

Initiative Measure No. 1286 filed February 28, 2013

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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: I-2673.1/13

ATTY/TYPIST: BP:crs

BRIEF DESCRIPTION:

# Initiative Measure No. 1286 filed February 28, 2013

AN ACT Relating to broadening the powers of a city transportation authority; and amending RCW 35.95A.010, 35.95A.020, 35.95A.030, 35.95A.050, 35.95A.070, 35.95A.080, 35.95A.120, and 35.95A.140.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

**Sec. 1.** RCW 35.95A.010 and 2002 c 248 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means a city transportation authority created pursuant to chapter 248, Laws of 2002.

(2) "Authority area" means the territory within a city as designated in the ordinance creating the authority.

(3) "Bonds" means bonds, notes, or other evidences of indebtedness.

(4) "Public ((monorail)) transportation function" means the transportation of passengers and their incidental baggage by means ((of public monorail transportation facilities as authorized in this

chapter)) other than by chartered bus or sightseeing bus, together with the necessary passenger terminals and parking facilities or other properties necessary for passenger and vehicular access to and from such people-moving systems. However, nothing prohibits an authority from leasing its buses to private certified carriers or from providing school bus service.

(5) ((("Public monorail transportation facilities" means a transportation system that utilizes train cars running on a guideway, together with the necessary passenger stations, terminals, parking facilities, related facilities or other properties, and facilities necessary and appropriate for passenger and vehicular access to and from people-moving systems, not including fixed guideway light rail systems.)) "High capacity transportation system" means a system of public transportation services within an urbanized region operating principally on exclusive rights-of-way, and the supporting services and facilities necessary to implement such a system, including interim express services and high occupancy vehicle lanes, which taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

(6) "Qualified elector" means any person registered to vote within the city boundaries.

**Sec. 2.** RCW 35.95A.020 and 2002 c 248 s 2 are each amended to read as follows:

(1) A city transportation authority to perform a public ((monorail)) transportation function may be created in every city with a population greater than three hundred thousand to perform a public ((monorail)) transportation function. The authority shall embrace all the territory in the authority area. A city transportation authority is a municipal corporation, an independent taxing "authority" within the meaning of Article 7, section 1 of the state Constitution, and a "taxing district" within the meaning of Article 7, section 2 of the state Constitution.

(2) Any city transportation authority and proposed taxes established pursuant to this chapter, either by ordinance or petition as provided in this chapter, must be approved by a majority vote of the electors residing within the proposed authority area voting at a regular or special election.

**Sec. 3.** RCW 35.95A.030 and 2002 c 248 s 3 are each amended to read as follows:

(1) A city that undertakes to propose creation of an authority must propose the authority by ordinance of the city legislative body. The ordinance must:

(a) Propose the authority area and the size and method of selection of the governing body of the authority, which governing body may be appointed or elected, provided that officers or employees of any single city government body may not compose a majority of the members of the authority's governing body;

(b) Propose whether all or a specified portion of the public ((monorail)) transportation function will be exercised by the authority;

(c) Propose an initial array of taxes to be voted upon by the electors within the proposed authority area; and

(d) Provide for an interim governing body of the authority which will govern the authority upon voter approval of formation of the authority, until a permanent governing body is selected, but in no event longer than fourteen months.

(2) An authority may also be proposed to be created by a petition setting forth the matters described in subsection (1) of this section, and signed by one percent of the qualified electors of the proposed authority area.

(3) Upon approval by the qualified electors of the formation of the city transportation authority and any proposed taxes, either by ordinance or by petition as provided in this chapter, the governing body of an authority, or interim governing body, as applicable, will adopt bylaws determining, among other things, the authority's officers

and the method of their selection, and other matters the governing body deems appropriate.

**Sec. 4.** RCW 35.95A.050 and 2002 c 248 s 5 are each amended to read as follows:

Every authority has the following powers:

(1) To prepare, adopt, carry out, and amend a general comprehensive plan for public transportation service within the authority area.

