
HOUSE BILL 2850

State of Washington

57th Legislature

2002 Regular Session

By Representatives Murray, Jarrett, Lysen, McDermott, Cody, Kenney, Dickerson and Chase

Read first time 01/30/2002. Referred to Committee on Transportation.

1 AN ACT Relating to city transportation authority; amending RCW
2 84.52.010 and 84.52.052; and adding a new chapter to Title 36 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires otherwise.

6 (1) "Authority" means a city transportation authority created
7 pursuant to this act.

8 (2) "Authority area" means the territory within a city or cities,
9 and contiguous unincorporated territory, or such portions thereof, as
10 designated in the ordinance creating the authority.

11 (3) "Bonds" means bonds, notes, or other evidences of indebtedness.

12 (4) "Public transportation function" means the transportation of
13 passengers and their incidental baggage, as authorized in this act,
14 together with the necessary passenger stations, terminals, parking
15 facilities, related facilities or other properties, and facilities
16 necessary and appropriate for passenger and vehicular access to and
17 from people-moving systems.

1 NEW SECTION. **Sec. 2.** (1) Every city with a population greater
2 than three hundred thousand may create a city transportation authority
3 to perform a public transportation function. The authority shall
4 embrace all the territory in the authority area. A city transportation
5 authority shall be a municipal corporation, an independent taxing
6 "authority" within the meaning of Article 7, section 1 of the state
7 Constitution, and a "taxing district" within the meaning of Article 7,
8 section 2 of the state Constitution.

9 (2) Any city transportation authority established pursuant to this
10 chapter shall be approved by a majority vote of the electors residing
11 within the proposed authority area voting at a regular or special
12 election. Additional territory may be added to an authority area with
13 the approval of the legislative authority of each city, or county in
14 the case of unincorporated area, within which the territory exists, and
15 with the approval of the electors within the area proposed to be added
16 to the authority area.

17 NEW SECTION. **Sec. 3.** (1) A city that undertakes to create an
18 authority shall propose the authority by ordinance of the city
19 legislative body. The ordinance shall:

20 (a) Propose the authority area and the size and method of selection
21 of the governing body of the authority, which governing body may be
22 appointed or elected, provided that officers or employees of any single
23 city may not compose a majority of the members of the authority's
24 governing body;

25 (b) Propose whether all or a specified portion of the public
26 transportation function will be exercised by the authority;

27 (c) Propose an initial array of taxes to be voted upon by the
28 electors within the proposed authority area; and

29 (d) Provide for an interim governing body of the authority which
30 shall govern the authority upon voter approval of formation of the
31 authority, until a permanent governing body is selected, but in no
32 event longer than fourteen months.

33 (2) An authority may also be proposed to be created by a petition
34 setting forth the matters described in subsection (1) of this section,
35 and signed by one percent of the qualified electors of the proposed
36 authority area.

37 (3) If an authority is proposed to be created with an authority
38 area that includes more than one city, or the unincorporated area of a

1 county, an ordinance shall be passed by the legislative authority of
2 all cities and counties within the proposed authority area, or in the
3 alternative, a petition shall be signed by one percent of the qualified
4 electors of the proposed authority area within each city or
5 unincorporated area of a county.

6 (4) Upon approval of its formation by the qualified electors, the
7 governing body of an authority, or interim governing body, as
8 applicable, shall adopt bylaws determining, among other things, the
9 authority's officers and the method of their selection, and other
10 matters the governing body deems appropriate.

