Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Transportation Committee

HB 2267

Brief Description: Creating passenger-only ferry service districts.

Sponsors: Representatives Hansen and Seaquist.

Brief Summary of Bill

- Allows public transportation benefit areas to establish a passenger-only ferry district as a separate entity with independent taxing, spending, operating, and bonding authority.

Hearing Date: 1/22/14

Staff: David Munnecke (786-7315).

Background:

A public transportation benefit area (PTBA) is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. Generally speaking, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. It also means passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service. A PTBA may collect fares for service and, with approval of the majority of the voters within the area, impose up to a 0.9 percent sales and use tax within the area.

The PTBA is the most common type of district providing public transportation service in the state, with 20 currently in existence.

Summary of Bill:

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.

The governing body of a PTBA may establish one or more passenger-only ferry districts (District) within the boundaries of the PTBA. The boundaries of a District may include all or a portion of a city or town if the portion to be included in the District is within the PTBA's boundaries.

A District is a quasi-municipal corporation and independent taxing authority with all the usual powers of such a corporation, and is governed by the existing governing body of the PTBA that creates the District. A District is authorized to establish, finance, and provide passenger-only ferry (POF) service and associated services that support and augment such service in the same manner as a PTBA. The District also has specific authority to enter into contracts for POF service, public-private partnerships, and design-build, general contractor/construction management, or other alternative procurement processes consistent with chapter 39.10 RCW.

Prior to providing POF service, a District must develop a POF investment plan. The POF investment plan must address the following elements:

- operate or contract for the operation of POF services;
- purchase, lease, or rent ferry vessels and dock facilities;
- other activities necessary to implement the plan;
- terminal locations to be served;
- projected costs of providing POF service; and
- revenues to be generated from tolls, taxes, and other revenue sources.

A District may recommend the following revenue sources as part of a POF investment plan, which may only be used to implement the plan:

- a sales and use tax of up to six-tenths of 1 percent;
- a commercial parking tax, in counties with a population of less than one million;
- tolls for passengers, packages, and parking; and
- charges or licensing fees for advertising, leasing space for services to POF passengers, and other revenue generating facilities.

In order to provide POF service, a majority of the voters in the District, voting on a single ballot proposition, must approve the POF investment plan and and the proposed taxes. The District may contract with the Department of Revenue or other appropriate entity to collect the taxes, fees, and charges that are authorized.

A District is allowed to form a local improvement district to fund any transportation improvement it is authorized to provide, impose special assessments on all property that benefits from the improvement, and issue special assessment or revenue bonds to fund the cost of the improvement.

A District may issue general obligation bonds equal to up to 1.5 percent of the value of the taxable property within the District, or 5 percent of that value with voter approval. The general obligation bonds issued by a District may not have a maturity of greater than 25 years. A District may also issue revenue bonds, which may not have a term of greater than 40 years.

Appropriation: None.

Fiscal Note: Requested on January 16, 2014.

Effective Date: The bill takes effect on January 1, 2015.