

HOUSE BILL REPORT

HB 1892

As Passed House:
February 13, 2014

Title: An act relating to modifying certain provisions regarding transportation benefit districts.

Brief Description: Modifying certain provisions regarding transportation benefit districts.

Sponsors: Representatives Reykdal, S. Hunt, Liias, Ryu and Fey.

Brief History:

Committee Activity:

Transportation: 2/26/13, 2/27/13 [DP].

Floor Activity:

Passed House: 3/9/13, 57-41.

Floor Activity:

Passed House: 2/13/14, 55-41.

Brief Summary of Bill

- Requires a transportation benefit district (TBD), when imposing a vehicle fee without a vote of the people, to exclude any territory in which a vehicle fee is currently being collected.
- Requires an interlocal agreement, if necessary, to go into effect prior to the imposition of a vehicle fee.
- Expands the definition of transportation improvements eligible to receive the TBD funds to include transportation projects and programs of local significance.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 19 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Angel, Bergquist, Fitzgibbon, Habib, Johnson, Moeller, Morris, O'Ban, Riccelli, Ryu, Sells, Tarleton, Zeiger and Upthegrove.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 10 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Hayes, Klippert, Kochmar, Kretz, Kristiansen, Rodne and Shea.

Staff: David Munnecke (786-7315).

Background:

A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may 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.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to \$100 on vehicle license renewals, \$20 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Washington State Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval through a majority vote of the governing body:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to \$20 in local annual vehicle fees if the TBD includes all the territory within the boundaries of the jurisdiction(s) establishing the TBD. When imposing this fee, if the TBD is countywide the revenues must be distributed to each city within the county by interlocal agreement.

Summary of Bill:

A TBD, when imposing up to \$20 of the vehicle fee without a vote of the people, must include all the territory within the boundaries of the jurisdiction(s) establishing the TBD, but exclude territory in which a vehicle fee is currently being collected. If the TBD is countywide, or less than countywide, the revenues must be distributed to each city within the district by interlocal agreement, which must be effective prior to the imposition of the fee.

The current definition of a transportation improvement eligible to receive the TBD funds is expanded from certain transportation projects and programs of regional and statewide significance to also include transportation projects and programs of local significance.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There are many local transportation needs in Thurston County, but there is already a \$20 TBD fee in place in Olympia, which had the unintentional effect of preventing the rest of the county from implementing such a fee. The little municipalities do not find the creation of a TBD worthwhile because of the administrative costs. This bill would allow the county and the other municipalities within the county to band together to create a district that does not include Olympia. It is the same as last year's bill which did not pass out of the Senate.

The TBDs recognize that regional problems can cross city boundaries, and that the transportation system does not stop at the city limits. This bill would allow Thurston County to access this important tool for projects such as the repair of main streets that are also state highways, and thus both locally and regionally significant. A tentative interlocal agreement to allow implementation of a TBD has already been drafted and is waiting on the passage of this bill.

It makes sense to allow cities such as Lacey to enter into an agreement to fund critical infrastructure improvements. Most transportation infrastructure is local and this bill allows locals to use the money generated in the way that they need to.

(Opposed) None.

Persons Testifying: Representative Reykdal, prime sponsor; Brent Payton, Thurston County Public Works Department; Dennis McVey, City of Rainier; Andy Ryder, City of Lacey; and Matthew Green, Cascade Bicycle Club.

Persons Signed In To Testify But Not Testifying: None.