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## Local Government Committee

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### HB 1917

**Brief Description:** Concerning the imposition of port district facility entry fees for certain ground transportation service providers.

**Sponsors:** Representatives Appleton, Ryu and Pettigrew.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes port districts to limit entry and charge an entry fee to its facilities, for the purpose of on-demand passenger service by motor vehicles licensed and regulated as for-hire vehicles, limousines, and taxicabs.</li></ul>
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**Hearing Date:** 2/7/17

**Staff:** Yvonne Walker (786-7841).

**Background:**

In 1911 the Legislature authorized the Port District Act allowing citizens to create port districts. Today, there are 75 port districts in Washington.

General Powers and Authority of Port Districts.

Port districts are authorized for the purpose of acquisition, construction, maintenance, operation, development, and regulation of harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities.

Among the general powers granted to ports are the following:

- to acquire land, property, leases, and easements;
- to condemn property and exercise the power of eminent domain;
- to develop lands for industrial and commercial purposes;
- to impose taxes, rates, and charges;
- to sell or otherwise convey rights to property; and
- to construct and maintain specified types of park and recreation facilities.

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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.*

### Governance of Port Districts.

Port districts are governed by a board of commissioners consisting of either three or five members in accordance with specified statutory criteria. Port commissioners are nominated either by commissioner district or, under certain circumstances, at-large. In all districts, port commissioners are elected at-large. Subject to voter approval, a port district with five commissioners may be authorized to have two commissioners who are both nominated and elected at-large.

### Airport Facility Charges.

Generally, commercial operators must obtain permission from an airport to engage in commercial activity on airport property. The agreements include access fees in the form of annual amounts, per-trip fees, or minimum annual guarantees or percentage of revenues. Fees are generally only assessed on commercial pick-up trips. Private owners/drivers are not required to have operating agreements and are not charged access fees.

Washington's statute requires that rates set by airports must be fair and uniform for the same class of service and established with regard to the property and improvements used and the expense of operation to the municipality.

On-demand service is generally requested by the traveler upon deplaning, with no prior transportation arrangements in place. Pre-arranged pick-up service has already been established by the customer prior to arrival. Taxi and limousine operations are typically considered on-demand types of services. The rates for on-demand pick-up services are determined through a competitive bid process associated with an exclusive contract. Other modes of transportation, such as shared ride, courtesy vehicle, charter, flat-rate-for-hire and Transportation Network Companies ("TNCs" such as UberX, Lyft, and Sidecar) have primarily accommodated the pre-arranged pick-up demand.

### **Summary of Bill:**

A port district may limit entry and charge an entry fee to its facilities for the purpose of on-demand passenger service by specified vehicles. The vehicles subject to the fee include motor vehicles licensed and regulated as for-hire vehicles, limousines, and taxicabs.

The port commission must determine the entry fee. However, the entry fee must be no more than the reasonably estimated pro rata, per-trip cost of recovery of the roadways and facilities that the vehicles access, as determined by the port commission of the port district for nonaeronautical or nonmarine use. The port district may require that the vehicles, subject to the entry fee, register with the port district and have an electronic or other device affixed to it in order to efficiently assess and monitor payment of the entry fee.

The entry fee may be charged, as a per-trip fee or as a permit, issued on a weekly, monthly, or other calendar basis. The port district may recover the cost of the device from the registered owner of the vehicle.

If the port districts enter into a contract for the management of the transportation on-demand services for the entry fee, the contract must be subject to a competitive public bid for a period of

not more than five years. In addition, the entry fee, as determined by the port commission, may include the recovery cost of managing the on-demand services.

The act applies retroactively to any existing contract of the port district that imposes an entry fee. Within 60 days after the effective date of the act, such contracts must be amended to comply with the registration and fee requirements under this act unless revenue from the contract has been pledged to support payment of a port district bond issue or debt obligation.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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