

---

SENATE BILL 5674

---

State of Washington

58th Legislature

2003 Regular Session

By Senators Finkbeiner, Prentice, Esser, Haugen and Horn

Read first time 02/05/2003. Referred to Committee on Highways & Transportation.

1 AN ACT Relating to regional transit authorities; amending RCW  
2 81.112.050, 81.112.070, 81.112.140, 81.112.130, and 81.112.150;  
3 providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 81.112.050 and 1998 c 192 s 1 are each amended to read  
6 as follows:

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

17 (2) After voters within the authority boundaries have approved the  
18 system and financing plan, elections to add areas contiguous to the  
19 authority boundaries may be called by resolution of the regional

1 transit authority, after consultation with affected transit agencies  
2 and with the concurrence of the legislative authority of the city or  
3 town if the area is incorporated, or with the concurrence of the county  
4 legislative authority if the area is unincorporated. Only those areas  
5 that would benefit from the services provided by the authority may be  
6 included and services or projects proposed for the area must be  
7 consistent with the regional transportation plan. The election may  
8 include a single ballot proposition providing for annexation to the  
9 authority boundaries and imposition of the taxes at rates already  
10 imposed within the authority boundaries.

11 ~~(3) ((Upon receipt of a resolution requesting exclusion from the~~  
12 ~~boundaries of the authority from a city whose municipal boundaries~~  
13 ~~cross the boundaries of an authority and thereby result in only a~~  
14 ~~portion of the city being subject to local option taxes imposed by the~~  
15 ~~authority under chapters 81.104 and 81.112 RCW in order to implement a~~  
16 ~~high capacity transit plan, and where the vote to approve the city's~~  
17 ~~incorporation occurred simultaneously with an election approving the~~  
18 ~~local option taxes, then upon a two thirds majority vote of the~~  
19 ~~governing board of the authority, the governing board shall redraw the~~  
20 ~~boundaries of the authority to exclude that portion of the city that is~~  
21 ~~located within the authority's boundaries, and the excluded area is no~~  
22 ~~longer subject to local option taxes imposed by the authority. This~~  
23 ~~subsection expires December 31, 1998.)) After July 1, 2003, for~~  
24 ~~financing and project purposes, any area annexed shall be included in~~  
25 ~~the most appropriate subarea of the five subareas identified in the~~  
26 ~~authority's system plan adopted in May 1996. When annexed, taxes from~~  
27 ~~an area joining the authority must be used only for projects,~~  
28 ~~facilities, and services within that subarea.~~

29 **Sec. 2.** RCW 81.112.070 and 1992 c 101 s 7 are each amended to read  
30 as follows:

31 (1) In addition to the powers specifically granted by this chapter  
32 an authority shall have all powers necessary to implement a high  
33 capacity transportation system and to develop revenues for system  
34 support. An authority may contract with the United States or any  
35 agency thereof, any state or agency thereof, any public transportation  
36 benefit area, any county, county transportation authority, city,  
37 metropolitan municipal corporation, special district, or governmental

1 agency, within or without the state, and any private person, firm, or  
2 corporation for: ~~((+1))~~ (a) The purpose of receiving gifts or grants  
3 or securing loans or advances for preliminary planning and feasibility  
4 studies; ~~((+2))~~ (b) the design, construction, or operation of high  
5 capacity transportation system facilities; or ~~((+3))~~ (c) the provision  
6 or receipt of services, facilities, or property rights to provide  
7 revenues for the system. An authority shall have the power to contract  
8 pursuant to RCW 39.33.050. In addition, an authority may contract with  
9 any governmental agency or with any private person, firm, or  
10 corporation for the use by either contracting party of all or any part  
11 of the facilities, structures, lands, interests in lands, air rights  
12 over lands and rights of way of all kinds which are owned, leased, or  
13 held by the other party and for the purpose of planning, constructing,  
14 or operating any facility or performing any service that the authority  
15 may be authorized to operate or perform, on such terms as may be agreed  
16 upon by the contracting parties. Before any contract for the lease or  
17 operation of any authority facilities is let to any private person,  
18 firm, or corporation, a general schedule of rental rates for equipment  
19 with or without operators applicable to all private certificated  
20 carriers shall be publicly posted, and for other facilities competitive  
21 bids shall first be called upon such notice, bidder qualifications, and  
22 bid conditions as the board shall determine. This shall allow use of  
23 negotiated procurements.

24 (2) Authority tax revenue must be allocated proportionally to the  
25 subareas based on the share of tax revenues each subarea generates.  
26 This determination shall be made according to a reasonable method which  
27 may require estimates or other approximate methods. The tax revenue  
28 allocated to a subarea shall be used to finance costs incurred for  
29 projects within the subarea.

30 **Sec. 3.** RCW 81.112.140 and 1992 c 101 s 14 are each amended to  
31 read as follows:

32 (1) An authority may issue revenue bonds to provide funds to carry  
33 out its authorized functions without submitting the matter to the  
34 voters of the authority. The authority shall create a special fund or  
35 funds for the sole purpose of paying the principal of and interest on  
36 the bonds of each such issue, into which fund or funds the authority  
37 may obligate itself to pay such amounts of the gross revenue of the

1 high capacity transportation system constructed, acquired, improved,  
2 added to, or repaired out of the proceeds of sale of such bonds, as the  
3 authority shall determine and may obligate the authority to pay such  
4 amounts out of otherwise unpledged revenue that may be derived from the  
5 ownership, use, or operation of properties or facilities owned, used,  
6 or operated incident to the performance of the authorized function for  
7 which such bonds are issued or out of otherwise unpledged fees, tolls,  
8 charges, tariffs, fares, rentals, special taxes, or other sources of  
9 payment lawfully authorized for such purpose, as the authority shall  
10 determine. The principal of, and interest on, such bonds shall be  
11 payable only out of such special fund or funds, and the owners of such  
12 bonds shall have a lien and charge against the gross revenue of such  
13 high capacity transportation system or any other revenue, fees, tolls,  
14 charges, tariffs, fares, special taxes, or other authorized sources  
15 pledged to the payment of such bonds.

