

## Establishment Process for Transportation Benefit District

The basic path to establishing a transportation benefit district ("district"):

### County Council

- The county may form a district of solely unincorporated county, having met the requirement to coordinate with cities first to discuss forming a joint district by May 22, 2008, but not having reached agreement.
- The county council introduces an ordinance to establish a district and schedules a public hearing.
- The ordinance includes district boundaries, as well as project and programs included in the approved transportation improvement program that meet the eligibility criteria.
- The Council acts ex officio and independently as board members of the district.

### District board

- For district business, the council gavels down at meetings as council and gavels up as district board.
- The board introduces an ordinance to adopt up to a \$20 vehicle license fee and schedules a public hearing.
- The board adopts the same accounting code structure as the county and selects items to identify for district business.
- The board enters into an interlocal agreement with the Washington State Department of Licensing (DOL) to collect the license fees. District receipt of first revenues will be a minimum of six months from agreement. A 1% DOL administrative fee will be deducted from district revenues.
- The board develops an original finance plan.
- The board develops a material change policy to address major plan changes that affect project delivery or the ability to finance the plan. Any project cost that exceeds its original cost by more than 20% percent requires a public hearing to determine how to resolve the cost change.
- The board shall issue an annual report of the status of project costs, expenditures, revenues, and construction schedules to the public and newspapers of record in the district.

## Summary of Transportation Benefit District RCWs

| No. | Subject   | Source                           | Description   |
|-----|---|----------------------------------|---|
| 1   | Annual reporting  | RCW 36.73.160(2)                 | A district shall issue an annual report indicating the status of improvement costs (expenditures, revenues, and construction schedules) to the public and to newspapers of record in the district.        |
| 2   | Authority of district   | RCW 36.73.040                    | Hire employees, staff, and services, enter into contracts, acquire, hold and dispose of real and personal property, and to sue and be sued. May impose taxes, fees, charges and tolls.                    |
| 3   | Bonds   | RCW 36.73.070                    | The district has the authority to issue general obligation bonds for capital purposes, and may also issue revenue bonds.  |
| 4   | Bonds: printing bonds   | RCW 36.73.090                    | The district may print bonds for issuance.  |
| 5   | Bonds: use of bond proceeds                                   | RCW 36.73.100                    | The proceeds of bonds may be used to pay costs related to the sale and issuance of bonds, and to fund capital projects including related engineering, architectural, planning and inspection costs.       |
| 6   | Boundaries of the district<br>- general                       | RCW 36.73.020(2)                 | The district may include area within more than one county, city, port district, county transportation authority, or public transportation area, but need not include all of the area of each participant. |
| 7   | Boundaries of the district<br>- unincorporated county<br>only | RCW 36.73.065(5)<br>& 82.180.140 | A joint interlocal agreement was not reached with the cities. Therefore, a district may be established that includes only the unincorporated territory of the county.                                     |

## Summary of Transportation Benefit District RCWs

| No. | Subject  | Source                       | Description  |
|-----|--|------------------------------|--|
| 8   | Change policy                                      | RCW 36.73.160(1)             | The district shall develop a material change policy to address major changes that affect project delivery or the ability to finance the plan. Material changes include changes to cost, scope and schedule.  |
| 9   | Change to original cost of improvement             | RCW 36.73.160(1)             | If an improvement cost exceeds its original cost by more than 20%, the district board shall hold a public hearing to solicit comment from the public regarding the cost change resolution.   |
| 10  | Contracts  | RCW 36.73.140                | A district has the same powers as a county to contract for road improvement projects and to enter into reimbursement contracts.  |
| 11  | Definition:<br>District                            | RCW 36.73.015(1)             | A transportation benefit district created under this chapter.  |
| 12  | Definition:<br>District transportation improvement | RCW 36.73.015(3)             | Project contained in state or regional plan for investment in new or existing principal arterials, projects and programs of regional significance. May include transportation demand management (TDM), operation, preservation and maintenance.  |
| 13  | Dissolution of transportation benefit district     | RCW 36.73.050(1) & 36.73.170 | The district shall make provisions for automatic dissolution when indebtedness is retired and responsibilities have been satisfied. The district shall cease to exist 30 days after either construction is complete (if there is no debt is outstanding), or after the debt service is paid. |
| 14  | Electors of the district                           | RCW 36.73.020(5)             | Registered voters residing within the district   |

