

HOUSE BILL REPORT

HB 1304

As Reported by House Committee On:
Local Government

Title: An act relating to grade-separated transportation.

Brief Description: Concerning grade-separated transportation.

Sponsors: Representatives Hackney, Berry, Fitzgibbon, Chopp, Macri, Bergquist and Pollet.

Brief History:

Committee Activity:

Local Government: 2/9/21, 2/10/21, 2/15/21 [DPS].

Brief Summary of Substitute Bill

- Replaces current authorization for a city transportation authority for monorail transportation in cities with a population of over 300,000 with authorization for a city transportation authority for grade-separated transportation for cities with a population of over 500,000.
- Authorizes a city transportation authority to plan, acquire property, construct facilities, operate, and finance grade-separated transportation.
- Authorizes a city transportation authority to, with voter approval, levy taxes for grade-separated transportation.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Pollet, Chair; Duerr, Vice Chair; Berg and Senn.

Minority Report: Do not pass. Signed by 3 members: Representatives Goehner, Ranking Minority Member; Griffey, Assistant Ranking Minority Member; Robertson.

Staff: Kellen Wright (786-7134).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background:

A city with a population of over 300,000 may create a city transportation authority (Authority) for monorail transportation. Currently the only city with sufficient population is Seattle. The Authority can be created by a city ordinance but must be approved by the voters within the Authority's jurisdiction. The Authority can acquire monorail facilities, land, rights-of-way, and equipment; can set rates and charges for service; can contract for the planning, design, and construction of monorail facilities; may establish a local improvement district to finance monorail facilities; may support research into public monorail facilities and enact a comprehensive public monorail plan; and may exercise other powers necessary to carry out its responsibilities.

In order to finance its activities, the Authority is authorized to issue non-tax revenue and general obligations bonds. The Authority may also, subject to voter approval, establish an excise tax on motor vehicles owned by residents within the area of the Authority; impose a sales tax upon car rentals within the city; impose a fee on vehicle relicensing; impose a regular property tax levy; and/or impose excess levies if approved by a sufficient number of voters.

Before using any revenue collected from the excise tax to obtain a right-of-way or to construct a monorail transportation facility, the Authority must conduct public hearings on the proposed corridor and design, and allow public input on plans that would have a substantial social, economic, or economic effect on the local community.

The Authority can cover an area that is less than the entire city, but cannot extend beyond the city that created it. The Authority may be dissolved by voters if the Authority is faced with significant financial problems. Upon dissolution, former officers, employees, directors, and agents are immune from personal liability from claims brought against them in connection with the Authority.

A regional transit authority may be formed by two or more contiguous counties each with a population of 400,000 or more, to develop and operate a high capacity transportation system. The only counties eligible are Snohomish, King, and Pierce, which have formed Sound Transit. A regional transit authority may impose a motor vehicle excise tax. Currently, the rate of the motor vehicle excise tax imposed is 1.1 percent.

Summary of Substitute Bill:

A city with a population of 500,000 or more, may create an Authority for grade-separated transportation. Grade-separated transportation includes public transportation systems using monorail; light, heavy, and rapid rail; trolley; or another system or train cars running on a guideway. The Authority can be created by a city ordinance but must be approved by the voters within the Authority. The Authority can cover an area that is less than the entire city,

but cannot extend beyond the city that created it. The governing body of the Authority is the legislative body of the city creating it.

The Authority has the power to:

- acquire grade-separated facilities, land, rights-of-way, and equipment;
- set rates and charges for service;
- can contract for the planning, design, and construction of grade-separated facilities and for the provision or receipt of services, facilities, or property rights to provide revenue;
- establish local improvement districts to finance grade-separated facilities;
- carry out a comprehensive grade-separated system and financing plans, taking into account, and posting online annual reports on, the projected 30-year ridership, the number of income restricted housing units and transit dependent households within a 15-minute walk of a station and each studied alternative station in each transportation corridor; and
- exercise other powers necessary to carry out its responsibilities, including making employment decisions and obtaining insurance.

The Authority must also create a plan to implement an equitable transit development strategy for diverse, vibrant, mixed-use, and mixed-income communities. Included in the plan must be a requirement that any transfer or disposal of surplus property suitable for development as housing must offer a minimum of 80 percent of that property to a local government, a housing authority, or a non-profit developer that agrees to develop affordable housing on the property. The Authority must require that at least 80 percent of resulting housing be affordable, meaning available to those whose incomes are at or below 60 percent of the median county income. If the transferred property is sold, then the proceeds must be used to construct only affordable housing units within a half-mile of the original property.

In order to finance its activities, the Authority is authorized to issue non-tax revenue and general obligation bonds. The Authority may also, subject to voter approval, establish an excise tax on motor vehicles owned by residents within the area of the Authority at a rate that cannot exceed half the rate imposed by a regional transit authority in the same area; impose a 1.944 percent sales tax upon car rentals within the city; impose up to a \$100 fee on vehicle relicensing; impose a regular property tax levy up to \$1.50 per \$1,000 of assessed value as a junior taxing district; and/or impose excess property tax levies for operating funds, bond repayment, and certain other purposes if approved by sufficient numbers of voters.

Before using any revenue collected from the excise tax to obtain a right-of-way or to construct a grade-separated transportation facility, the Authority must conduct a public hearing and allow public comment. The Authority may establish a rebate program for vehicle excise taxes and relicensing fees paid by low-income residents. This program may rebate up to 40 percent of the amount of the tax to the individual paying it.

Within 30 days of completing construction on the last of the facilities authorized by the Authority, the Authority must reduce its day-to-day operations and only oversee the recollection of revenue, the payment of debt or other financing obligations, and the carrying out of any requirements related to the continued operation and maintenance of the public grade-separated transportation facilities. The Authority must reduce its staff, administration, and expenses in line with its new role. Taxes, fees, and charges must likewise be reduced as financing and debt service is completed.

The Authority must dissolve itself within 30 days of the cessation of: operations of the grade-separated rail facilities; debt and financing obligations; and construction of public grade-separated transportation facilities. Upon dissolution, former officers, employees, directors, and agents are immune from personal liability for actions or omissions in the performance of, or good faith belief that they were performing, their duties in connection with the Authority.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following change:

- limits the rate of the motor vehicle excise tax that may be imposed by a city transportation authority to one-half of the rate of a motor vehicle excise tax imposed by a regional transit authority within the same area.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 16, 2021.

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

Staff Summary of Public Testimony:

(In support) This bill cleans up obsolete language relating to the monorail but keeps the original purpose to expand transportation options. Current law disallows consideration of light rail, which is one of the fastest and most reliable forms of transit, and which this bill would allow. This would authorize no taxes that were not allowed to be imposed and requires no funding from the state. The bill adds new tools for local governments to provide revenue. There is a big shortfall in needed funding for transportation. This bill would help Sound Transit. Light rail may come to a halt if nothing is done, and filling the revenue gap will require cooperation between cities and other levels of government. There needs to be multiple solutions to these problems. New resources are needed to address mobility for people and goods, and this is one of the ways to do it. There is currently an affordability gap for transportation. The bill includes best practices to address equity.

(Opposed) None.

Persons Testifying: Representative Hackney, prime sponsor; Jonathan Hopkins, Seattle Subway; Quinn Majeski, City of Seattle; Alex Soldano, Sound Transit; Bryce Yadon, Transportation Choices Coalition; Anna Zivarts, Disability Rights Washington; and Robert Cruickshank, Sierra Club.

Persons Signed In To Testify But Not Testifying: Joe Kunzler; Ben Broesamle; Robert Foxcurran; and Eugene Kramer.