

SENATE BILL REPORT

SB 6354

As Passed Senate, February 14, 2018

Title: An act relating to allowing counties to request ferry capital improvement funds without creating ferry districts.

Brief Description: Allowing counties to request ferry capital improvement funds without creating ferry districts.

Sponsors: Senator Ericksen.

Brief History:

Committee Activity: Transportation: 1/23/18, 1/29/18 [DP].

Floor Activity:

Passed Senate: 2/14/18, 46-2.

Brief Summary of Bill

- Provides that any county making a request for county ferry capital funds is not required to create a ferry district as a condition of eligibility for county road administration funding.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Chase, Cleveland, Dhingra, McCoy, O'Ban, Sheldon, Takko, Walsh, Wellman and Zeiger.

Staff: Hayley Gamble (786-7452)

Background: County Road Administration Board (CRAB). The CRAB is a nine-member board comprised of six county commissioners or councilmembers and three county engineers. Board members are appointed by the Board of Directors of the Washington State Association of Counties. CRAB establishes and maintains Standards of Good Practice to guide and ensure consistency and professional management of county road departments. CRAB funds county road preservation and improvement programs.

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.

CRAB may also evaluate requests from Pierce, Skagit, Wahkiakum and Whatcom counties for county ferry capital improvements. If approved by CRAB, these requests would be submitted to the Legislature for approval and may be funded from that portion of the gas tax otherwise distributed directly to counties. Any county seeking ferry capital funds must first seek funding through the public works trust fund, or any other available revenue source, where appropriate.

Current CRAB agency rules relating to counties seeking ferry capital funds limit a ferry capital grant to \$10 million per project and \$500 thousand in total annual reimbursement. CRAB rules also limit the capital ferry grant to a maximum share of the total project cost based on the amount of revenue generated by a ferry district created by the applicant county. For example, if a county has not formed a ferry district, the ferry capital improvement program grant is limited to up to 30 percent of the project cost, subject to the maximum \$10 million per project.

County Ferry Districts. In lieu of a county directly operating and maintaining a ferry system, a county legislative authority may adopt an ordinance creating a county ferry district (district) in all or a portion of the area of the county.

A district is considered an independent taxing authority and may levy a property tax 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 cents per \$1,000 of assessed value. A district may construct, purchase, operate, and maintain passenger-only ferries, incur general indebtedness, and issue general obligation bonds for passenger-only ferries and associated terminals. 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 passenger-only ferry services; and related personnel costs.

In 2006, ESSB 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. Three references to passenger-only ferry service remain in the district statutes.

Summary of Bill: Any county making a request for county ferry capital funds is not required to create a ferry district as a condition of eligibility for county road administration funding.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This is a simple bill that would allow a county to apply for CRAB ferry funds without creating a ferry district. This bill would help with the Lummi Island Ferry.

Persons Testifying: PRO: Senator Doug Ericksen, Prime Sponsor.

Persons Signed In To Testify But Not Testifying: No one.