

HOUSE BILL REPORT

HB 3138

As Reported by House Committee On:
Transportation

Title: An act relating to transportation benefit districts.

Brief Description: Modifying transportation benefit district provisions.

Sponsors: Representatives Sells, B. Sullivan, Flannigan, Dickerson and Wallace.

Brief History:

Committee Activity:

Transportation: 1/30/06, 2/1/06 [DP].

Brief Summary of Bill

- Allowing King, Pierce, and Snohomish counties to establish Transportation Benefit Districts (TBDs).
- Removing the percentage limit on what a TBD can spend on improvements to city streets, county roads, and highways other than highways of statewide significance.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 25 members: Representatives Murray, Chair; Wallace, Vice Chair; Woods, Ranking Minority Member; Appleton, Buck, Clibborn, Curtis, Dickerson, Ericksen, Flannigan, Hudgins, Jarrett, Kilmer, Lovick, Morris, Nixon, Rodne, Schindler, Sells, Shabro, Simpson, B. Sullivan, Takko, Upthegrove and Wood.

Minority Report: Do not pass. Signed by 2 members: Representatives Hankins and Holmquist.

Staff: David Bowman (786-7339).

Background:

The Legislature has found that cooperation between the public and private sectors should be encouraged to address transportation needs caused by private sector development for the public good. Consistent with this objective, a county or city may establish a Transportation Benefit District (TBD) within its jurisdiction to fund improvements to city streets, county roads, and state highways. Transportation benefit districts may not, however, be established in King, Pierce and Snohomish counties.

When establishing a TBD area, the jurisdiction proposing to create the TBD may only include cities and other counties through interlocal agreements. The TBD area must include the entire area within each participating jurisdiction. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate district formation. A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions.

The TBDs may fund any transportation improvements of statewide or regional significance contained in the transportation plan of the state or a regional transportation planning organization (RTPO), including multi-modal projects and maintenance and operations of projects. A TBD may not spend more than 40 percent of its generated revenue on local street and county road improvements, and improvements to highways other than highways of statewide significance. A TBD expenditure plan must be specified in the ordinance establishing the TBD, and may not be changed without first going before a public hearing. Any transportation improvement by a TBD is owned by the jurisdiction where the improvement is located, or by the state if the improvement is a state highway.

The TBDs have independent taxing authority to implement the following revenue measures, all of which are subject to voter approval: (1) excess property taxes; (2) general obligation bonds; (3) transportation impact fees; (4) border area motor vehicle fuel taxes; (5) a local option sales and use tax up to 0.2 percent which must be voted on at least every 10 years; (6) a local option annual vehicle license fee of up to \$100 on vehicle license renewals; and (7) vehicle tolls. Additionally, TBDs may form local improvement districts with authority to impose special assessments on property benefitted by the improvements and to issue special assessment bonds.

Certain issues require a TBD to take additional accountability steps. Revenue rates, once imposed, may not be increased unless authorized by voter approval. If project costs exceed original costs by more than 20 percent, there must be a public hearing. The TBD must also develop a process to address project changes related to cost, schedule and scope.

The continued existence and operation of a TBD is dependent upon the transportation improvement or series of improvements for which the TBD was authorized. A TBD must be dissolved when all debt has been paid and anticipated responsibilities have been satisfied.

Summary of Bill:

The TBDs may be formed in King, Pierce, and Snohomish counties.

The TBDs may fund any project contained in the transportation plan of the state or a Regional Transportation Planning Organization. The requirement that a TBD spend not more than 40 percent of its generated revenue on local street and county road improvements, and improvements to highways other than highways of statewide significance, is eliminated.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill gives local jurisdictions another tool for funding transportation improvements. Its key elements: (1) allowing transportation projects that are not necessarily "mega" projects to be developed in King, Pierce, and Snohomish counties, and (2) removing the 40 percent restriction on the amount a jurisdiction can spend on a local improvement, and provide greater flexibility to implement transportation solutions.

Testimony Against: None.

Persons Testifying: Representative Sells, prime sponsor; and Ashley Probart, Association of Washington Cities.

Persons Signed In To Testify But Not Testifying: None.