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## Transportation Committee

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### HB 2344

**Brief Description:** Concerning county ferry districts.

**Sponsors:** Representatives Morris and Lytton.

#### Brief Summary of Bill

- Creates a referendum option prior to the establishment of a county ferry district for the voters of any county ferry district that is intended to be created in only a portion of the county.
- Removes the one reference to passenger-only ferry service from the statutes governing the formation and operation of a county ferry district.
- Requires that a vessel replacement surcharge be charged to all passengers of a county ferry district that is created in only a portion of a county that are not residents of the district. The surcharge must reflect the capital costs that are associated with the nonresident passengers.

**Hearing Date:** 1/21/16

**Staff:** David Munnecke (786-7315).

#### Background:

*Governance and Formation.* Counties are authorized to construct, purchase, operate, and maintain ferry systems under the direction and control of the county legislative authority. In lieu of the county operating and maintaining a ferry system, the county legislative authority may adopt an ordinance creating a county ferry district (district) in all or a portion of the area of the county. The ordinance may be adopted only after a public hearing has been held, and the county makes a finding that it is in the public interest to create the district. The members of the county legislative authority compose the governing body of any district created in their county.

*Powers and Duties.* A district may construct, purchase, operate, and maintain ferries or wharves at any unfordable stream, lake, estuary, or bay within or bordering the district, or between the

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district and other districts, together with the necessary boats, grounds, roads, approaches, and landings. A ferry district may provide services for free or may charge a toll.

*Finances.* A district is an independent taxing authority and a taxing district within the meaning of the state Constitution. The governing body of a district may levy an ad valorem tax on all taxable property located within the district not to exceed 75 cents per \$1,000 of assessed value, except that a district located in a county with a population of 1.5 million or more may not levy at a rate that exceeds 7.5 cents per \$1,000 of assessed value. Revenue from the tax may only be used for providing ferry services, operating, maintaining and improving vessels and dock facilities, providing shuttle services, landside improvements directly related to ferry services, and related personnel costs. A district may also impose excess levies for a one-year period to be used for operating or capital purposes whenever authorized by the electors of the district. A district may incur general indebtedness and issue general obligation bonds.

*Dissolution.* In order to dissolve a district, a petition must be signed by a majority of the members of the county legislative authority and be presented to the superior court of the county. If the court finds that dissolution is in the best interests of all persons concerned and issues an order of dissolution, the district's assets are sold. All proceeds of the sale, together with any cash assets, are used to pay for outstanding claims and related costs and expenses. Remaining proceeds and cash assets are paid to the county treasurer and credited to the school districts in the county.

In 2006 Engrossed Senate Substitute Bill 6787 was created, which made a series of changes to the district statutes. These changes included allowing any county to form such a district and removed references to passenger-only ferry service. One reference to passenger-only ferry service remains in the district statutes.

**Summary of Bill:**

A referendum option prior to the establishment of a district is created for the voters of any district that is intended to be created in only a portion of the county. A county proposing to create a district must publish notice of this intent. If a petition is filed within 90 days containing the signatures of 8 percent of the number of gubernatorial voters voting in the portion of the county proposed for the district, then a referendum must be submitted to the voters in the portion of the county proposed for the district. The district may be created only if approved by a majority of the voters.

The one reference to passenger-only ferry service is removed from the statutes governing the formation and operation of a district.

A vessel replacement surcharge is required to be charged to all passengers of a district that is created in only a portion of a county that are not residents of the district. The surcharge must reflect the capital costs of the district that are associated with the nonresident passengers.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2016.