
HOUSE BILL 2267

State of Washington 63rd Legislature 2014 Regular Session

By Representatives Hansen and Seaquist

Read first time 01/15/14. Referred to Committee on Transportation.

1 AN ACT Relating to creating passenger-only ferry service districts;
2 adding new sections to chapter 36.57A RCW; adding a new section to
3 chapter 82.14 RCW; adding a new section to chapter 82.80 RCW; and
4 providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 36.57A RCW
7 to read as follows:

8 (1) A governing body of a public transportation benefit area may
9 establish one or more passenger-only ferry service districts within all
10 or a portion of the boundaries of the public transportation benefit
11 area establishing the passenger-only ferry service district. A
12 passenger-only ferry service district may include all or a portion of
13 a city or town as long as all or a portion of the city or town
14 boundaries are within the boundaries of the establishing public
15 transportation benefit area. The members of the public transportation
16 benefit area governing body proposing to establish the passenger-only
17 ferry service district, acting ex officio and independently,
18 constitutes the governing body of the passenger-only ferry service
19 district.

1 (2) A passenger-only ferry service district may establish, finance,
2 and provide passenger-only ferry service, and associated services to
3 support and augment passenger-only ferry service operation, within its
4 boundaries in the same manner as authorized for public transportation
5 benefit areas under this chapter.

6 (3) A passenger-only ferry service district constitutes a body
7 corporate and possesses all the usual powers of a corporation for
8 public purposes as well as all other powers that may be conferred by
9 statute including, but not limited to, the authority to hire employees,
10 staff, and services, to enter into contracts, to acquire, hold, and
11 dispose of real and personal property, and to sue and be sued. Public
12 works contract limits applicable to the public transportation benefit
13 area that established the passenger-only ferry service district apply
14 to the district. For purposes of this section, "passenger-only ferry
15 service district" means a quasi-municipal corporation and independent
16 taxing authority within the meaning of Article VII, section 1 of the
17 state Constitution, and a taxing district within the meaning of Article
18 VII, section 2 of the state Constitution, created by the legislative
19 body of a public transportation benefit area.

20 (4) A passenger-only ferry service district may exercise the power
21 of eminent domain to obtain property for its authorized purposes in the
22 same manner as authorized for the public transportation benefit area
23 that established the passenger-only ferry service district.

24 (5) Before a passenger-only ferry service district may provide
25 passenger-only ferry service, it must develop a passenger-only ferry
26 investment plan, including elements: To operate or contract for the
27 operation of passenger-only ferry services; to purchase, lease, or rent
28 ferry vessels and dock facilities for the provision of transit service;
29 and to identify other activities necessary to implement the plan. The
30 plan must set forth terminal locations to be served, projected costs of
31 providing services, and revenues to be generated from tolls, locally
32 collected tax revenues, and other revenue sources. The plan must
33 ensure that services provided under the plan are for the benefit of the
34 residents of the passenger-only ferry service district. The passenger-
35 only ferry service district may use any of its powers to carry out this
36 purpose, unless otherwise prohibited by law. In addition, the
37 passenger-only ferry service district may enter into: Contracts and
38 agreements to operate passenger-only ferry service; public-private

1 partnerships; and design-build, general contractor/construction
2 management, or other alternative procurement processes substantially
3 consistent with chapter 39.10 RCW.

4 (6) A passenger-only ferry service district may be dissolved by a
5 majority vote of the governing body when all obligations under any
6 general obligation bonds issued by the passenger-only ferry service
7 district have been discharged and any other contractual obligations of
8 the passenger-only ferry service district have either been discharged
9 or assumed by another governmental entity.

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.57A RCW
11 to read as follows:

12 (1) A passenger-only ferry service district may, as part of a
13 passenger-only ferry investment plan, recommend some or all of the
14 following revenue sources as provided in this chapter:

- 15 (a) A sales and use tax, as provided in section 3 of this act;
16 (b) A parking tax, as provided in section 4 of this act;
17 (c) Tolls for passengers, packages, and, where applicable, parking;
18 and

19 (d) Charges or licensing fees for advertising, leasing space for
20 services to ferry passengers, and other revenue generating activities.

