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**SUBSTITUTE SENATE BILL 5674**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Highways & Transportation (originally sponsored by Senators Finkbeiner, Prentice, Esser, Haugen and Horn)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to regional transit authorities; amending RCW  
2 81.112.020, 81.112.050, 81.112.070, and 81.112.130; creating a new  
3 section; and declaring an emergency.

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

5 **Sec. 1.** RCW 81.112.020 and 1999 c 20 s 2 are each amended to read  
6 as follows:

7 Unless the context clearly requires otherwise, the definitions in  
8 this section apply throughout this chapter.

9 (1) "Authority" means a regional transit authority authorized under  
10 this chapter.

11 (2) "Board" means the board of a regional transit authority.

12 (3) "Service area" or "area" means the area included within the  
13 boundaries of a regional transit authority.

14 (4) "System" means a regional transit system authorized under this  
15 chapter and under the jurisdiction of a regional transit authority.

16 (5) "Facilities" means any lands, interest in land, air rights over  
17 lands, and improvements thereto including vessel terminals, and any  
18 equipment, vehicles, vessels, and other components necessary to support  
19 the system.

1 (6) "Proof of payment" means evidence of fare prepayment authorized  
2 by a regional transit authority for the use of trains, including but  
3 not limited to commuter trains and light rail trains.

4 (7) "Subarea" means one of the five areas within an authority's  
5 boundaries as identified in an authority's system plan adopted in May  
6 1996.

7 **Sec. 2.** RCW 81.112.050 and 1998 c 192 s 1 are each amended to read  
8 as follows:

9 (1) At the time of formation, the area to be included within the  
10 boundary of the authority shall be that area set forth in the system  
11 plan adopted by the joint regional policy committee. Prior to  
12 submitting the system and financing plan to the voters, the authority  
13 may make adjustments to the boundaries as deemed appropriate but must  
14 assure that, to the extent possible, the boundaries: (a) Include the  
15 largest-population urban growth area designated by each county under  
16 chapter 36.70A RCW; and (b) follow election precinct boundaries. If a  
17 portion of any city is determined to be within the service area, the  
18 entire city must be included within the boundaries of the authority.

19 (2) After voters within the authority boundaries have approved the  
20 system and financing plan, elections to add areas contiguous to the  
21 authority boundaries may be called by resolution of the regional  
22 transit authority, after consultation with affected transit agencies  
23 and with the concurrence of the legislative authority of the city or  
24 town if the area is incorporated, or with the concurrence of the county  
25 legislative authority if the area is unincorporated. Only those areas  
26 that would benefit from the services provided by the authority may be  
27 included and services or projects proposed for the area must be  
28 consistent with the regional transportation plan. The election may  
29 include a single ballot proposition providing for annexation to the  
30 authority boundaries and imposition of the taxes at rates already  
31 imposed within the authority boundaries.

32 ~~(3) ((Upon receipt of a resolution requesting exclusion from the~~  
33 ~~boundaries of the authority from a city whose municipal boundaries~~  
34 ~~cross the boundaries of an authority and thereby result in only a~~  
35 ~~portion of the city being subject to local option taxes imposed by the~~  
36 ~~authority under chapters 81.104 and 81.112 RCW in order to implement a~~  
37 ~~high capacity transit plan, and where the vote to approve the city's~~

1 ~~incorporation occurred simultaneously with an election approving the~~  
2 ~~local option taxes, then upon a two thirds majority vote of the~~  
3 ~~governing board of the authority, the governing board shall redraw the~~  
4 ~~boundaries of the authority to exclude that portion of the city that is~~  
5 ~~located within the authority's boundaries, and the excluded area is no~~  
6 ~~longer subject to local option taxes imposed by the authority. This~~  
7 ~~subsection expires December 31, 1998.)~~ For financing and project  
8 purposes, any area annexed by an authority must be included in the most  
9 appropriate subarea.

