

HOUSE BILL REPORT

HB 2659

As Reported by House Committee On: Transportation

Title: An act relating to modifying certain provisions regarding transportation benefit districts.

Brief Description: Modifying certain provisions regarding transportation benefit districts.

Sponsors: Representatives Reykdal and Liias.

Brief History:

Committee Activity:

Transportation: 1/31/12, 2/1/12 [DPS].

Brief Summary of Substitute Bill

- Requires a transportation benefit district (TBD), when imposing a vehicle fee without a vote of the people, to exclude any territory in which a vehicle fee is currently being collected.
- Requires an interlocal agreement, if necessary, to go into effect prior to the imposition of a vehicle fee.
- Expands the definition of transportation improvements eligible to receive the TBD funds to include transportation projects and programs of local significance.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Clibborn, Chair; Billig, Vice Chair; Liias, Vice Chair; Armstrong, Ranking Minority Member; Angel, Asay, Eddy, Finn, Fitzgibbon, Hansen, Jinkins, Johnson, Ladenburg, Moeller, Morris, Moscoso, Reykdal, Rivers, Ryu, Takko, Upthegrove and Zeiger.

Minority Report: Do not pass. Signed by 7 members: Representatives Hargrove, Assistant Ranking Minority Member; Klippert, Kristiansen, McCune, Overstreet, Rodne and Shea.

Staff: David Munnecke (786-7315).

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.

Background:

A transportation benefit district (TBD or district) 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. When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction. 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 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 district formation.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to \$100 on vehicle license renewals, \$20 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Washington State Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval through a majority vote of the governing body:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to \$20 in local annual vehicle fees if the TBD includes all the territory within the boundaries of the jurisdiction(s) establishing the TBD. When imposing this fee, if the TBD is countywide the revenues must be distributed to each city within the county by interlocal agreement.

Summary of Substitute Bill:

A TBD, when imposing up to \$20 of the vehicle fee without a vote of the people, must include all the territory within the boundaries of the jurisdiction(s) establishing the TBD, but exclude territory in which a vehicle fee is currently being collected. If the TBD is countywide, or less than countywide, the revenues must be distributed to each city within the district by interlocal agreement, which agreement must be effective prior to the imposition of the fee.

The current definition of a transportation improvement eligible to receive the TBD funds is expanded from certain transportation projects and programs of regional and statewide significance to also include transportation projects and programs of local significance.

Substitute Bill Compared to Original Bill:

The substitute bill allows the revenues raised by the district, whether it is countywide or less than countywide, to be shared solely among the jurisdictions forming the district.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute 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) Currently, counties and cities can both participate in a TBD, but when a jurisdiction has already created a TBD, it can prevent the other jurisdictions within that county from forming their own. This bill would fix this problem.

The TBD is one of the few local transportation tools. However, the statute has already prevented some local jurisdictions and Thurston County from forming their own TBD. This bill would allow the non-Olympia districts to form their own TBD.

The Legislature was wise to encourage local cooperation on transportation. Rather than requiring pre-existing TBDs to dissolve in order to allow for the formation of a new TBD, this bill would allow for a new TBD to be created alongside the old.

(Opposed) None.

Persons Testifying: Representative Reykdal, prime sponsor; Peter Kmet, City of Tumwater; Lester Olson, Thurston County; Dennis McVey, City of Rainier; and Ashley Probart, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.