

# SENATE BILL REPORT

## SB 5422

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As Reported By Senate Committee On:  
Government Operations & Elections, February 15, 2005

**Title:** An act relating to research and services for special purpose districts.

**Brief Description:** Providing research and services for special purpose districts.

**Sponsors:** Senators Haugen, Kastama, Berkey and Shin.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 2/7/05, 2/15/05 [DPS-WM, DNP, w/oRec].  
Ways & Means: 3/2/05.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** That Substitute Senate Bill No. 5422 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Fairley, Haugen, Kline, McCaslin and Pridemore.

**Minority Report:** Do not pass.  
Signed by Senator Benton.

**Minority Report:** Without recommendation.  
Signed by Senator Roach, Ranking Minority Member.

**Staff:** Diane Smith (786-7410)

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Brian Sims (786-7431)

**Background:** The Municipal Research Council is a state agency that currently contracts with the Municipal Research and Services Center of Washington (MRSC), a private nonprofit corporation, to provide technical services to Washington cities, towns, and counties. These contracts could be made with any state agency, educational institution, or private consulting firm qualified to provide these services.

Municipal research and services include: studies and research of issues relating to city, town and county government; provision of reports on those topics to the cities, towns and counties; educational conferences; and field services concerning planning, public health, utility services, fire protection law enforcement, public works and other issues relating to city, town and county government.

The Municipal Research Council has 14 members; two senators, two representatives, six elected city officials, three elected county officials, and the director of community, trade and economic development. The terms are of two years and service on the Council is without compensation but with reimbursement for travel expenses.

Funding for the city portion of services comes from the cities' portion of the distributions from the liquor revolving fund. The funding for the counties' portion of services comes from the counties' portion of the distributions from the liquor excise tax fund.

Special purpose districts, unlike cities, towns, and counties which are general purpose governments, are special purpose governments. Special purpose districts do not have access to services through the MRSC, though in 2003, the MRSC published a comprehensive report about special purpose governments in Washington State.

There are more than 80 different statutory special purpose districts. Approximately 1,700 special purpose districts exist in Washington. These are in addition to the 39 counties and 281 cities. There are eight types of agricultural districts, six types of economic development districts, two types of educational districts, 13 types of environmental districts, five types of health districts, two types of housing districts, six types of library districts, two types of public safety districts, four types of recreation districts, 14 types of transportation districts, and eight types of public utility services districts. Some of these districts have multiple powers. Taxing districts account for 56 of these special purpose districts.

**Summary of Substitute Bill:** The Municipal Research Council must contract for at least two FTEs for research and services to special purpose districts. Research and services mean studying and researching issues and furnishing legal, technical, consultative, and field services relating to special purpose government.

Funding in the amount of \$200,000 per year for fiscal years 2006 and 2007 is appropriated from the Public Works Trust Fund to the special purpose district account in the state treasury. This money may be spent only after appropriation.

**Substitute Bill Compared to Original Bill:** The reference to the Public Works Trust Fund was changed to the Public Works Assistance Account.

**Appropriation:** None.

**Fiscal Note:** Requested on February 3, 2005.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Special purpose districts are unique to Washington and we need to ensure tax dollars are spent in the most cost-effective way. The Public Works Trust Fund (PWTF) is a legitimate funding source because the public works utilities collect the tax that funds the Trust. The MRSC provides invaluable services to general purpose governments. The special purpose districts are unique in that they do not have a funding stream deriving from state tax dollars like the general purpose governments. It is the small fry of special purpose districts that can least afford the research and services they need. MRSC has a meticulous audit log of

time spent by its staff as allocated to city or county accounts. This auditing process would be applied to special purpose districts as well.

**Testimony Against:** Cities are very supportive of MRSC and understandably somewhat protective. Of the 179 cities served by MRSC, the sophistication is not deep. While cities and counties pay for MRSC with liquor tax money, PWTF money also goes to cities and counties. There could be spillover of MRSC staff time that is fiscally dedicated to cities and counties being used to answer the broad array of special purpose districts' questions and concerns that are permitted in the bill. Raiding the Trust Fund for noncapital purposes should not happen. There is a three billion dollar repair bill coming due for failing infrastructure. The multiplier effect means \$600,000 would not be available for capital projects if this bill passes.

**Who Testified:** Rich Yukubousky, executive director, MRSC. PRO: Senator Haugen, prime sponsor; Pat Jones, Washington Public Ports Association.

CON: Jim Justin, Association of Washington Cities; Rick Slunaker, Associated General Contractors.