

SENATE BILL REPORT

SB 6786

As Reported By Senate Committee On:
Transportation, February 6, 2006

Title: An act relating to city transportation authority dissolution.

Brief Description: Clarifying the dissolution process for a voter-mandated dissolution of a city transportation authority.

Sponsors: Senators Jacobsen, Benson, Kastama, Esser, Haugen and Prentice.

Brief History:

Committee Activity: Transportation: 2/1/06, 2/6/06 [DPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6786 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Benson, Ranking Minority Member; Benton, Berkey, Esser, Kastama, Mulliken, Oke, Sheldon, Spanel, Swecker and Weinstein.

Staff: Kim Johnson (786-7346)

Background: The 2002 Legislature authorized certain cities to create, with voter approval, a city transportation authority (CTA) to develop and operate a public monorail transportation system. The enabling legislation provided that a governing body of the monorail authority be established.

In November 2002, the voters of Seattle created a CTA, the Seattle Popular Monorail Authority (SPMA), and approved a plan to develop a 14 mile long first phase of a monorail system. The primary funding source for the approved monorail system is a 1.4 percent motor vehicle excise tax (MVET) imposed on motor vehicles owned by Seattle residents when vehicles are relicensed.

In November of 2005, the voters of Seattle did not approve Proposition 1, which provided a modified plan to build the monorail. The ballot measure specified that if the measure did not pass then no new monorail would be built. The SPMA Board has reduced the staff to four and begun the process of dissolving the SPMA.

Summary of Substitute Bill: The governing board of a city transportation authority must be comprised of 5 members and may act as long as a quorum of 3 members is present. Provisions are made for how the seats on the board are to be filled.

Time-lines for notifying potential claimants of the pending dissolution, deadlines for submitting a notice of claim, and the authority's responsibility to reply are provided.

The purposes for which the current MVET levied by the authority may be used is limited to the payment of amounts owed for bonds and to dissolving the authority.

No earlier than two years after the effective date of this act, the governing board must file a written certificate of intent to dissolve with the Secretary of State. Provisions are made for the transfer of residual assets. Once all residual assets have been transferred, the governing board must file a certificate of dissolution with the Secretary of State, at which time the authority ceases to exist.

When liquidating an interest in real property that the authority originally acquired by condemnation or threat of condemnation, the authority is required, to the extent reasonably possible, to offer the party from whom the authority acquired the property the opportunity to reacquire the property on similar terms to which the authority acquired the property. An authority has the sole discretion to determine whether making the offer is reasonably possible.

The authority is exempted from statutes governing the dissolution of other types of local jurisdictions.

Various statutes are repealed on the effective date of this act and any remaining statutes are repealed July 1, 2008.

Substitute Bill Compared to Original Bill: The substitute provides that the governing body of the authority is comprised of a five member board instead of the city council.

To the extent reasonably possible, a city transportation authority must offer a right of first refusal to the prior owners of property acquired via condemnation or threat of condemnation. The authority is given the sole power to determine whether it is reasonably possible to make such an offer.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately, with the exception of section 15 which takes effect July 1, 2008.

Testimony For: None.

Testimony Against: None.

Testimony Other: The goals of both this bill and 6733 are the same. However, placing the governing authority for the SPMA in the hands of the City Council will likely only slow down the dissolution process. The existing board is active and is winding up the SPMA.

Who Testified: OTHER: Tim Ceis, Deputy Mayor of Seattle.