNLICENSED</td>
<td>59</td>
</tr>
<tr>
<td>METAL TRADES COUNCIL</td>
<td>60</td>
</tr>
<tr>
<td>MM&amp;P</td>
<td>59</td>
</tr>
<tr>
<td>MM&amp;P-WATCH SUPERVISORS</td>
<td>60</td>
</tr>
<tr>
<td>OPEIU</td>
<td>61</td>
</tr>
<tr>
<td>SEIU</td>
<td>61</td>
</tr>
<tr>
<td>WSP LIEUTENANTS ASSOCIATION</td>
<td>61</td>
</tr>
<tr>
<td>WSP TROOPERS ASSOCIATION</td>
<td>61</td>
</tr>
<tr>
<td>COLLECTIVE BARGAINING AGREEMENT--IFPTE</td>
<td>62</td>
</tr>
<tr>
<td>COLLECTIVE BARGAINING AGREEMENTS</td>
<td>58</td>
</tr>
<tr>
<td>COMPENSATION</td>
<td></td>
</tr>
<tr>
<td>NONREPRESENTED EMPLOYEES--INSURANCE BENEFITS</td>
<td>54</td>
</tr>
<tr>
<td>PENSION CONTRIBUTIONS</td>
<td>56</td>
</tr>
<tr>
<td>REPRESENTED EMPLOYEES OUTSIDE--SUPER COALITION INSURANCE BENEFITS</td>
<td>55</td>
</tr>
<tr>
<td>REPRESENTED EMPLOYEES--SUPER COALITION</td>
<td>56</td>
</tr>
<tr>
<td>REVISE PENSION GAIN SHARING</td>
<td>56</td>
</tr>
<tr>
<td>COUNTY ROAD ADMINISTRATION BOARD</td>
<td>4, 32, 95</td>
</tr>
<tr>
<td>DEPARTMENT OF AGRICULTURE</td>
<td>3</td>
</tr>
<tr>
<td>DEPARTMENT OF ARCHEOLOGY AND HISTORIC PRESERVATION</td>
<td>3</td>
</tr>
<tr>
<td>DEPARTMENT OF LICENSING</td>
<td>73</td>
</tr>
<tr>
<td>DEPARTMENT OF LICENSING</td>
<td></td>
</tr>
<tr>
<td>DRIVER SERVICES</td>
<td>15</td>
</tr>
<tr>
<td>INFORMATION SERVICES</td>
<td>13</td>
</tr>
<tr>
<td>MANAGEMENT AND SUPPORT SERVICES</td>
<td>12</td>
</tr>
<tr>
<td>TRANSFERS</td>
<td>52</td>
</tr>
<tr>
<td>VEHICLE SERVICES</td>
<td>14</td>
</tr>
<tr>
<td>DEPARTMENT OF TRANSPORTATION</td>
<td>74</td>
</tr>
<tr>
<td>AVIATION--PROGRAM F</td>
<td>18, 82</td>
</tr>
<tr>
<td>CHARGES FROM OTHER AGENCIES--PROGRAM U</td>
<td>25, 87</td>
</tr>
<tr>
<td>FACILITIES--PROGRAM D--OPERATING</td>
<td>18</td>
</tr>
<tr>
<td>HIGHWAY MAINTENANCE--PROGRAM M</td>
<td>19</td>
</tr>
<tr>
<td>IMPROVEMENTS--PROGRAM I SPECIAL APPROPRIATIONS</td>
<td>37</td>
</tr>
<tr>
<td>Department</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>WASHINGTON STATE PATROL</td>
<td>32, 95</td>
</tr>
<tr>
<td>CRIMINAL HISTORY AND BACKGROUND CHECKS</td>
<td>11</td>
</tr>
<tr>
<td>FIELD OPERATIONS BUREAU</td>
<td>9, 77</td>
</tr>
<tr>
<td>INVESTIGATIVE SERVICES BUREAU</td>
<td>80</td>
</tr>
<tr>
<td>TECHNICAL SERVICES BUREAU</td>
<td>10, 80</td>
</tr>
<tr>
<td>WASHINGTON TRAFFIC SAFETY COMMISSION</td>
<td>4</td>
</tr>
</tbody>
</table>