

HOUSE BILL REPORT

HB 1331

As Reported by House Committee On:
Transportation

Title: An act relating to ferry district authority.

Brief Description: Concerning ferry district authority.

Sponsors: Representatives Kilduff, Muri and Appleton.

Brief History:

Committee Activity:

Transportation: 1/30/17, 2/15/17 [DPS].

Brief Summary of Substitute Bill

- Allows a county ferry district to construct, purchase, operate, and maintain any type of ferry, as well as the necessary landings.
- Allows a county ferry district to incur general indebtedness and issue general obligation bonds in order to finance the construction, purchase, and preservation of any type of ferry and associated terminals.
- Creates a referendum requirement and process if a county ferry district is proposed to be created in only a portion of a county.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Wylie, Vice Chair; Hargrove, Assistant Ranking Minority Member; Chapman, Gregerson, Hayes, Irwin, Kloba, Lovick, McBride, Morris, Ortiz-Self, Pellicciotti, Riccelli, Rodne, Stambaugh, Tarleton and Van Werven.

Minority Report: Do not pass. Signed by 5 members: Representatives Orcutt, Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Pike, Shea and Young.

Staff: David Munnecke (786-7315).

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.

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 passenger-only 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 Substitute Senate Bill 6787 made a series of changes to the district statutes. These changes included allowing any county to form such a district and removed some references to passenger-only ferry service. Two references to passenger-only ferry service remains in the district statutes.

Summary of Substitute Bill:

A county ferry district is allowed to construct, purchase, operate, and maintain any type of ferry, as well as the necessary landings.

A county ferry district is allowed to incur general indebtedness and issue general obligation bonds in order to finance the construction, purchase, and preservation of any type of ferry and associated terminals.

A referendum process is created if a county ferry district is proposed to be established in only a portion of a county. A county proposing to create such a district must publish notice of this intent or place a referendum on the next general election ballot in the portion of the county proposed for the district. If a petition is filed within 90 days of publication of the notice 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 next general election in the portion of the county proposed for the district. The district may be created only if approved by a majority of the voters.

Substitute Bill Compared to Original Bill:

The substitute bill allows a county ferry district to incur general indebtedness and issue general obligation bonds in order to finance the construction, purchase, and preservation of any type of ferry and associated terminals.

The substitute bill mandates a referendum if a county ferry district is proposed to be established in only a portion of a county. A county proposing to create such a district must publish notice of this intent or place a referendum on the next general election ballot in the portion of the county proposed for the district. If a petition is filed within 90 days of publication of the notice 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 next general election in the portion of the county proposed for the district. The district may be created only if approved by a majority of the voters.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill removes a reference to passenger-only ferries in the county ferry district statutes. It might be appropriate to remove other references as well.

The bill was brought by Pierce County, which currently operates auto ferries. This bill would allow Pierce County to fund these ferries with county ferry district funds.

Pierce County operates two vessels and three docks. The county spends approximately \$5 million per year on this operation, with the funding coming from a combination of fares, federal funds, and county funds. This bill would reduce pressure on fares and create stable funding for the system.

(Opposed) None.

Persons Testifying: Representative Kilduff, prime sponsor; and Lauren Behm, Pierce County.

Persons Signed In To Testify But Not Testifying: None.