

SENATE BILL REPORT

SB 5177

As Reported By Senate Committee On:
Transportation, February 10, 2005

Title: An act relating to transportation benefit districts.

Brief Description: Modifying transportation benefit district provisions.

Sponsors: Senators Swecker, Jacobsen, Haugen and Oke.

Brief History:

Committee Activity: Transportation: 2/9/05, 2/10/05 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5177 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Swecker, Ranking Minority Member; Benson, Eide, Esser, Kastama, Mulliken, Oke and Spanel.

Staff: Kelly Simpson (786-7403)

Background: Current law permits a county or city to establish one or more transportation benefit districts (TBDs) within its jurisdiction to fund improvements to city streets, county roads, and state highways. When establishing the TBD area, the jurisdiction proposing to create the TBD may only include other counties and cities through interlocal agreements. A TBD expenditure plan must be specified in the ordinance establishing the TBD, and may not be changed without first going before a public hearing. A TBD must be dissolved when all debt has been paid and anticipated responsibilities have been satisfied.

TBDs are governed by the legislative authority of the jurisdiction proposing to create a TBD. When multiple jurisdictions are involved in establishing a TBD, however, the governance structure is controlled by interlocal agreement.

TBDs have independent taxing authority to implement the following revenue measures: (1) excess property taxes; (2) general obligation bonds; (3) transportation impact fees; and (4) border area motor vehicle fuel taxes. Additionally, TBDs may form local improvement districts with authority to impose special assessments on property benefitted by the improvements and to issue special assessment bonds.

Summary of Substitute Bill: The law governing transportation benefit districts is expanded.

Establishment of TBDs. TBDs may only be formed in areas outside of a county with a population greater than 1.5 million and any adjoining counties with a population greater than 500,000. 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 must 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 capital improvements relating to or supporting highways of statewide significance, and may include specified associated capital projects. A TBD may spend up to 20 percent of its generated revenue on local street, road, and highway improvements, and up to 40 percent on improvements in rural counties.

Revenue Options. In addition to the revenue options available to TBDs under current law, a TBD may implement the following revenue measures: (1) local option sales and use taxes; (2) local option vehicle license fees; (3) local option fuel taxes; (4) employer excise taxes; and (5) vehicle tolls. A TBD may only implement revenue measures approved by the local voters.

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 redefined plan must be sent to the voters for their approval.

Substitute Bill Compared to Original Bill: Technical amendments were made to ensure tolling sections in the bill conform with tolling legislation that previously passed out of committee.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2005.

Testimony For: This legislation grew out of a desire to provide local jurisdictions, outside of the Central Puget Sound area, additional options to meet local and regional transportation project needs, specifically in the form of partnerships between affected jurisdictions. This bill makes available to regions outside of the regional transportation investment district (RTID) area a similar menu of revenue options to pursue transportation projects. However, this bill provides more flexibility than that provided to an RTID area, both in terms of revenue options available and in the types of multi-jurisdictional and regional partnerships that may be entered into through the TBD process. Some suggestions were expressed regarding adding more revenue options to the bill (e.g., weight fees and "vehicle miles traveled" fees), more transit-related authority, and more clarity regarding the governing body of a TBD.

Testimony Against: None.

Who Testified: PRO: Senator Swecker, prime sponsor; Thayer Rorabaugh, City of Vancouver; Rob Johnson, Transportation Choices Coalition.