

SENATE BILL REPORT

SHB 1324

As of April 1, 2013

Title: An act relating to transferring ferry and flood control zone district functions and taxing authorities to county legislative authorities in counties with a population of one million five hundred thousand or more.

Brief Description: Transferring ferry and flood control zone district functions and taxing authorities to county legislative authorities in counties with a population of one million five hundred thousand or more.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Fitzgibbon, Springer, Upthegrove, Ryu, Dahlquist, Maxwell, Kochmar and Hargrove).

Brief History: Passed House: 3/07/13, 97-0.

Committee Activity: Governmental Operations: 4/01/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Karen Epps (786-7424)

Background: Counties are authorized to construct, purchase, operate, and maintain ferry systems under the direction and control of the county legislative authority. In lieu of governing a ferry system internally, the legislative authority of a county may adopt an ordinance creating a county ferry district (district) in all or a portion of the area of the county. The ordinance may be adopted only after a public hearing is held, and the county makes a finding that it is in the public interest to create the district. The members of the county legislative authority compose the governing body of any district created in their county.

A district may construct, purchase, operate, and maintain passenger-only ferries or wharves at any stream, lake, estuary, or bay within or bordering the district or between the district and other districts, together with the necessary boats, grounds, roads, approaches, and landings. A district may provide services for free or may charge a toll. The governing body of a district may levy an ad valorem tax on all taxable property located within the district not to exceed \$0.75 per \$1,000 of assessed value, except that a district located in a county with a population of 1.5 million or more may not levy at a rate that exceeds \$0.075 per \$1,000 of assessed value. Revenue from the tax may only be used for providing ferry services; operating, maintaining, and improving vessels and dock facilities; and providing shuttle services, landside improvements directly related to ferry services, and related personnel

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costs. A district may also impose excess levies for a one-year period to be used for operating or capital purposes whenever authorized by the electors of the district. A district may incur general indebtedness and issue general obligation bonds.

In order to dissolve a district, a petition must be signed by a majority of the members of the county legislative authority and presented to the superior court of the county. If the court issues an order of dissolution, the district's assets are sold, and all proceeds of the sale, together with any cash assets, are used to pay for outstanding claims and related costs and expenses. Remaining proceeds and cash assets are paid to the county treasurer and credited to the school districts in the county.

Summary of Bill: If a district is established with boundaries that are the same as the boundaries of a county with a population of 1.5 million or more, the county legislative authority may, by ordinance or resolution, initiate a process to assume the rights, powers, functions, and obligations of the district.

Prior to assuming the powers and obligations of the district, the county legislative authority must hold a public hearing and make a finding that it is in the public interest. Subsequently, all powers and obligations granted to or possessed by the district vest to the county, and the district must be abolished. All future actions must be taken in the name of the county and title to all property vests to the county. All pending business before the board of the transferred district must be continued and acted upon by the county. All existing contracts and obligations of the transferred district remain in full force and effect and must be performed by the county. Procedures and requirements for transferring other assets are established. Employees and personnel of the district do not automatically become employees of the county.

The county assumes the district's powers to finance a ferry system. The county legislative authority must act in the same manner as the governing body of the district for the purpose of certifying the amount of any property tax to be levied and collected, and may impose service charges and assessments. An ad valorem property tax levied by a county must be treated as a levy by a district for all purposes.

The county may perform all acts necessary to ensure the performance of the contractual obligations of the district in the same manner as if the property of the district was not acquired by the county. The county must assume and agree to provide for the payment of all of the district's debts and obligations, including payment and retirement of outstanding general obligation and revenue bonds. Until debts and obligations are discharged, the owners and occupants of the property located within the district are liable for taxes, assessments, and other charges legally pledged to pay the district's debts and obligations.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill is designed to make government more efficient. This bill would allow King County to reinvest roughly \$400,000 per year. Allowing county government to take over the functions of the King County ferry district will make government leaner by eliminating duplicative administrative services and allowing the county to reinvest the money currently spent on administrative services in direct service provisions.

OTHER: Since the bill no longer includes the flood control zone district, it may make sense to amend the title of this bill. The title of the bill should be amended. The cities have some concern about eliminating the flood control zone district at this point.

Persons Testifying: PRO: Joe McDermott, King County.

OTHER: Carolyn Robertson, City of Auburn; Doug Levy, Cities of Renton and Kent.