

SENATE BILL REPORT

SSB 6216

As Passed Senate, February 13, 2014

Title: An act relating to county ferries.

Brief Description: Allowing certain counties to assume the administrative duties of a county ferry district.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Eide and King).

Brief History:

Committee Activity: Transportation: 1/28/14, 1/29/14 [DPS].
Passed Senate: 2/13/14, 46-3.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6216 be substituted therefor, and the substitute bill do pass.

Signed by Senators Eide, Co-Chair; King, Co-Chair; Hobbs, Vice Co-Chair; Fain, Budget Leadership Cabinet; Angel, Brown, Cleveland, Ericksen, Liias, Mullet, Rolfes and Sheldon.

Staff: Hayley Gamble (786-7452)

Background: Counties are authorized to operate ferry systems under the direct control of the county legislative authority. In lieu of the county operating a ferry system, the county legislative authority may adopt an ordinance creating a county ferry district (CFD) in all or a portion of the area of the county. The members of the county legislative authority compose the governing body of a CFD created in their county. Currently there is one CFD, in King County.

A CFD may construct, purchase, operate, and maintain passenger-only ferries within or bordering the CFD, or between two CFDs, together with the necessary boats, grounds, roads, approaches, and landings. A CFD may provide services for free or may charge a toll. A CFD is considered an independent taxing authority and may levy a value-based 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. A district may also impose excess property levies for a one-year period to be used for operating or capital purposes whenever

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authorized by the electors of the district. Revenue from the tax may only be used for providing ferry services or directly related activities such as shuttle bus services. A district may incur general indebtedness and issue general obligation bonds.

King County is currently the only county with a population exceeding 1 million and the only county that has formed a county ferry district.

Summary of Substitute Bill: Any county with a population of 1 million or more may assume the rights, powers, functions, and obligations of a CFD with boundaries coterminous with the boundaries of the county. The county legislative authority may initiate county assumption of the rights, powers, functions, and obligations of a CFD by adopting an ordinance or resolution indicating its intent to conduct a hearing on the matter. The county must hear all protests and objections to assuming the functions of a CFD at a public hearing. If after the public hearing, the county legislative authority finds that the public interest would be satisfied, it may declare so and assume the role and obligations of a CFD. Subsequently, all rights, powers, functions, existing contracts, and obligations granted to or possessed by the CFD vest to the county, and the governing body of the CFD must be abolished. All future actions must be taken in the name of the county and the title to all property vests to the county.

The county assumes the CFD powers to finance a passenger-only ferry system. The county legislative authority must act in the same manner as the governing body of the CFD for the purpose of certifying the amount of any property tax to be levied and collected. A value-based property tax levied by a county must be treated as a levy by a CFD for all purposes. 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.

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 will make it easier for King County to run its ferry system. King County has seen a steady increase in ridership since 2009. This bill will allow King County to provide the ferry service more efficiently with savings close to \$500,000 by avoiding duplication of administration functions.

Persons Testifying: PRO: Senator Eide, prime sponsor; Fred Jarrett, King County.