

HOUSE BILL REPORT

HB 2344

As Reported by House Committee On:
Transportation

Title: An act relating to county ferry districts.

Brief Description: Concerning county ferry districts.

Sponsors: Representatives Morris and Lytton.

Brief History:

Committee Activity:

Transportation: 1/21/16, 2/3/16 [DPS].

Brief Summary of Substitute 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.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist, Gregerson, Hayes, Hickel, Kochmar, McBride, Moeller, Morris, Riccelli, Rossetti, Sells, Stambaugh, Tarleton and Young.

Minority Report: Do not pass. Signed by 4 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Pike and Shea.

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.

Minority Report: Without recommendation. Signed by 2 members: Representatives Harmsworth, Assistant Ranking Minority Member; Rodne.

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 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 Substitute 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.

Substitute Bill Compared to Original Bill:

The county legislative authority is allowed to send the proposition to create a county ferry district in only a portion of the county directly to the next general election ballot.

If the county legislative authority does not send a proposition to the ballot, the date for publication of a notice of intent to create a ferry district in only a portion of a county is moved from April 1 to February 1. The amount of time to verify signatures is extended from 14 days to 30 days if a petition for a referendum is filed. Finally, the proposition to create a county ferry district in only a portion of the county is required to be placed on the next general election ballot rather than a special election or the next primary ballot.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 2016.

Staff Summary of Public Testimony:

(In support) The Guemes Island ferry system needs a new ferry boat, and a county ferry district is being contemplated.

The county ferry district statutes are currently confusing and in need of the clarification provided by this bill. There is also a referendum clause in the bill, which is supported by various parties because it will allow the people involved to have a voice.

(Opposed) None.

(Other) The county auditors are concerned about a variety of dates in this bill that are currently too tight.

The canvassing of signatures must take place in two weeks under the requirements of the bill, but there should be three or four weeks allowed. There is also a need to move back the date of publication of the notice of intent so that there is time to get ballots out to all voters, including military voters overseas.

Persons Testifying: (In support) Representative Morris, prime sponsor.

(Other) Monty Cobb, Washington Association of County Officials.

Persons Signed In To Testify But Not Testifying: None.