

SENATE BILL REPORT

SSB 5177

As Passed Senate, March 8, 2005

Title: An act relating to transportation benefit districts.

Brief Description: Modifying transportation benefit district provisions.

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

Brief History:

Committee Activity: Transportation: 2/9/05, 2/10/05 [DPS].

Passed Senate: 3/8/05, 40-6.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5177 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Swecker, Ranking Minority Member; Benson, Eide, Esser, Kastama, Mulliken, Oke and Spanel.

Staff: Kelly Simpson (786-7403)

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 of Bill: The law governing transportation benefit districts is expanded.

Establishment of TBDs. TBDs may only be formed in areas outside of a county 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 capital improvements relating to or supporting highways of statewide significance, and may include specified associated capital projects. A TBD may spend up to 20 percent of its generated revenue on local street, road, and highway improvements, and up to 40 percent on improvements in rural counties.

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; (3) local option fuel taxes; (4) employer excise taxes; and (5) 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 redefined plan must be sent to the voters for their approval.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2005.

Testimony For: This legislation grew out of a desire to provide local jurisdictions, outside of the Central Puget Sound area, additional options to meet local and regional transportation project needs, specifically in the form of partnerships between affected jurisdictions. This bill makes available to regions outside of the regional transportation investment district (RTID) area a similar menu of revenue options to pursue transportation projects. However, this bill provides more flexibility than that provided to an RTID area, both in terms of revenue options available and in the types of multi-jurisdictional and regional partnerships that may be entered into through the TBD process. Some suggestions were expressed regarding adding more revenue options to the bill (e.g., weight fees and "vehicle miles traveled" fees), more transit-related authority, and more clarity regarding the governing body of a TBD.

Testimony Against: None.

Who Testified: PRO: Senator Swecker, prime sponsor; Thayer Rorabaugh, City of Vancouver; Rob Johnson, Transportation Choices Coalition.

House Amendment(s): The striking amendment does the following: (1) broadens the definition of transportation improvement to a project that is contained in a state or regional transportation plan that is of statewide or regional significance (including transit projects, and operations & maintenance); (2) provides that not more than 40 percent of district revenues may go to local roads and streets and state highways which are not highways of statewide significance; (3) removes the local option fuel tax & employer tax; (4) reduces the sales tax from 0.5 percent to 0.2 percent, with a re-vote required every 10 years, and requires the TBD area to be coextensive with a city, county, or transit district in order to impose the tax; (5) removes the limitation that tolls may only be imposed on a new transportation improvement; (6) provides that tolls may be varied by

time of day, congestion, and other factors to improve performance of the facility or the network; (7) requires that the Transportation Commission, or its successor, approve tolls; (8) adds certain criteria to be considered, to the extent practicable, when identifying TBD improvements; (9) changes the mandatory vote requirement to a mandatory hearing, if a project goes more than 20 percent over budget; and (10) requires that the district adopt policies to address project cost, schedule, and scope changes.

Passed House: 85-13.