11 NEW SECTION. **Sec. 4.** Every authority has the following powers:

12 (1) To acquire by purchase, condemnation, gift, or grant and to
13 lease, construct, add to, improve, replace, repair, maintain, operate,
14 and regulate the use of certain public transportation facilities,
15 including monorails, trams and trolleys, and including passenger
16 terminal and parking facilities and properties, and other facilities
17 and properties as may be necessary for passenger and vehicular access
18 to and from public transportation facilities, together with all lands,
19 rights of way, and property within or outside the authority area, and
20 together with equipment and accessories necessary or appropriate for
21 these facilities;

22 (2) To fix rates, tolls, fares, and charges for the use of
23 facilities and to establish various routes and classes of service.
24 Rates, tolls, fares, or charges may be adjusted or eliminated for any
25 distinguishable class of users including, but not limited to, senior
26 citizens, handicapped persons, and students;

27 (3) To contract with the United States or any of its agencies, any
28 state or any of its agencies, any metropolitan municipal corporation,
29 any other county, city, other political subdivision or governmental
30 instrumentality, or governmental agency, or any private person, firm,
31 or corporation for the purpose of receiving gifts or grants or securing
32 loans or advances for preliminary planning and feasibility studies, or
33 for the design, construction, operation, or maintenance of public
34 transportation facilities, as long as contracts for the construction of
35 facilities with an estimated cost greater than two hundred thousand
36 dollars are awarded after a competitive bid process consistent with
37 chapter 39.04 RCW or are awarded consistent with an alternative public
38 works contracting procedure consistent with chapter 39.10 RCW.

1 Contracts for construction with an estimated cost of two hundred
2 thousand dollars or less may be awarded pursuant to RCW 39.04.155;

3 (4) To contract with the United States or any of its agencies, any
4 state or any of its agencies, any metropolitan municipal corporation,
5 any other county, city, other political subdivision or governmental
6 instrumentality, any governmental agency, or any private person, firm,
7 or corporation for the use by either contracting party of all or any
8 part of the facilities, structures, lands, interests in lands, air
9 rights over lands, and rights of way of all kinds which are owned,
10 leased, or held by the other party and for the purpose of planning,
11 designing, constructing, operating any public transportation facility,
12 or performing any service related to transportation which the authority
13 is authorized to operate or perform, on terms as may be agreed upon by
14 the contracting parties;

15 (5) To acquire any existing public transportation facility by
16 conveyance, sale, or lease. In any acquisition from a county, city, or
17 other political subdivision of the state, the authority shall receive
18 credit from the county or city or other political subdivision for any
19 federal assistance and state matching assistance used by the county or
20 city or other political subdivision in acquiring any portion of the
21 public transportation facility. Upon acquisition, the authority shall
22 assume and observe all existing labor contracts relating to the public
23 transportation facility and, to the extent necessary for operation of
24 the public transportation facility, all of the employees of the public
25 transportation facility whose duties are necessary to efficiently
26 operate the public transportation facility shall be appointed to
27 comparable positions to those which they held at the time of the
28 transfer, and no employee or retired or pensioned employee of the
29 public transportation facility shall be placed in any worse position
30 with respect to pension seniority, wages, sick leave, vacation, or
31 other benefits than he or she enjoyed as an employee of the public
32 transportation facility prior to the acquisition. Furthermore, the
33 authority shall engage in collective bargaining with the duly appointed
34 representatives of any employee labor organization having existing
35 contracts with the acquired facility and may enter into labor contracts
36 with the employee labor organization;

37 (6) To contract for, participate in, and support research,
38 demonstration, testing, and development of public transportation
39 facilities, equipment, and use incentives, and have all powers

1 necessary to comply with any criteria, standards, and regulations which
2 may be adopted under state and federal law, and to take all actions
3 necessary to meet the requirements of those laws. The authority shall
4 have, in addition to these powers, the authority to prepare, adopt, and
5 carry out a comprehensive transit plan and to make other plans and
6 studies and to perform programs as the authority deems necessary to
7 implement and comply with those laws;

8 (7) To establish local improvement districts within the authority
9 area to finance public transportation facilities, to levy special
10 assessments on property specially benefited by those facilities, and to
11 issue local improvement bonds to be repaid by the collection of local
12 improvement assessments. The method of establishment, levying,
13 collection, enforcement, and all other matters relating to the local
14 improvement districts, assessments, collection, and bonds shall be as
15 provided in the statutes governing local improvement districts of
16 cities and towns. The duties devolving upon the city treasurer in
17 those statutes shall be imposed on the treasurer of the authority;

18 (8) To exercise all other powers necessary and appropriate to carry
19 out its responsibilities, including without limitation the power to
20 own, construct, purchase, lease, add to, and maintain any real and
21 personal property or property rights necessary for the conduct of the
22 affairs of the authority, to enter into contracts, and to employ the
23 persons as the authority deems appropriate. An authority may also
24 sell, lease, convey, or otherwise dispose of any authority real or
25 personal property no longer necessary for the conduct of the affairs of
26 the authority.

