

SENATE BILL REPORT

SB 5767

As of February 22, 2007

Title: An act relating to the imposition of fees by transportation benefit districts.

Brief Description: Regarding the imposition of fees by transportation benefit districts.

Sponsors: Senators Jacobsen, Murray, Spanel and Haugen.

Brief History:

Committee Activity: Transportation: 2/22/07.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Kelly Simpson (786-7403)

Background: The legislative authority of a county or city may establish a Transportation Benefit District (TBD) for the purpose of financing and constructing transportation improvements within the district area.

Establishment of TBDs: TBDs may be formed in areas throughout the state, except in counties with a population greater than 1.5 million and any adjoining counties with a population greater than 500,000. However, effective December 1, 2007, TBD authority is available throughout the entire state.

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 does not have to 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 projects contained in a state or regional transportation plan, and may include various transportation projects that are of statewide or regional significance. Eligible projects may also include the operation, preservation, and maintenance of the applicable facilities or programs.

Revenue Options: A TBD may implement the following revenue measures: (1) local option sales and use taxes (up to 0.2 percent); (2) local option vehicle fees (up to \$100); (3) transportation impact fees; (4) excess property taxes; (5) border area motor vehicle fuel taxes (up to one cent/gallon); (6) bonds; and (7) vehicle tolls. A TBD may only implement revenue measures approved by the local voters.

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.

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 public hearing must be held to solicit public comment regarding how the cost change should be resolved. The district must be dissolved upon completion of the project(s) and the payment of debt service.

Summary of Bill: The bill as referred to committee not considered.

Summary of Proposed Substitute (Transportation): If a TBD includes all the territory within the boundaries of the establishing jurisdictions, then the TBD may impose, by a majority vote of the governing body and without voter approval, the transportation impact fees or up to \$20 of the local option vehicle fee. However, a TBD comprised of a city or cities may not impose these fees or charges within 180 days after the effective date of this act, unless the county in which the city or cities reside declares it will not impose the fees or charges itself.

If the TBD is countywide, the revenues from the non-voter approved local option vehicle fee must be distributed to each city within the county as provided in an interlocal agreement or according to the number of vehicles registered within each city. Language is included prohibiting the non-voter approved local option vehicle fee from exceeding \$20 in any given TBD area.

The public process for initiating a TBD is clarified.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill adds to the good work done in the 2005 Session expanding the authority available to transportation benefit districts. Cities are in need of additional transportation funding options, and this bill provides another tool in the toolbox for local jurisdictions. Recent state funding increases for local jurisdictions have been appreciated, but not enough to meet all the existing transportation needs. Some of the available special purpose district options are not viable due to their respective funding sources. Little grant money exists for local transportation funding. Recent state initiatives have severely harmed local jurisdictions' ability to adequately fund their transportation needs. City and county elected officials will work to cautiously exercise the authority in the bill, as they know they are ultimately accountable to their constituents.

CON: The community of Vancouver, Washington, opposes this bill and its non-voter approved taxes and fees. It allows for an "unmandated fund." Citizens are opposed to non-voter approved taxes.

OTHER: The bill is generally supported, but would request an amendment to adjust the distribution formula.

Persons Testifying: PRO: Ashley Probart, Association of Washington Cities; Noel Miller, City of Edmonds; Tim LaPorte, City of Kent; Rick Wickman, Identity Clark County; Mark Brown, City of Vancouver; Emily Rogers, Arc of Washington; Jason Pelerine, SAIL.

CON: Karen Axell, John Felton, Patricia Giles, citizens of Vancouver, Washington.

OTHER: Julie Murray, Washington State Association of Counties.