
Transportation Committee

SSB 5403

Brief Description: Concerning ferry district authority.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators O'Ban and Conway).

Brief Summary of Substitute Bill

- Allows a county ferry district to construct, purchase, operate, and maintain any type of ferry, as well as the necessary landings.
- Allows a county ferry district to incur general indebtedness and issue general obligation bonds in order to finance the construction, purchase, and preservation of any type of ferry and associated terminals.
- Allows the taxes levied by a county ferry district to be used for shuttle services and other landside improvements related to the provision of any kind of ferry service.

Hearing Date: 3/23/17

Staff: David Munnecke (786-7315).

Background:

Governance and Formation. Counties are authorized to construct, purchase, operate, and maintain ferry systems under the direction and control of the county legislative authority. In lieu of the county operating and maintaining a ferry system, the county legislative authority 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 has been 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.

Powers and Duties. A district may construct, purchase, operate, and maintain passenger-only ferries or wharves at any unfordable stream, lake, estuary, or bay within or bordering the district,

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or between the district and other districts, together with the necessary boats, grounds, roads, approaches, and landings. A ferry district may provide services for free or may charge a toll.

Finances. A district is an independent taxing authority and a taxing district within the meaning of the State Constitution. The governing body of a district may levy an ad valorem tax on all taxable property located within the district not to exceed 75 cents 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 7.5 cents 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, providing shuttle services, landside improvements directly related to ferry services, and related personnel 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.

Dissolution. In order to dissolve a district, a petition must be signed by a majority of the members of the county legislative authority and be presented to the superior court of the county. If the court finds that dissolution is in the best interests of all persons concerned and issues an order of dissolution, the district's assets are sold. 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.

In 2006 Engrossed Substitute Senate Bill 6787 made a series of changes to the district statutes. These changes included allowing any county to form such a district and removed some references to passenger-only ferry service. Two references to passenger-only ferry service remains in the district statutes.

Summary of Bill:

A district is allowed to construct, purchase, operate, and maintain any type of ferry, as well as the necessary landings.

A district is allowed to incur general indebtedness and issue general obligation bonds in order to finance the construction, purchase, and preservation of any type of ferry and associated terminals.

The taxes levied by a district may also be used for shuttle services and other landside improvements related to the provision of any kind of ferry service.

Appropriation: None.

Fiscal Note: Available.

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