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SENATE BILL 5242

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State of Washington                      64th Legislature                      2015 Regular Session

By Senators Angel, Rolfes, Sheldon, and Dammeier

Read first time 01/16/15. Referred to Committee on Transportation.

1            AN ACT Relating to creating passenger-only ferry service  
2 districts; adding new sections to chapter 36.57A RCW; adding a new  
3 section to chapter 82.14 RCW; adding a new section to chapter 82.80  
4 RCW; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 36.57A  
7 RCW to read as follows:

8            (1) A governing body of a public transportation benefit area,  
9 located in a county that only borders the western side of Puget Sound  
10 with a population of more than two hundred thousand and contains one  
11 or more Washington state ferries terminals, may establish one or more  
12 passenger-only ferry service districts within all or a portion of the  
13 boundaries of the public transportation benefit area establishing the  
14 passenger-only ferry service district. A passenger-only ferry service  
15 district may include all or a portion of a city or town as long as  
16 all or a portion of the city or town boundaries are within the  
17 boundaries of the establishing public transportation benefit area.  
18 The members of the public transportation benefit area governing body  
19 proposing to establish the passenger-only ferry service district,  
20 acting ex officio and independently, constitutes the governing body  
21 of the passenger-only ferry service district.

1 (2) A passenger-only ferry service district may establish,  
2 finance, and provide passenger-only ferry service, and associated  
3 services to support and augment passenger-only ferry service  
4 operation, within its boundaries in the same manner as authorized for  
5 public transportation benefit areas under this chapter.

6 (3) A passenger-only ferry service district constitutes a body  
7 corporate and possesses all the usual powers of a corporation for  
8 public purposes as well as all other powers that may be conferred by  
9 statute including, but not limited to, the authority to hire  
10 employees, staff, and services, to enter into contracts, to acquire,  
11 hold, and dispose of real and personal property, and to sue and be  
12 sued. Public works contract limits applicable to the public  
13 transportation benefit area that established the passenger-only ferry  
14 service district apply to the district. For purposes of this section,  
15 "passenger-only ferry service district" means a quasi-municipal  
16 corporation and independent taxing authority within the meaning of  
17 Article VII, section 1 of the state Constitution, and a taxing  
18 district within the meaning of Article VII, section 2 of the state  
19 Constitution, created by the legislative body of a public  
20 transportation benefit area.

21 (4) Before a passenger-only ferry service district may provide  
22 passenger-only ferry service, it must develop a passenger-only ferry  
23 investment plan, including elements: To operate or contract for the  
24 operation of passenger-only ferry services; to purchase, lease, or  
25 rent ferry vessels and dock facilities for the provision of transit  
26 service; and to identify other activities necessary to implement the  
27 plan. The plan must set forth terminal locations to be served,  
28 projected costs of providing services, and revenues to be generated  
29 from tolls, locally collected tax revenues, and other revenue  
30 sources. The plan must ensure that services provided under the plan  
31 are for the benefit of the residents of the passenger-only ferry  
32 service district. The passenger-only ferry service district may use  
33 any of its powers to carry out this purpose, unless otherwise  
34 prohibited by law. In addition, the passenger-only ferry service  
35 district may enter into: Contracts and agreements to operate  
36 passenger-only ferry service; public-private partnerships; and  
37 design-build, general contractor/construction management, or other  
38 alternative procurement processes substantially consistent with  
39 chapter 39.10 RCW.

1 (5) A passenger-only ferry service district may be dissolved by a  
2 majority vote of the governing body when all obligations under any  
3 general obligation bonds issued by the passenger-only ferry service  
4 district have been discharged and any other contractual obligations  
5 of the passenger-only ferry service district have either been  
6 discharged or assumed by another governmental entity.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.57A  
8 RCW to read as follows:

9 (1) A passenger-only ferry service district may, as part of a  
10 passenger-only ferry investment plan, recommend some or all of the  
11 following revenue sources as provided in this chapter:

12 (a) A sales and use tax, as authorized in section 3 of this act;

13 (b) A parking tax, as authorized in section 4 of this act;

14 (c) Tolls for passengers, packages, and, where applicable,  
15 parking; and

16 (d) Charges or licensing fees for advertising, leasing space for  
17 services to ferry passengers, and other revenue generating  
18 activities.

19 (2) Taxes may not be imposed without an affirmative vote of the  
20 majority of the voters within the boundaries of the passenger-only  
21 ferry service district voting on a single ballot proposition to both  
22 approve a passenger-only ferry investment plan and to approve taxes  
23 to implement the plan. Revenues from these taxes and fees may be used  
24 only to implement the plan and must be used for the benefit of the  
25 residents of the passenger-only ferry service district. A district  
26 must contract with the department of revenue for the administration  
27 and collection of a sales and use tax as authorized in section 3 of  
28 this act. A district may contract with other appropriate entities for  
29 the administration and collection of any of the other taxes or  
30 charges authorized in this section.

31 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14  
32 RCW to read as follows:

33 Passenger-only ferry service districts providing passenger-only  
34 ferry service as provided in section 1 of this act may submit an  
35 authorizing proposition to the voters and, if approved by a majority  
36 of persons voting, fix and impose a sales and use tax in accordance  
37 with the terms of this chapter, solely for the purpose of providing

1 passenger-only ferry service and associated services to support and  
2 augment passenger-only ferry service operation.