27 NEW SECTION. **Sec. 5.** Each authority shall establish the funds and
28 accounts it deems necessary and appropriate. The authority may
29 designate a treasurer or may contract with any city with territory
30 within the authority area for treasury and other financial functions.
31 The city shall be reimbursed for the expenses of treasury services.
32 However, no city whose treasurer serves as treasurer of an authority is
33 liable for the obligations of the authority.

34 NEW SECTION. **Sec. 6.** The authority shall adopt a public
35 transportation plan for public transportation facilities to be provided
36 by the authority. The plan, and any amendments, shall be approved by
37 the legislative authority of each city and county, in the case of

1 unincorporated territory, comprising more than ten percent of the
2 qualified electors in the authority area. Prior to adoption of the
3 plan, the authority shall provide a minimum of sixty days during which
4 sufficient public hearings shall be held to provide interested persons
5 an opportunity to participate in development of the plan.

6 NEW SECTION. **Sec. 7.** Every authority has the power to:

7 (1) Levy excess levies upon the property included within the
8 authority area, in the manner prescribed by Article VII, section 2 of
9 the state Constitution and by RCW 84.52.052 for operating funds,
10 capital outlay funds, and cumulative reserve funds;

11 (2) Issue general obligation bonds, not to exceed an amount,
12 together with any outstanding nonvoter-approved general obligation
13 indebtedness equal to one and one-half percent of the value of the
14 taxable property within the authority area, as the term "value of the
15 taxable property" is defined in RCW 39.36.015. An authority may
16 additionally issue general obligation bonds, together with outstanding
17 voter-approved and nonvoter-approved general obligation indebtedness,
18 equal to two and one-half percent of the value of the taxable property
19 within the authority area, as the term "value of the taxable property"
20 is defined in RCW 39.36.015, when the bonds are approved by three-
21 fifths of the qualified electors of the authority at a general or
22 special election called for that purpose and may provide for the
23 retirement thereof by levies in excess of dollar rate limitations in
24 accordance with the provisions of RCW 84.52.056. These elections shall
25 be held as provided in RCW 39.36.050;

26 (3) Issue revenue bonds payable from any revenues other than taxes
27 levied by the authority, and to pledge those revenues for the repayment
28 of the bonds. Proceeds of revenue bonds may be expended for the costs
29 of public transportation facilities, for financing costs, and for
30 capitalized interest during construction plus six months thereafter.
31 The bonds and warrants shall be issued and sold in accordance with
32 chapter 39.46 RCW.

33 Unless authorized by the legislative authority of any city or
34 county or by the legislature, bonds issued by an authority are not
35 obligations of any city, county, or the state of Washington or any
36 political subdivision thereof other than the authority, and the bonds
37 shall state.

1 NEW SECTION. **Sec. 8.** (1) Every authority has the power to levy
2 and collect a special excise tax not exceeding two and one-half percent
3 on the value of every motor vehicle owned by a resident of the
4 authority area for the privilege of using a motor vehicle. Before
5 utilization of any excise tax money collected under this section for
6 acquisition of right of way or construction of a public transportation
7 facility on a separate right of way, the authority shall adopt rules
8 affording the public an opportunity for corridor public hearings and
9 design public hearings, which shall provide in detail the procedures
10 necessary for public participation in the following instances: (a)
11 Prior to adoption of location and design plans having a substantial
12 social, economic, or environmental effect upon the locality upon which
13 they are to be constructed; or (b) on the public transportation
14 facilities operating on a separate right of way whenever a substantial
15 change is proposed relating to location or design in the adopted plan.
16 In adopting rules the authority shall adhere to the provisions of the
17 administrative procedure act.

