

# HOUSE BILL REPORT

## ESSB 6774

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**As Passed House:**  
March 11, 2010

**Title:** An act relating to transportation benefit districts.

**Brief Description:** Concerning transportation benefit districts.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senator Marr).

**Brief History:**

**Committee Activity:**

Transportation: 2/18/10, 2/24/10 [DPA].

**Floor Activity:**

Passed House: 3/5/10, 55-43.

Senate Refuses to Concur.

House Receded.

Passed House: 3/11/10, 72-25.

### Brief Summary of Engrossed Substitute Bill

- Provides an optional, alternative governance structure for transportation benefit districts (TBD) that include territory within more than one jurisdiction, by allowing such TBDs to be governed by the governing body of a metropolitan planning organization (MPO) if the TBD and the MPO have identical boundaries.
- Clarifies that a TBD may propose to fund transportation improvements that are consistent with any existing relevant state, regional, or local transportation plan, instead of all relevant transportation plans.
- Temporarily authorizes certain public transportation benefit areas (PTBA) to establish a transportation benefit district (TBD) within the full boundaries of the PTBA, and provides that any TBD established by a PTBA may not collect TBD fees or taxes after June 30, 2015 and must cease to exist by July 31, 2015.
- Makes technical changes to the TBD statute to remove expired language.

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### HOUSE COMMITTEE ON TRANSPORTATION

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*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.*

**Majority Report:** Do pass as amended. Signed by 18 members: Representatives Clibborn, Chair; Liias, Vice Chair; Armstrong, Ranking Minority Member; Dickerson, Driscoll, Eddy, Finn, Flannigan, Johnson, Moeller, Rolfes, Sells, Simpson, Springer, Takko, Uptegrove, Williams and Wood.

**Minority Report:** Do not pass. Signed by 9 members: Representatives Roach, Assistant Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Campbell, Ericksen, Herrera, Klippert, Kristiansen, Nealey and Shea.

**Staff:** Kathryn Leathers (786-7114).

### **Background:**

#### Transportation Benefit District.

A transportation benefit district (TBD) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. The proposed transportation improvement or improvements must be consistent with any existing state, regional, and local transportation plans, and must be necessitated by existing or reasonably foreseeable congestion levels. Various revenue options are available to a TBD in order to finance the improvements, most of which are subject to voter approval.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes an area within 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. Port districts and transit districts may participate in the establishment of a TBD but may not initiate TBD formation.

#### Public Transportation Benefit Areas.

There are 28 public transportation systems in the state, 20 of which are public transportation benefit areas (PTBA). A PTBA is a special purpose district authorized to provide public transportation service within all or a portion of a county or counties. A PTBA is created through a conference process attended by elected representatives selected by the legislative body of each city within the boundaries of the PTBA as well as the county legislative authority or authorities. A sales and use tax is the primary source of revenue for PTBAs. The governing body of a PTBA may seek voter approval to impose up to 0.9 percent in sales and use taxes within the boundaries of the PTBA.

#### Metropolitan Planning Organization.

Federal law requires that urban areas having greater than 50,000 persons must establish a metropolitan planning organization (MPO). The formation of an MPO is a precondition for receiving federal highway and transit funds. Typically, the MPO designation is made by the Governor and must have the concurrence of local government officials representing 75 percent of the population within the area, including the central city. The governing body of an MPO is determined by the interlocal agreement creating the MPO. Each MPO must have a transportation policy board which must include local elected officials, officials of agencies that administer or operate major modes of transportation systems, and appropriate state

officials. There are currently 11 MPOs in Washington.

Regional Transportation Planning Organization.

State law authorizes the voluntary association of governments for transportation planning purposes in the form of regional transportation planning organizations (RTPO). The purpose of an RTPO is to coordinate local comprehensive planning with state transportation planning. If formed, each RTPO must: (1) encompass at least one county; (2) have a population of at least 100,000 or contain at least three counties; and (3) have as members all counties within the region, and at least 60 percent of the cities and towns within the region representing at least 75 percent of the combined population of the cities and towns. Under state law, the federally-mandated MPOs are designated as the RTPOs. State requirements for regional transportation planning largely mirror federal requirements, and also include a requirement to certify that the transportation elements of local comprehensive plans conform with the Growth Management Act and are consistent with the regional transportation plan. Each RTPO must create a transportation policy board to provide policy advice to the RTPO. There are currently 14 RTPOs in Washington, which include every county in the state except San Juan County.

**Summary of Bill:**

An alternative governance structure is permitted for TBDs that include territory within more than one jurisdiction (e.g., more than one city or county), such that multi-jurisdiction TBDs may be governed by the governing body of the MPO serving the TBD if the TBD and the MPO have identical boundaries.

If a TBD is governed by the governing body of an MPO, only those members of the MPO that are elected officials may determine whether the district will impose or seek voter approval of any authorized taxes, charges, or fees.

It is clarified that a transportation improvement must only be consistent with any existing relevant state, regional, *or* local transportation plan, and is not required to be consistent with any existing state, regional, *and* local transportation plans.

It is established that if a TBD is governed by the governing body of an MPO, only those members of the MPO that are elected officials may determine whether the district will impose or seek voter approval of any authorized taxes, charges, or fees.

A PTBA with boundaries that include all or part of a county with a population of more than 600,000 is authorized to establish a TBD within the full boundaries of the PTBA until June 30, 2015. It is established that any taxes, charges, or fees imposed by a TBD that is formed by a PTBA may not be imposed or collected after June 30, 2015, and that the TBD must cease to exist no later than July 31, 2015. An authorized PTBA may form a TBD by majority vote of the governing body of the PTBA, without obtaining agreement by jurisdictions having territory within the boundaries of the PTBA.

Technical changes are made to the TBD statute to remove expired language.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Amended 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 idea behind this bill was brought forward to address transportation needs in Spokane. Some of the smaller jurisdictions that want to form a TBD do not necessarily have the planning staff that larger jurisdictions and MPOs have. The intent is that participation in a TBD that is governed by an MPO would be established and controlled by an interlocal agreement, and every jurisdiction within the boundaries of the MPO would need to agree to be included in the TBD.

(Opposed) None.

**Persons Testifying:** Mike Burgess, Spokane County.

**Persons Signed In To Testify But Not Testifying:** None.