

SENATE BILL REPORT

SB 5769

As Reported By Senate Committee On:
Highways & Transportation, February 12, 2003

Title: An act relating to regional transportation investment district bond authority.

Brief Description: Authorizing bond authority for regional transportation investment districts.

Sponsors: Senators Horn, Haugen, Swecker, Esser and Kline.

Brief History:

Committee Activity: Highways & Transportation: 2/11/03, 2/12/03 [DP, DNP].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Horn, Chair; Swecker, Vice Chair; Esser, Finkbeiner, Haugen, Jacobsen; Kastama, Oke, Prentice and Spanel.

Minority Report: Do not pass.

Signed by Senator Benton, Vice Chair.

Staff: Michael Groesch (786-7434)

Background: Regional Transportation Investment Districts (RTIDs) were authorized under Chapter 56, Laws 2002 (E2SSB 6140) for the purpose of planning, selecting, funding and implementing projects identified to meet the region's transportation and land use goals. Various revenue options were provided for the funding of such projects, including the authority to enter into agreements with the state or other local governments to pledge taxes or other revenues of the district for the purpose of paying principal and interest on bonds issued on behalf of the RTID. An RTID was not provided to issue long-term bonds on its own behalf, however, except for debt of no longer than two years duration.

Article 8, Section 6 of the State Constitution establishes limits on the amount of debt that a municipal corporation may incur. The debt of a municipal corporation may not exceed 1 and one-half percent of the value of taxable property within the boundaries of the municipal corporation without the assent of three-fifths of the voters. In no case may municipal corporation debt exceed 5 percent of the value of taxable property within the boundaries of the corporation. Debt that is secure by the revenues or tolls derived from the operation of a facility is not included for the purpose of calculating the municipal debt limit.

Summary of Bill: Regional Transportation Investment Districts are authorized to enter into debt up to amounts provided by the constitutional limitations. Revenue bonds may be issued by the district without submission to the voters of the district. Once construction of projects in the RTID plan has been completed, district revenues may only be used to make payments on the outstanding bonds, make payments required under pledging agreements, and provide

for the maintenance and operations of toll facilities as may be required by toll bond covenants.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is an important bill necessary to implement the legislation authorizing the Regional Transportation Investment District.

Testimony Against: None.

Testified: PRO: Charlie Howard representing Gary Nelson, Snohomish County Commissioner.