18 (2) A "corridor public hearing" is a public hearing that: (a) Is
19 held before the authority is committed to a specific route proposal for
20 the public transportation facility, and before a route location is
21 established; (b) is held to afford an opportunity for participation by
22 those interested in the determination of the need for, and the location
23 of, the public transportation facility; and (c) provides a public forum
24 that affords a full opportunity for presenting views on the public
25 transportation facility route location, and the social, economic, and
26 environmental effects on that location and alternate locations.
27 However, the hearing shall not be deemed to be necessary before
28 adoption of a transportation plan as provided in section 6 of this act
29 or a vote of the qualified electors under subsection (5) of this
30 section.

31 (3) A "design public hearing" is a public hearing that: (a) Is
32 held after the location is established but before the design is
33 adopted; (b) is held to afford an opportunity for participation by
34 those interested in the determination of major design features of the
35 public transportation facility; and (c) provides a public forum to
36 afford a full opportunity for presenting views on the public
37 transportation system design, and the social, economic, and
38 environmental effects of that design and alternate designs.

1 (4) An authority imposing a tax under subsection (1) of this
2 section may also impose a sales and use tax, in addition to any tax
3 authorized by RCW 82.14.030, upon retail car rentals within the city
4 that are taxable by the state under chapters 82.08 and 82.12 RCW. The
5 rate of tax shall not exceed 1.944 percent of the base of the tax. The
6 base of the tax shall be the selling price in the case of a sales tax
7 or the rental value of the vehicle used in the case of a use tax. The
8 tax imposed under this section shall be deducted from the amount of any
9 tax otherwise due under RCW 82.08.020(2). The revenue collected under
10 this subsection shall be distributed in the same manner as sales and
11 use taxes under chapter 82.14 RCW.

12 (5) Before any authority may impose any of the taxes authorized
13 under this section, the authorization for imposition of the taxes shall
14 be approved by the qualified electors of the authority area.

15 NEW SECTION. **Sec. 9.** (1) Every authority shall have the power to
16 fix and impose a fee, not to exceed one hundred dollars per vehicle,
17 for each vehicle that is subject to license tab fees under RCW
18 46.16.0621 and for each vehicle that is subject to RCW 46.16.070 with
19 an unladen weight of six thousand pounds or less, and that is
20 determined by the department of licensing to be registered within the
21 boundaries of the authority area. The department of licensing shall
22 provide an exemption from the fee for any vehicle the owner of which
23 demonstrates is not operated within the authority area.

24 (2) The department of licensing shall administer and collect the
25 fee. The department shall deduct a percentage amount, as provided by
26 contract, not to exceed two percent of the taxes collected, for
27 administration and collection expenses incurred by it. The remaining
28 proceeds shall be remitted to the custody of the state treasurer for
29 monthly distribution to the authority.

30 (3) The authority imposing this fee shall delay the effective date
31 at least six months from the date the fee is approved by the qualified
32 voters of the authority area to allow the department of licensing to
33 implement administration and collection of the fee.

34 (4) Before any authority may impose any of the fees authorized
35 under this section, the authorization for imposition of the fees shall
36 be approved by a majority of the qualified electors of the authority
37 area voting.

1 NEW SECTION. **Sec. 10.** (1) Every authority has the power to impose
2 annual regular property tax levies in an amount equal to one dollar and
3 fifty cents or less per thousand dollars of assessed value of property
4 in the authority area when specifically authorized to do so by a
5 majority of the voters voting on a proposition submitted at a special
6 election or at the regular election of the authority. A proposition
7 authorizing the tax levies shall not be submitted by an authority more
8 than twice in any twelve-month period. Ballot propositions shall
9 conform with RCW 29.30.111. The number of years during which the
10 regular levy will be imposed may be limited as specified in the ballot
11 proposition or may be unlimited in duration. In the event an authority
12 is levying property taxes, which in combination with property taxes
13 levied by other taxing districts subject to the one percent limitation
14 provided for in Article 7, section 2 of the state Constitution result
15 in taxes in excess of the limitation provided for in RCW 84.52.043, the
16 authority's property tax levy shall be reduced or eliminated consistent
17 with RCW 84.52.010.