10 **Sec. 3.** RCW 81.112.070 and 1992 c 101 s 7 are each amended to read  
11 as follows:

12 (1) In addition to the powers specifically granted by this chapter  
13 an authority shall have all powers necessary to implement a high  
14 capacity transportation system and to develop revenues for system  
15 support. An authority may contract with the United States or any  
16 agency thereof, any state or agency thereof, any public transportation  
17 benefit area, any county, county transportation authority, city,  
18 metropolitan municipal corporation, special district, or governmental  
19 agency, within or without the state, and any private person, firm, or  
20 corporation for: ~~((+1))~~ (a) The purpose of receiving gifts or grants  
21 or securing loans or advances for preliminary planning and feasibility  
22 studies; ~~((+2))~~ (b) the design, construction, or operation of high  
23 capacity transportation system facilities; or ~~((+3))~~ (c) the provision  
24 or receipt of services, facilities, or property rights to provide  
25 revenues for the system. An authority shall have the power to contract  
26 pursuant to RCW 39.33.050. In addition, an authority may contract with  
27 any governmental agency or with any private person, firm, or  
28 corporation for the use by either contracting party of all or any part  
29 of the facilities, structures, lands, interests in lands, air rights  
30 over lands and rights of way of all kinds which are owned, leased, or  
31 held by the other party and for the purpose of planning, constructing,  
32 or operating any facility or performing any service that the authority  
33 may be authorized to operate or perform, on such terms as may be agreed  
34 upon by the contracting parties. Before any contract for the lease or  
35 operation of any authority facilities is let to any private person,  
36 firm, or corporation, a general schedule of rental rates for equipment  
37 with or without operators applicable to all private certificated

1 carriers shall be publicly posted, and for other facilities competitive  
2 bids shall first be called upon such notice, bidder qualifications, and  
3 bid conditions as the board shall determine. This shall allow use of  
4 negotiated procurements.

5 (2) The board shall adopt policies that require the authority to  
6 allocate the expenditure of tax revenues proportionately to the  
7 subareas based on the amount of tax revenues each subarea generates.  
8 The tax revenue allocated to a subarea may be used only to finance  
9 costs incurred for projects within that subarea. The board shall adopt  
10 policies that establish a fair and equitable method for determining pro  
11 rata share of costs for projects that overlap subarea boundaries.

12 **Sec. 4.** RCW 81.112.130 and 1992 c 101 s 13 are each amended to  
13 read as follows:

14 (1) Notwithstanding RCW 39.36.020(1), an authority may at any time  
15 contract indebtedness or borrow money for authority purposes and may  
16 issue general obligation bonds in an amount not exceeding, together  
17 with any existing indebtedness of the authority not authorized by the  
18 voters, one and one-half percent of the value of the taxable property  
19 within the boundaries of the authority; and with the assent of three-  
20 fifths of the voters therein voting at an election called for that  
21 purpose, may contract indebtedness or borrow money for authority  
22 purposes and may issue general obligation bonds therefor, provided the  
23 total indebtedness of the authority shall not exceed five percent of  
24 the value of the taxable property therein. Such bonds shall be issued  
25 and sold in accordance with chapter 39.46 RCW.

26 (2)(a) As part of the bond financing plan for bonds issued after  
27 the effective date of this act, an authority shall ensure that tax  
28 revenues from a subarea are sufficient to meet the principal and  
29 interest payments on bond proceeds that support projects within that  
30 subarea, and indicate how the proceeds from the issuance of general  
31 obligation bonds will be expended within the subareas.

32 (b) An authority shall conduct a public hearing at least thirty  
33 days in advance of authorizing the issuance of general obligation bonds  
34 or other certificates of indebtedness, during which time objections may  
35 be raised. However, nothing in this subsection (2)(b) prohibits the  
36 filing, at any time, of a cause of action concerning the issuance of  
37 the bonds.

1       (c) An authority shall maintain separate accounts for the deposit  
2 of bond proceeds that are to be used in the subareas and to receive  
3 revenues for principal and interest payments on the bonds.

4       (d) The principal and interest on the bonds must be first payable  
5 proportionately from the revenues of the subareas based upon the  
6 respective pro rata share of expenditures made from the bond proceeds.

7       (3) The term "value of the taxable property" shall have the meaning  
8 set forth in RCW 39.36.015.

9       NEW SECTION. Sec. 5. This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and takes effect  
12 immediately.

13       NEW SECTION. Sec. 6. This act is remedial in nature and applies  
14 to all regional transit authorities established before or after the  
15 effective date of this act.

16       NEW SECTION. Sec. 7. If any provision of this act or its  
17 application to any person or circumstance is held invalid, the  
18 remainder of the act or the application of the provision to other  
19 persons or circumstances is not affected.

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