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| No. | Subject   | Source   | Description  |
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| 15  | Eminent domain  | RCW 36.73.130  | A district may exercise the power of eminent domain to obtain property for its authorized purposes.  |
| 16  | Establishment of transportation benefit district                        | RCW 36.73.020  | Detailed description of district areas, governing body, treasurer, electors, and improvement criteria.   |
| 17  | Fee: district authority   | RCW 36.73.040(3)(b), 36.73.065(4) & 82.80.140          | The district is authorized to impose vehicle fee.  |
| 18  | Fee: amount up to \$20 to start by board vote                           | RCW 36.73.065(4)(a)(i), 36.73.065(5) & 82.80.140(2)(a) | A district may impose up to a \$20 vehicle fee without voter approval if the district includes all of the territory within the jurisdictional boundaries. See item #16 for limitations if less than \$20 to start. |
| 19  | Fee: amount of increase and authority <u>if less than \$20 to start</u> | RCW 36.73.065(3)                                       | A district may not increase any fees imposed under this chapter once the fee takes effect unless authorized by the district voters per 36.73.160. May require dissolution of district and re-establishment.        |
| 20  | Fee: collection   | RCW 82.80.140(3)                                       | The department of licensing (DOL) will administer and collect the fee and deduct up to one percent of the fees collected per RCW. (DOL is typically collecting 1% from existing districts.)                        |
| 21  | Fee: collection period  | RCW 82.80.140(4) & RCW 36.73.065                       | No fee may be collected until six months after approval.   |
| 22  | Fee: impact to district fee from other transportation improvement fees  | RCW 36.73.040(3)(c) & 82.80.140(2)(b)(ii)              | If the county is levying a fee for transportation improvements, it will be credited against the fee imposed by the district.   |
| 23  | Fee: impact of PTBA tax on district fee                                 |  | Public Transportation Benefit Area (PTBA) tax does not affect district fee.  |

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| No. | Subject  | Source  | Description  |
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| 24  | Fee: impact of RTA tax on district fee                       |   | Regional Transit Authority (RTA) tax does not affect district fee.   |
| 25  | Fee: imposition on building construction or land development | RCW 36.73.120   | A district may impose a fee or charge on the construction or reconstruction of commercial or industrial buildings, or on reclassification of land for commercial purposes pursuant to RCW 36.75.065 and in accordance with 39.92 RCW. Fees or charges must be reasonably necessary and used for transportation improvements. |
| 26  | Fee: vehicle exemption                                       | RCW 82.80.140(6)  | The following vehicles are exempt from the fee: farm vehicles, off-road and non-highway vehicles, snowmobiles and vehicles registered under RCW 46.87 and the international registration plan.   |
| 27  | Funds from others  | RCW 36.73.150   | The department of transportation, counties, cities and other jurisdictions may give funds to districts to finance transportation improvements.   |
| 28  | General powers of the district                               | RCW 36.73.040, state Constitution Article VII, sections 1 & 2 | Quasi-municipal corporation, an independent taxing "authority" and a "taxing district"   |
| 29  | Gifts and grants   | RCW 36.73.110   | A district may accept and expend or use gifts, grants and donations.   |
| 30  | Governing body of the district                               | RCW 36.73.020(3)  | The legislative body proposing to establish the district serves as the governing board for the transportation benefit district if formed within a single jurisdiction.   |

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| No. | Subject  | Source   | Description  |
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| 31  | Interlocal cooperation                         | RCW 36.73.065(5),<br>36.73.065(4)(c)(ii),<br>82.180.140 &<br>39.34 | If the interlocal agreements with cities cannot be met by May 22, 2008 (the agreement was not reached), the county may impose by majority vote of the district up to \$20 vehicle fee for unincorporated county. |
| 32  | Local improvement districts                    | RCW 36.73.080  | A district may form a local improvement district for a transportation improvement, but only pursuant to the petition method.   |
| 33  | Ordinance requirements to establish a district | RCW<br>36.73.050(2b)   | Establish the boundaries and specify the functions and transportation improvements to be funded.   |
| 34  | Public hearings for district                   | RCW 36.73.050  | To be held to establish district, modify boundaries of a district, or to dissolve a district.  |
| 35  | District intent                                | RCW 36.73.010  | Citizens benefit by cooperation of the public and private sectors to address transportation needs, and to fund transportation improvements that expand the performance of the system.                            |
| 36  | Transportation improvement criteria            | RCW 36.73.020(1)   | Reduce risk of failure, improve safety, travel time, air quality, etc. and other criteria as adopted by the governing body.  |
| 37  | Transportation improvement expansion           | RCW<br>36.73.050(2)(b)   | Proposed functions and transportation improvements may not expand beyond those specified in the notice of hearing without further notices, hearings, and determinations.   |
| 38  | Treasurer of the district                      | RCW 36.73.020(4)   | The treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district unless an interlocal agreement states otherwise.                                     |