18 (2) The limitation in RCW 84.55.010 shall not apply to the first
19 levy imposed under this section following the approval of the levies by
20 the voters under subsection (1) of this section.

21 NEW SECTION. **Sec. 11.** All taxes and fees levied and collected by
22 an authority shall be levied and used solely for the purpose of paying
23 all or any part of the cost of acquiring, designing, constructing,
24 equipping, or operating the facilities of an authority or contracting
25 for the services thereof, or to pay or secure the payment of all or
26 part of the principal of or interest on any general obligation bonds or
27 revenue bonds issued for authority purposes. Until expended, money
28 accumulated in the funds and accounts of an authority may be invested
29 in the manner authorized by the governing body of the authority,
30 consistent with state law.

31 If any of the revenue from any tax or fee authorized to be levied
32 by an authority has been pledged by the authority to secure the payment
33 of any bonds as herein authorized, then as long as that pledge is in
34 effect the legislature shall not withdraw from the authority the
35 authorization to levy and collect the tax or fee.

36 NEW SECTION. **Sec. 12.** The special excise tax imposed under
37 section 8(1) of this act shall be collected at the same time and in the

1 same manner as license tab fees under RCW 46.16.0621 and section 9 of
2 this act. Every year on January 1st, April 1st, July 1st, and October
3 1st the department of licensing shall remit special excise taxes
4 collected on behalf of an authority, back to the authority, at no cost
5 to the authority.

6 **Sec. 13.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each
7 amended to read as follows:

8 Except as is permitted under RCW 84.55.050, all taxes shall be
9 levied or voted in specific amounts.

10 The rate percent of all taxes for state and county purposes, and
11 purposes of taxing districts coextensive with the county, shall be
12 determined, calculated and fixed by the county assessors of the
13 respective counties, within the limitations provided by law, upon the
14 assessed valuation of the property of the county, as shown by the
15 completed tax rolls of the county, and the rate percent of all taxes
16 levied for purposes of taxing districts within any county shall be
17 determined, calculated and fixed by the county assessors of the
18 respective counties, within the limitations provided by law, upon the
19 assessed valuation of the property of the taxing districts
20 respectively.

21 When a county assessor finds that the aggregate rate of tax levy on
22 any property, that is subject to the limitations set forth in RCW
23 84.52.043 or 84.52.050, exceeds the limitations provided in either of
24 these sections, the assessor shall recompute and establish a
25 consolidated levy in the following manner:

26 (1) The full certified rates of tax levy for state, county, county
27 road district, and city or town purposes shall be extended on the tax
28 rolls in amounts not exceeding the limitations established by law;
29 however any state levy shall take precedence over all other levies and
30 shall not be reduced for any purpose other than that required by RCW
31 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
32 84.34.230, the portion of the levy by a metropolitan park district that
33 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
34 regular property tax levies that are subject to the one percent
35 limitation exceeds one percent of the true and fair value of any
36 property, then these levies shall be reduced as follows: (a) The
37 portion of the levy by a metropolitan park district that is protected
38 under RCW 84.52.120 shall be reduced until the combined rate no longer

1 exceeds one percent of the true and fair value of any property or shall
2 be eliminated; (b) if the combined rate of regular property tax levies
3 that are subject to the one percent limitation still exceeds one
4 percent of the true and fair value of any property, then the levies
5 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
6 imposed under RCW 84.52.069 that is in excess of thirty cents per
7 thousand dollars of assessed value, shall be reduced on a pro rata
8 basis until the combined rate no longer exceeds one percent of the true
9 and fair value of any property or shall be eliminated; and (c) if the
10 combined rate of regular property tax levies that are subject to the
11 one percent limitation still exceeds one percent of the true and fair
12 value of any property, then the thirty cents per thousand dollars of
13 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
14 until the combined rate no longer exceeds one percent of the true and
15 fair value of any property or eliminated.

