

HOUSE BILL REPORT

ESSB 6464

As Passed House:

March 8, 2002

Title: An act relating to city transportation authority.

Brief Description: Authorizing the creation of a city transportation authority.

Sponsors: By Senate Committee on Transportation (originally sponsored by Senators Jacobsen, Horn and Kohl-Welles).

Brief History:

Committee Activity:

Transportation: 3/4/02 [DP].

Floor Activity:

Passed House: 3/8/02, 90-6.

Brief Summary of Engrossed Substitute Bill

- Authorizes cities over 300,000 to establish a monorail authority to develop a monorail system.
- Funds monorail development with voter approved: a Motor Vehicle Excise Tax of up to 2.5 percent; a rental car sales tax of 1.944 percent; a vehicle relicensing fee of up to \$100 per vehicle; and property taxes of up to \$1.50 per thousand.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 20 members: Representatives Fisher, Chair; Cooper, Vice Chair; Lovick, Vice Chair; Mitchell, Ranking Minority Member; Haigh, Hankins, Hatfield, Jackley, Jarrett, Morell, Murray, Ogden, Reardon, Rockefeller, Romero, Simpson, Skinner, Sullivan, Wood and Woods.

Minority Report: Without recommendation. Signed by 3 members: Representatives Holmquist, Mielke and Schindler.

Staff: Gene Baxstrom (786-7303).

Background:

The original monorail runs for a mile between the Seattle Center and downtown Seattle. In 1997 voters in the city of Seattle approved a study of an expanded monorail system. In 2000 voters in the city of Seattle approved an initiative for the Elevated Transportation Company to develop a monorail expansion plan, which included \$6 million in funding. A bus service is also operated within Seattle by King County Metro.

Summary of Bill:

A city with a population over 300,000 can create a city transportation authority to perform a public monorail transportation function if a majority of voters within the city approves it. A city transportation authority is granted broad powers to develop and operate a monorail facility. It may contract with vendors to design, construct and operate a monorail system including designation of a representative to evaluate proposing vendors. The representative is to recommend to the governing authority best qualified vendors and a contract may be negotiated with the vendor for certain aspects of system development or operation. Public hearings and written findings are required for this negotiated procurement. Contracts over \$200,000, other than for the vendor, must be competitively bid. The authority may also establish Local Improvement Districts for properties specially benefitted by system development.

To proceed with creation of an authority, the city is required to designate a governing body which may be directly elected or appointed. Officers or employees of a single city government may not compose a majority of the members of the governing body. The form of governance, the role of the governing body, proposed taxes to be voted upon by the electorate, and an interim body for governance of not more than 14 months must all be specified by the city. The creation of an authority may also be proposed by petition of one percent of the voters within an area.

The authority must, to proceed with development of a system, adopt a public transportation plan which must be approved by the city council and voters within the city boundaries.

The following voter approved taxes are authorized for a city transportation authority:

- An excise tax on the value of motor vehicles within the city not exceeding 2.5 percent.
- A sales and use tax on retail car rentals within the city not exceeding 1.944 percent of the base of the tax, if the motor vehicle excise tax is implemented.
- A vehicle relicensing tax not exceeding \$100 for each car within the city.
- Annual property tax levies of \$1.50 or less per thousand dollars of property value, in addition to existing property taxes.

The authority may issue both revenue and general obligation bonds.

If a regional transportation act is not enacted by December 31, 2002, this legislation is null and void; therefore, a city transportation authority could not be established.

A dissolution process for an authority, initiated by a referendum process, is set forth.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed. However, if a regional transportation act is not enacted by December 31, 2002, this legislation is null and void.

Testimony For: Allows city residents to address transportation needs through development of a monorail system.

Testimony Against: None.

Testified: Ron Meyers and Jim Kelley, Elevated Transportation Company.