21 (2) Taxes may not be imposed without an affirmative vote of the
22 majority of the voters within the boundaries of the passenger-only
23 ferry service district voting on a single ballot proposition to both
24 approve a passenger-only ferry investment plan and to approve taxes to
25 implement the plan. Revenues from these taxes and fees may be used
26 only to implement the plan and must be used for the benefit of the
27 residents of the passenger-only ferry service district. A district may
28 contract with the department of revenue or other appropriate entities
29 for the administration and collection of any of the taxes or charges
30 authorized in this section.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW
32 to read as follows:

33 Passenger-only ferry service districts providing passenger-only
34 ferry service as provided in section 1 of this act may submit an
35 authorizing proposition to the voters and, if approved by a majority of
36 persons voting, fix and impose a sales and use tax in accordance with

1 the terms of this chapter, solely for the purpose of providing
2 passenger-only ferry service and associated services to support and
3 augment passenger-only ferry service operation.

4 The tax authorized under this section is in addition to other taxes
5 authorized by law and must be collected from those persons who are
6 taxable by the state under chapters 82.08 and 82.12 RCW upon the
7 occurrence of a taxable event within the taxing district. The maximum
8 rate of the tax must be approved by the voters and may not exceed six-
9 tenths of one percent of the selling price in the case of a sales tax
10 or value of the article used in the case of a use tax.

11 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.80 RCW
12 to read as follows:

13 (1) Subject to the conditions of this section, a passenger-only
14 ferry service district located in a county with a population of one
15 million or less as of January 1, 2015, may fix and impose a parking tax
16 on all persons engaged in a commercial parking business within its
17 respective jurisdiction.

18 (2) In lieu of the tax in subsection (1) of this section, a
19 passenger-only ferry service district located in a county with a
20 population of one million or less as of January 1, 2015, may fix and
21 impose a tax for the act or privilege of parking a motor vehicle in a
22 facility operated by a commercial parking business. The passenger-only
23 ferry service district may provide that:

24 (a) The tax is paid by the operator or owner of the motor vehicle;

25 (b) The tax applies to all parking for which a fee is paid, whether
26 paid or leased, including parking supplied with a lease of
27 nonresidential space;

28 (c) The tax is collected by the operator of the facility and
29 remitted to the city, county, or passenger-only ferry service district;

30 (d) The tax is a fee per vehicle or is measured by the parking
31 charge;

32 (e) The tax rate varies with zoning or location of the facility,
33 the duration of the parking, the time of entry or exit, the type or use
34 of the vehicle, or other reasonable factors; and

35 (f) Tax exempt carpools, vehicles with special license plates and
36 parking placards for persons with disabilities, or government vehicles
37 are exempt from the tax.

1 (3) The rate of the tax under subsection (1) of this section may be
2 based either upon gross proceeds or the number of vehicle stalls
3 available for commercial parking use. The rates charged must be
4 uniform for the same class or type of commercial parking business.

5 (4) The passenger-only ferry service district levying the tax
6 provided for in subsection (1) or (2) of this section may provide for
7 its payment on a monthly, quarterly, or annual basis.

8 (5) The proceeds of the parking tax imposed by a passenger-only
9 ferry service district under subsection (1) or (2) of this section must
10 be used as provided in section 2 of this act.

11 (6) "Commercial parking business" as used in this section, means
12 the ownership, lease, operation, or management of a commercial parking
13 lot in which fees are charged. "Commercial parking lot" means a
14 covered or uncovered area with stalls for the purpose of parking motor
15 vehicles.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.57A RCW
17 to read as follows:

18 (1) A passenger-only ferry service district may form a local
19 improvement district to provide any transportation improvement it has
20 the authority to provide, impose special assessments on all property
21 specially benefited by the transportation improvements, and issue
22 special assessment bonds or revenue bonds to fund the costs of the
23 transportation improvement. Local improvement districts must be
24 created and assessments must be made and collected pursuant to chapters
25 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.

26 (2) The governing body of the passenger-only ferry service district
27 must by resolution establish for each special assessment bond issue the
28 amount, date, terms, conditions, denominations, maximum fixed or
29 variable interest rate or rates, maturity or maturities, redemption
30 rights, registration privileges, if any, covenants, and form, including
31 registration as to principal and interest, registration as to principal
32 only, or bearer. Registration may include, but not be limited to: (a)
33 A book entry system of recording the ownership of a bond whether or not
34 physical bonds are issued, or (b) recording the ownership of a bond
35 together with the requirement that the transfer of ownership may only
36 be effected by the surrender of the old bond and either the reissuance
37 of the old bond or the issuance of a new bond to the new owner.

