HOUSE BILL REPORT HB 3158

As Reported by House Committee On:

Transportation

Title: An act relating to the creation of transportation improvement districts for maintenance and operation of certain bridges.

Brief Description: Creating transportation improvement districts for the maintenance and operation of certain bridges.

Sponsors: Representatives Flannigan, Hudgins, Morrell and Darneille.

Brief History:

Committee Activity:

Transportation: 2/6/08 [DP].

Brief Summary of Bill

- Permits a city or town with a mechanical lift bridge meeting certain criteria to form a transportation improvement district.
- Permits transportation improvement districts to impose a sales and use tax of no more than 0.20 percent to repair or replace qualifying bridges.
- Requires that transportation improvement districts assume jurisdiction of qualifying bridges, undertake the improvements financed by the district, and assume ongoing maintenance and operating costs.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 18 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Appleton, Campbell, Dickerson, Eddy, Hudgins, Jarrett, Loomis, Rolfes, Sells, Simpson, Springer, Takko, Upthegrove, Wallace, Williams and Wood.

Minority Report: Do not pass. Signed by 8 members: Representatives Ericksen, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Armstrong, Herrera, Kristiansen, Rodne, Smith and Warnick.

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This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Christie Parker (786-7322).

Background:

The Murray Morgan Bridge was built in 1911. In 1957 the Washington State Department of Transportation (WSDOT) assumed ownership of the bridge; with ownership came the responsibility of operating and maintaining the bridge. In 1995 the WSDOT entered into an agreement to transfer the 11th street corridor, including the Murray Morgan Bridge, to Tacoma due to the pending opening of the new State Route 509 freeway. However, this transfer never took place due to funding concerns. The WSDOT closed the Murray Morgan Bridge to vehicular traffic on October 23, 2007, due to safety concerns as a result of structural deterioration. The bridge carried an estimated 1,300 vehicles per day at the time of closure.

Cities currently have several mechanisms to raise revenue for transportation. Cities and counties may form transportation benefit districts. These districts may impose sales and use taxes, property taxes, or other fees to fund transportation improvements; however, these taxes and fees must be approved by a public vote. Cities may also create local improvement districts and impose special assessments to fund transportation improvements via city ordinance. Cities also have the general power to impose property taxes, sales taxes, business and occupation taxes, and other fees for the purpose of building and maintaining city streets.

Summary of Bill:

The bill allows a city or town that has a state-owned mechanical lift bridge meeting certain criteria to create a new entity called a transportation improvement district. Based on the established criteria, Tacoma could establish a transportation improvement district and impose a sales and use tax of up to 0.2 percent to repair or replace the Murray Morgan Bridge. This tax is in addition to all other taxes and a public vote is not required.

The taxes must be used exclusively to repair or replace the mechanical lift bridge, including bridge supports, approaches, mechanical systems, and electrical systems. These tax revenues are credited toward the state retail sales tax; therefore, local revenue gains represent an equivalent state revenue loss. The district may also impose tolls as well as seek loans, grants, appropriations, competitive grants, and private revenues to finance the bridge improvements. If a transportation improvement district is formed, the city must agree to assume jurisdiction of the bridge, to implement the bridge improvements, and to be responsible for ongoing maintenance and operating costs of the bridge.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on June 1, 2008.

Staff Summary of Public Testimony:

(In support) Many people are unhappy with the state's decision to close the Murray Morgan Bridge. Secretary of Transportation Paula Hammond has worked with Tacoma to provide this funding option for bridge rehabilitation or replacement.

It is true that there was an agreement between Tacoma and the WSDOT to transfer ownership of the bridge in 1995, but the agreement was that the transfer of ownership would take place after the state replaced or rehabilitated the bridge. The state has since closed the bridge and did not keep its promise to replace or rehabilitate the bridge.

The bill presents a win/win scenario. The city would assume ownership of the bridge before the bridge is fixed and the state would no longer be obligated to fix the bridge. The bill would provide \$54 million in taxes for the bridge, which may be combined with earlier appropriations for the bridge. A total of \$80 million is requested to replace or repair the bridge.

(Opposed) None.

Persons Testifying: Representative Flannigan, prime sponsor; Randall Lewis, City of Tacoma; and Larry Ehl, Washington State Department of Transportation.

Persons Signed In To Testify But Not Testifying: None.

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