16 (2) The certified rates of tax levy subject to these limitations by
17 all junior taxing districts imposing taxes on such property shall be
18 reduced or eliminated as follows to bring the consolidated levy of
19 taxes on such property within the provisions of these limitations:

20 (a) First, the certified property tax levy rates of those junior
21 taxing districts authorized under RCW 36.68.525, 36.69.145, section 10
22 of this act, and 67.38.130 shall be reduced on a pro rata basis or
23 eliminated;

24 (b) Second, if the consolidated tax levy rate still exceeds these
25 limitations, the certified property tax levy rates of flood control
26 zone districts shall be reduced on a pro rata basis or eliminated;

27 (c) Third, if the consolidated tax levy rate still exceeds these
28 limitations, the certified property tax levy rates of all other junior
29 taxing districts, other than fire protection districts, library
30 districts, the first fifty cent per thousand dollars of assessed
31 valuation levies for metropolitan park districts, and the first fifty
32 cent per thousand dollars of assessed valuation levies for public
33 hospital districts, shall be reduced on a pro rata basis or eliminated;

34 (d) Fourth, if the consolidated tax levy rate still exceeds these
35 limitations, the certified property tax levy rates authorized to fire
36 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced
37 on a pro rata basis or eliminated; and

38 (e) Fifth, if the consolidated tax levy rate still exceeds these
39 limitations, the certified property tax levy rates authorized for fire

1 protection districts under RCW 52.16.130, library districts,
2 metropolitan park districts under their first fifty cent per thousand
3 dollars of assessed valuation levy, and public hospital districts under
4 their first fifty cent per thousand dollars of assessed valuation levy,
5 shall be reduced on a pro rata basis or eliminated.

6 In determining whether the aggregate rate of tax levy on any
7 property, that is subject to the limitations set forth in RCW
8 84.52.050, exceeds the limitations provided in that section, the
9 assessor shall use the hypothetical state levy, as apportioned to the
10 county under RCW 84.48.080, that was computed under RCW 84.48.080
11 without regard to the reduction under RCW 84.55.012.

12 **Sec. 14.** RCW 84.52.052 and 1996 c 230 s 1615 are each amended to
13 read as follows:

14 The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW
15 84.52.043 shall not prevent the levy of additional taxes by any taxing
16 district except school districts in which a larger levy is necessary in
17 order to prevent the impairment of the obligation of contracts. As
18 used in this section, the term "taxing district" means any county,
19 metropolitan park district, park and recreation service area, park and
20 recreation district, water-sewer district, solid waste disposal
21 district, public facilities district, flood control zone district,
22 county rail district, service district, public hospital district, road
23 district, rural county library district, island library district, rural
24 partial-county library district, intercounty rural library district,
25 fire protection district, cemetery district, city, town, transportation
26 benefit district, emergency medical service district with a population
27 density of less than one thousand per square mile, ((or)) cultural
28 arts, stadium, and convention district, or city transportation
29 authority.

30 Any such taxing district may levy taxes at a rate in excess of the
31 rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or
32 84.55.010 through 84.55.050, when authorized so to do by the voters of
33 such taxing district in the manner set forth in Article VII, section
34 2(a) of the Constitution of this state at a special or general election
35 to be held in the year in which the levy is made.

36 A special election may be called and the time therefor fixed by the
37 county legislative authority, or council, board of commissioners, or
38 other governing body of any such taxing district, by giving notice

1 thereof by publication in the manner provided by law for giving notices
2 of general elections, at which special election the proposition
3 authorizing such excess levy shall be submitted in such form as to
4 enable the voters favoring the proposition to vote "yes" and those
5 opposed thereto to vote "no."

6 NEW SECTION. **Sec. 15.** Sections 1 through 12 of this act
7 constitute a new chapter in Title 36 RCW.

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