
Transportation Committee

HB 1858

Brief Description: Regarding the imposition of fees by transportation benefit districts.

Sponsors: Representatives Fromhold, Curtis, Clibborn, Jarrett, Simpson, Springer and Moeller.

Brief Summary of Bill

- Permits transportation benefit districts (TBD) that fully encompass a city or county to impose either impact fees or up to \$20 in vehicle license fees without voter approval if such fees are approved by a majority of the TBD's governing board.
- For TBDs comprised solely of a city or cities, delays the authority of such TBDs to impose the fees until 180 days after the effective date of the act.
- For county-wide TBDs, requires that distribution of any such license fee revenues be based on either interlocal agreement or according to the number of vehicles registered within the boundaries of each jurisdiction.

Hearing Date: 2/5/07

Staff: Kathryn Leathers (786-7114).

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 one or more Transportation Benefit District (TBD or district) within its jurisdiction to fund improvements to city streets, county roads, and state highways. A TBD may not, however, be established in King, Pierce, or Snohomish counties prior to December 1, 2007.

"Transportation improvement" means a project contained in the transportation plan of the state or a regional transportation planning organization. Such projects may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of

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regional or statewide significance, as well as the operation, preservation, and maintenance of these facilities or programs.

The legislative authorities proposing to establish a district, or to modify the boundaries of an existing district, must first issue public notice of that intent and then hold a public hearing. Following the public hearing, the district may be formed or modified if the legislative authorities find that such action is in the public interest and if an ordinance providing for such action is adopted.

When establishing the district's area, the jurisdiction proposing to create the TBD may only include cities and other counties through interlocal agreements. In 2006, the Legislature removed the requirement that the boundaries of a TBD must include all territory within the boundaries of each participating jurisdiction, and, instead, a TBD may now be comprised of less than the entire area within each participating jurisdiction.

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. 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.

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.

TBDs have authority to issue general obligation and revenue bonds. In addition, TBDs may form local improvement districts 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. The governing body must develop a material change policy to address major plan changes that affect project delivery, cost, scope, or the ability to finance the plan. If project costs exceed original costs by more than 20 percent, there must be a public hearing to solicit comment on how the cost change should be resolved. Revenue rates, once imposed, may not be increased unless authorized by voter approval.

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. A TBD dissolves and ceases to exist 30 days after the financing or debt service on the improvement project is completed and paid. If there is no debt service on the project, the district must dissolve within 30 days from the date construction of the improvement is completed.

Summary of Bill:

Transportation benefit districts (TBDs) that fully encompass a city or county are permitted to impose either impact fees or up to twenty dollars in vehicle license fees without voter approval if

such fees are approved by a majority of the TBD's governing board. If one or more districts within a TBD's boundaries also imposes a vehicle license fee, any license fee imposed by the TBD must be reduced or eliminated to ensure that the total, combined vehicle license fee does not exceed twenty dollars.

For TBDs comprised solely of a city or cities, a TBD's authority to impose the fees is delayed until 180 days after the effective date of the act. For county-wide TBDs, distribution of license fee revenues must be based on either interlocal agreement or according to the number of vehicles registered within the boundaries of each jurisdiction.

Appropriation: None.

Fiscal Note: Not requested.

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