1 Facsimile signatures may be used on the bonds and any coupons. The
2 maximum term of any special assessment bonds may not exceed thirty
3 years beyond the date of issue. Special assessment bonds issued
4 pursuant to this section may not be an indebtedness of the passenger-
5 only ferry service district issuing the bonds, and the interest and
6 principal on the bonds may only be payable from special assessments
7 made for the improvement for which the bonds were issued and any local
8 improvement guaranty fund that the passenger-only ferry service
9 district has created. The owner or bearer of a special assessment bond
10 or any interest coupon issued pursuant to this section does not have
11 any claim against the passenger-only ferry service district arising
12 from the bond or coupon except for the payment from special assessments
13 made for the improvement for which the bonds were issued and any local
14 improvement guaranty fund the passenger-only ferry service district has
15 created. The passenger-only ferry service district issuing the special
16 assessment bonds is not liable to the owner or bearer of any special
17 assessment bond or any interest coupon issued pursuant to this section
18 for any loss occurring in the lawful operation of its local improvement
19 guaranty fund. The substance of the limitations included in this
20 subsection must be plainly printed, written, or engraved on each
21 special assessment bond issued pursuant to this section.

22 (3) Assessments must reflect any credits given by the passenger-
23 only ferry service district for real property or property right
24 donations made pursuant to RCW 47.14.030.

25 (4) The governing body of the passenger-only ferry service district
26 may establish and pay moneys into a local improvement guaranty fund to
27 guarantee special assessment bonds issued by the passenger-only ferry
28 service district.

29 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.57A RCW
30 to read as follows:

31 (1) To carry out the purposes of this chapter, a passenger-only
32 ferry service district may issue general obligation bonds, not to
33 exceed an amount, together with any other outstanding nonvoter-approved
34 general obligation indebtedness, equal to one and one-half percent of
35 the value of the taxable property within the area, as the term "value
36 of the taxable property" is defined in RCW 39.36.015. A passenger-only
37 ferry service district may also issue general obligation bonds for

1 capital purposes only, together with any outstanding general obligation
2 indebtedness, not to exceed an amount equal to five percent of the
3 value of the taxable property within the area, as the term "value of
4 the taxable property" is defined in RCW 39.36.015, when authorized by
5 the voters of the area pursuant to Article VIII, section 6 of the state
6 Constitution.

7 (2) General obligation bonds with a maturity in excess of twenty-
8 five years may not be issued. The governing body of the passenger-only
9 ferry service district must by resolution determine for each general
10 obligation bond issue the amount, date, terms, conditions,
11 denominations, maximum fixed or variable interest rate or rates,
12 maturity or maturities, redemption rights, registration privileges,
13 manner of execution, manner of sale, callable provisions, if any,
14 covenants, and form, including registration as to principal and
15 interest, registration as to principal only, or bearer. Registration
16 may include, but not be limited to: (a) A book entry system of
17 recording the ownership of a bond whether or not physical bonds are
18 issued, or (b) recording the ownership of a bond together with the
19 requirement that the transfer of ownership may only be effected by the
20 surrender of the old bond and either the reissuance of the old bond or
21 the issuance of a new bond to the new owner. Facsimile signatures may
22 be used on the bonds and any coupons. Refunding general obligation
23 bonds may be issued in the same manner as general obligation bonds are
24 issued.

25 (3) Whenever general obligation bonds are issued to fund specific
26 projects or enterprises that generate revenues, charges, user fees, or
27 special assessments, the passenger-only ferry service district may
28 specifically pledge all or a portion of the revenues, charges, user
29 fees, or special assessments to refund the general obligation bonds.
30 The passenger-only ferry service district may also pledge any other
31 revenues that may be available to the district.

32 (4) In addition to general obligation bonds, a passenger-only ferry
33 service district may issue revenue bonds to be issued and sold in
34 accordance with chapter 39.46 RCW.

35 NEW SECTION. **Sec. 7.** This act takes effect January 1, 2015.

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