

SENATE BILL REPORT

SSB 6271

As Passed Senate, February 12, 2010

Title: An act relating to annexations by cities and code cities located within the boundaries of a regional transit authority.

Brief Description: Concerning annexations by cities and code cities located within the boundaries of a regional transit authority.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Murray and Haugen).

Brief History:

Committee Activity: Transportation: 1/13/10, 1/18/10 [DPS, w/oRec].

Passed Senate: 2/12/10, 45-0.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6271 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Marr, Vice Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Hatfield, Jacobsen, Kauffman, Kilmer, King, Ranker and Sheldon.

Minority Report: That it be referred without recommendation.

Signed by Senator Benton.

Staff: Wendy Malkin (786-7434)

Background: A Regional Transit Authority (RTA) may be established in two or more contiguous counties each having a population of four hundred thousand persons or more. A RTA must be established for the purpose of operating a high capacity transportation system. Sound Transit, which operates in Snohomish, King, and Pierce Counties, is the only RTA.

Areas adjacent to a RTA that would benefit from the RTAs services may be annexed to the RTA through a three-step process. First, the governing body of the RTA must adopt a resolution proposing annexation. Second, the annexation must be approved by the governing body of any city proposed to be annexed or by the county legislative authority if the area proposed to be annexed is unincorporated. Third, voters residing in the area proposed to be

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annexed must approve a ballot proposition authorizing the annexation and the imposition of taxes already imposed by the RTA.

Several cities on the east side of Lake Washington in King County have portions of the city inside and outside of the RTA. Pierce County and Snohomish County each have one city that is partly outside of the RTA. Legal obligations, including taxing obligations, are different for residents and businesses depending on whether they are located inside or outside of the RTA.

Currently, if a city or part of a city is within a RTA's boundaries, and the city annexes an area, the annexed area is not automatically included in the RTA.

Summary of Substitute Bill: When an area outside of RTA boundaries is annexed to a city or a code city located within the boundaries of a RTA, the annexed area is simultaneously included within the boundaries of the RTA. From the effective date of the annexation, the annexed area is subject to the taxes, liabilities, and obligations imposed by the RTA within the city. The city or code city must notify the RTA of the annexation.

This bill will apply only to annexations that occur after the law takes effect.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: When Sound Transit originally formed, cities that were included were wholly included in the boundaries. Since 1996 there have been many annexations to cities within Sound Transit's boundaries. As annexations have occurred, the annexed areas have not been automatically included in the boundaries. This is because there is no requirement for automatic inclusion as there is for other junior taxing authorities, such as public transportation benefit areas. Due to annexations, there are now cities that are partially outside of Sound Transit's boundaries. This bill will not fix the current divisions in cities, but it will ensure that divisions are prevented in future annexations. We need to prevent further confusion with our tax reporting system. Each jurisdiction has its own location code. If a portion of a city is outside of Sound Transit, the area needs two location codes. This adds a huge burden for businesses, and it leads to errors. Given that this bill will apply only to future annexations, it protects voters because voters can decide whether or not to join Sound Transit when they decide to annex to a city within Sound Transit boundaries.

Persons Testifying: PRO: Amber Carter, Association of Washington Businesses; Steve Sheehy, Sound Transit; Drew Shirk, Department of Revenue.