16 Such revenue bonds and the interest thereon issued against such  
17 fund or funds shall be a valid claim of the owners thereof only as  
18 against such fund or funds and the revenue pledged therefor, and shall  
19 not constitute a general indebtedness of the authority.

20 (2) Notwithstanding subsection (1) of this section, such bonds may  
21 be issued and sold in accordance with chapter 39.46 RCW.

22 (3) After July 1, 2003, revenue bonds may be issued only to fund  
23 projects within one subarea and shall pledge only revenue derived  
24 within the subarea.

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

27 (1) Notwithstanding RCW 39.36.020(1), an authority may at any time  
28 contract indebtedness or borrow money for authority purposes and may  
29 issue general obligation bonds in an amount not exceeding, together  
30 with any existing indebtedness of the authority not authorized by the  
31 voters, one and one-half percent of the value of the taxable property  
32 within the boundaries of the authority; and with the assent of three-  
33 fifths of the voters therein voting at an election called for that  
34 purpose, may contract indebtedness or borrow money for authority  
35 purposes and may issue general obligation bonds therefor, provided the  
36 total indebtedness of the authority shall not exceed five percent of

1 the value of the taxable property therein. Such bonds shall be issued  
2 and sold in accordance with chapter 39.46 RCW.

3 (2) After July 1, 2003, the proceeds from the issuance of general  
4 obligation bonds must be used to finance projects, services, or  
5 facilities within one chosen subarea. As part of the bond financing  
6 plan, the authority shall indicate how the proceeds from the issuance  
7 of general obligation bonds will be apportioned between the five  
8 subareas. The authority shall maintain five separate accounts for the  
9 deposit of proceeds that are to be used in the five subareas.

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

12 **Sec. 5.** RCW 81.112.150 and 1992 c 101 s 15 are each amended to  
13 read as follows:

14 (1) An authority may form a local improvement district to provide  
15 any transportation improvement it has the authority to provide, impose  
16 special assessments on all property specially benefited by the  
17 transportation improvements, and issue special assessment bonds or  
18 revenue bonds to fund the costs of the transportation improvement.  
19 Local improvement districts shall be created and assessments shall be  
20 made and collected pursuant to chapters 35.43, 35.44, 35.49, 35.50,  
21 35.51, 35.53, and 35.54 RCW.

22 (2) The board shall by resolution establish for each special  
23 assessment bond issue the amount, date, terms, conditions,  
24 denominations, maximum fixed or variable interest rate or rates,  
25 maturity or maturities, redemption rights, registration privileges, if  
26 any, covenants, and form, including registration as to principal and  
27 interest, registration as to principal only, or bearer. Registration  
28 may include, but not be limited to: (a) A book entry system of  
29 recording the ownership of a bond whether or not physical bonds are  
30 issued; or (b) recording the ownership of a bond together with the  
31 requirement that the transfer of ownership may only be effected by the  
32 surrender of the old bond and either the reissuance of the old bond or  
33 the issuance of a new bond to the new owner. Facsimile signatures may  
34 be used on the bonds and any coupons. The maximum term of any special  
35 assessment bonds shall not exceed thirty years beyond the date of  
36 issue. Special assessment bonds issued pursuant to this section shall  
37 not be an indebtedness of the authority issuing the bonds, and the

1 interest and principal on the bonds shall only be payable from special  
2 assessments made for the improvement for which the bonds were issued  
3 and any local improvement guaranty fund that the authority has created.  
4 The owner or bearer of a special assessment bond or any interest coupon  
5 issued pursuant to this section shall not have any claim against the  
6 authority arising from the bond or coupon except for the payment from  
7 special assessments made for the improvement for which the bonds were  
8 issued and any local improvement guaranty fund the authority has  
9 created. The authority issuing the special assessment bonds is not  
10 liable to the owner or bearer of any special assessment bond or any  
11 interest coupon issued pursuant to this section for any loss occurring  
12 in the lawful operation of its local improvement guaranty fund. The  
13 substance of the limitations included in this subsection shall be  
14 plainly printed, written, or engraved on each special assessment bond  
15 issued pursuant to this section.

16 (3) Assessments shall reflect any credits given by the authority  
17 for real property or property right donations made pursuant to RCW  
18 47.14.030.

19 (4) The board may establish and pay moneys into a local improvement  
20 guaranty fund to guarantee special assessment bonds issued by the  
21 authority.

22 (5) After July 1st, special assessment or revenue bonds may be  
23 issued only to fund projects within one subarea as identified in an  
24 authority's system plan adopted in May 1996 and shall pledge only  
25 revenue derived within the subarea.

26 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
27 preservation of the public peace, health, or safety, or support of the  
28 state government and its existing public institutions, and takes effect  
29 July 1, 2003.

--- END ---