

FINAL BILL REPORT

SSB 5177

PARTIAL VETO

C 336 L 05

Synopsis as Enacted

Brief Description: Modifying transportation benefit district provisions.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Swecker, Jacobsen, Haugen and Oke).

Senate Committee on Transportation

House Committee on Transportation

Background: Current law permits a county or city to establish one or more transportation benefit districts (TBDs) within its jurisdiction to fund improvements to city streets, county roads, and state highways. When establishing the TBD area, the jurisdiction proposing to create the TBD may only include other counties and cities through interlocal agreements. A TBD expenditure plan must be specified in the ordinance establishing the TBD, and may not be changed without first going before a public hearing. A TBD must be dissolved when all debt has been paid and anticipated responsibilities have been satisfied.

TBDs are governed by the legislative authority of the jurisdiction proposing to create a TBD. When multiple jurisdictions are involved in establishing a TBD, however, the governance structure is controlled by interlocal agreement.

TBDs have independent taxing authority to implement the following revenue measures: (1) excess property taxes; (2) general obligation bonds; (3) transportation impact fees; and (4) border area motor vehicle fuel taxes. Additionally, TBDs may form local improvement districts with authority to impose special assessments on property benefitted by the improvements and to issue special assessment bonds.

Summary: The law governing transportation benefit districts is expanded.

Establishment of TBDs. TBDs may only be formed in areas throughout the state except in counties with a population greater than 1.5 million and any adjoining counties with a population greater than 500,000. Jurisdictions with authority to initiate a TBD include counties and cities. However, port districts and transit districts may participate in the establishment of a TBD. The TBD area must include the entire area within each participating jurisdiction. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions.

Transportation Improvements. TBDs may fund projects that are of statewide or regional significance contained in a state or regional transportation plan. A TBD may spend up to 40 percent of its generated revenue on local street, road, and highway improvements.

Revenue Options. In addition to the revenue options available to TBDs under current law, a TBD may implement the following revenue measures: (1) local option sales and use taxes; (2) local option vehicle license fees; and (3) vehicle tolls. A TBD may only implement revenue measures approved by the local voters.

Revenue rates, once imposed, may not be increased, unless authorized by voter approval. If project costs exceed original costs by more than 20 percent, a public hearing must be held to solicit public comment regarding how the cost change should be resolved. The district must be dissolved upon completion of the project(s) and the payment of debt service.

Votes on Final Passage:

Senate	40	6	
House	85	13	(House amended)
Senate	33	15	(Senate concurred)

Effective: August 1, 2005

Partial Veto Summary: The transfer of authority for the approval of construction of toll roads from the Department of Transportation to the Transportation Commission is removed.