3 The tax authorized under this section is in addition to other  
4 taxes authorized by law and must be collected from those persons who  
5 are taxable by the state under chapters 82.08 and 82.12 RCW upon the  
6 occurrence of a taxable event within the taxing district. The maximum  
7 rate of the tax must be approved by the voters and may not exceed  
8 three-tenths of one percent of the selling price in the case of a  
9 sales tax or value of the article used in the case of a use tax.

10 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.80  
11 RCW to read as follows:

12 (1) Subject to the conditions of this section, a passenger-only  
13 ferry service district located in a county with a population of one  
14 million or less as of January 1, 2016, may fix and impose a parking  
15 tax on all persons engaged in a commercial parking business within  
16 its respective jurisdiction.

17 (2) In lieu of the tax in subsection (1) of this section, a  
18 passenger-only ferry service district located in a county with a  
19 population of one million or less as of January 1, 2016, may fix and  
20 impose a tax for the act or privilege of parking a motor vehicle in a  
21 facility operated by a commercial parking business. The passenger-  
22 only ferry service district may provide that:

23 (a) The tax is paid by the operator or owner of the motor  
24 vehicle;

25 (b) The tax applies to all parking for which a fee is paid,  
26 whether paid or leased, including parking supplied with a lease of  
27 nonresidential space;

28 (c) The tax is collected by the operator of the facility and  
29 remitted to the city, county, or passenger-only ferry service  
30 district;

31 (d) The tax is a fee per vehicle or is measured by the parking  
32 charge;

33 (e) The tax rate varies with zoning or location of the facility,  
34 the duration of the parking, the time of entry or exit, the type or  
35 use of the vehicle, or other reasonable factors; and

36 (f) Tax exempt carpools, vehicles with special license plates and  
37 parking placards for persons with disabilities, or government  
38 vehicles are exempt from the tax.

1 (3) The rate of the tax under subsection (1) of this section may  
2 be based either upon gross proceeds or the number of vehicle stalls  
3 available for commercial parking use. The rates charged must be  
4 uniform for the same class or type of commercial parking business.

5 (4) The passenger-only ferry service district levying the tax  
6 provided for in subsection (1) or (2) of this section may provide for  
7 its payment on a monthly, quarterly, or annual basis.

8 (5) The proceeds of the parking tax imposed by a passenger-only  
9 ferry service district under subsection (1) or (2) of this section  
10 must be used as provided in section 2 of this act.

11 (6) "Commercial parking business" as used in this section, means  
12 the ownership, lease, operation, or management of a commercial  
13 parking lot in which fees are charged. "Commercial parking lot" means  
14 a covered or uncovered area with stalls for the purpose of parking  
15 motor vehicles.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.57A  
17 RCW to read as follows:

18 (1) To carry out the purposes of this chapter, a passenger-only  
19 ferry service district may issue general obligation bonds, not to  
20 exceed an amount, together with any other outstanding nonvoter-  
21 approved general obligation indebtedness, equal to one and one-half  
22 percent of the value of the taxable property within the area, as the  
23 term "value of the taxable property" is defined in RCW 39.36.015. A  
24 passenger-only ferry service district may also issue general  
25 obligation bonds for capital purposes only, together with any  
26 outstanding general obligation indebtedness, not to exceed an amount  
27 equal to five percent of the value of the taxable property within the  
28 area, as the term "value of the taxable property" is defined in RCW  
29 39.36.015, when authorized by the voters of the area pursuant to  
30 Article VIII, section 6 of the state Constitution.

31 (2) General obligation bonds with a maturity in excess of twenty-  
32 five years may not be issued. The governing body of the passenger-  
33 only ferry service district must by resolution determine for each  
34 general obligation bond issue the amount, date, terms, conditions,  
35 denominations, maximum fixed or variable interest rate or rates,  
36 maturity or maturities, redemption rights, registration privileges,  
37 manner of execution, manner of sale, callable provisions, if any,  
38 covenants, and form, including registration as to principal and  
39 interest, registration as to principal only, or bearer. Registration

1 may include, but not be limited to: (a) A book entry system of  
2 recording the ownership of a bond whether or not physical bonds are  
3 issued, or (b) recording the ownership of a bond together with the  
4 requirement that the transfer of ownership may only be effected by  
5 the surrender of the old bond and either the reissuance of the old  
6 bond or the issuance of a new bond to the new owner. Facsimile  
7 signatures may be used on the bonds and any coupons. Refunding  
8 general obligation bonds may be issued in the same manner as general  
9 obligation bonds are issued.

10 (3) Whenever general obligation bonds are issued to fund specific  
11 projects or enterprises that generate revenues, charges, user fees,  
12 or special assessments, the passenger-only ferry service district may  
13 specifically pledge all or a portion of the revenues, charges, user  
14 fees, or special assessments to refund the general obligation bonds.  
15 The passenger-only ferry service district may also pledge any other  
16 revenues that may be available to the district.

17 (4) In addition to general obligation bonds, a passenger-only  
18 ferry service district may issue revenue bonds to be issued and sold  
19 in accordance with chapter 39.46 RCW.

20 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2016.

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