
Transportation Committee

SSB 5674

Brief Description: Modifying regional transit authority provisions.

Sponsors: Senate Committee on Highways & Transportation (originally sponsored by Senators Finkbeiner, Prentice, Esser, Haugen and Horn).

Brief Summary of Substitute Bill

- Requires Sound Transit to expend revenues only in the subareas where the revenues are generated.
- Bonds for projects in subareas must first be paid from revenues from that subarea.

Hearing Date: 4/4/03

Staff: Gene Baxstrom (786-7303).

Background:

The King, Pierce, and Snohomish County Councils voted in 1993 to establish the Central Puget Sound Regional Transit Authority (now known as Sound Transit). Sound Transit is vested with high capacity transportation system development authority in the three county area, including the imposition of voter-approved taxes for development and operation of such transportation systems.

In 1996 voters in the urban areas of King, Pierce, and Snohomish counties approved a plan and authorized funding to provide high capacity transportation services for the Central Puget Sound Region.

Included in Sound Transit's 10-year system plan is an equity principal. Under the plan, revenues generated in a subarea must generally be expended in that same subarea. The plan designates the following five subareas: (1) Snohomish County; (2) North King County/Seattle; (3) East King County; (4) South King County; and (5) Pierce County.

Summary of Bill:

Subarea provisions are specified in law.

Tax Revenue Expenditures: A regional transit authority must adopt policies requiring the authority to allocate the expenditure of tax revenues to each subarea in proportion to the revenue generated in the respective subarea. The allocation must be used to finance costs incurred for projects within the respective subarea. An authority must also adopt policies for determining pro rata share of costs for projects that overlap subarea boundaries.

Bond Authority: Prior to the issuance of general obligation bonds, a regional transit authority must ensure that the subareas in which the proceeds will be spent have sufficient revenue to make the principal and interest payments on the bonds. An authority must conduct a public hearing at least 30 days prior to authorizing the issuance of general obligation bonds, during which time objections may be raised. Principal and interest payments on the bonds must be paid first from the subarea revenues in proportion to the share of bond proceeds received by the subareas. An authority must maintain separate accounts for the deposit of bond proceeds for subareas.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.