(2) To acquire by purchase, condemnation, gift, or grant and to lease, construct, add to, improve, replace, repair, maintain, operate, and regulate the use of public ((monorail)) transportation facilities, including passenger terminal and parking facilities and properties, and other facilities and properties as may be necessary for passenger and vehicular access to and from public ((monorail)) transportation facilities, together with all lands, rights-of-way, and property within or outside the authority area, and together with equipment and accessories necessary or appropriate for these facilities, except that property, including but not limited to other types of public transportation facilities, that is owned by any city, county, county transportation authority, public transportation benefit area, metropolitan municipal corporation, or regional transit authority may be acquired or used by an authority only with the consent of the public entity owning the property. The entities are authorized to convey or lease property to an authority or to contract for their joint use on terms fixed by agreement between the entity and the authority;

((2)) (3) To fix rates, tolls, fares, and charges for the use of facilities and to establish various routes and classes of service. Rates, tolls, fares, or charges may be adjusted or eliminated for any distinguishable class of users including, but not limited to, senior citizens ((and handicapped)), persons with disabilities, and students;

((3)) (4) To contract with the United States or any of its agencies, any state or any of its agencies, any metropolitan municipal corporation, and other ((country)) county, city, other political Code Rev/BP:crs

subdivision or governmental instrumentality, or governmental agency, or any private person, firm, or corporation for the purpose of receiving any gifts or grants or securing loans or advances for preliminary planning and feasibility studies, or for the design, construction, operation, or maintenance of public ((monorail)) transportation facilities ((as follows:)). Contracts for the construction of facilities with an estimated cost greater than three hundred thousand dollars must be awarded after a competitive bid process consistent with chapter 39.04 RCW or awarded through an alternative public works contracting procedure consistent with chapter 39.10 RCW. A city transportation authority is authorized to use the small works roster contract procedures set forth in RCW 39.04.155 for contracts not exceeding three hundred thousand dollars;

((a) Notwithstanding the provisions of any law to the contrary, and in addition to any other authority provided by law, the governing body of a city transportation authority may contract with one or more vendors for the design, construction, operation, or maintenance, or other service related to the development of a monorail public transportation system including, but not limited to, monorail trains, operating systems and control equipment, guideways, and pylons, together with the necessary passenger stations, terminals, parking facilities, and other related facilities necessary and appropriate for passenger and vehicular access to and from the monorail train.

(b) If the governing body of the city transportation authority decides to proceed with the consideration of qualifications or proposals for services from qualified vendors, the authority must publish notice of its requirements and request submission of qualifications statements or proposals. The notice must be published in the official newspaper of the city creating the authority at least once a week for two weeks, not less than sixty days before the final date for the submission of qualifications statements or proposals. The notice must state in summary form: (i) The general scope and nature of the design, construction, operation, maintenance, or other services being sought related to the development of the proposed monorail, tram, or trolley public transportation system; (ii) the name

and address of a representative of the city transportation authority who can provide further details; (iii) the final date for the submission of qualifications statements or proposals; (iv) an estimated schedule for the consideration of qualifications statements or proposals, the selection of vendors, and the negotiation of a contract or contracts for services; (v) the location of which a copy of any requests for qualifications statements or requests for proposals will be made available; and (vi) the criteria established by the governing body of the authority to select a vendor or vendors, which may include, but is not limited to, the vendor's prior experience, including design, construction, operation, or maintenance of other similar public transportation facilities, respondent's management capabilities, proposed project schedule, availability and financial resources, costs of the services to be provided, nature of facility design proposed by the vendors, system reliability, performance standards required for the facilities, compatibility with existing public transportation facilities operated by the authority or any other public body or other providers of similar services to the public, project performance guarantees, penalties, and other enforcement provisions, environmental protection measures to be used by the vendor, consistency with the applicable regional transportation plans, and the proposed allocation of project risks.

(c) If the governing body of the city transportation authority decides to proceed with the consideration of qualifications statements or proposals submitted by vendors, it may designate a representative to evaluate the vendors who submitted qualifications statements or proposals and conduct discussions regarding qualifications or proposals with one or more vendors. The governing body or its representative may request submission of qualifications statements and may later request more detailed proposals from one or more vendors who have submitted qualifications statements, or may request detailed proposals without having first received and evaluated qualifications statements. The governing body or its representative will evaluate the qualifications or proposals, as applicable. If two or more vendors submit qualifications or proposals that meet the criteria

~~established by the governing body of the authority, discussions and interviews must be held with at least two vendors. Any revisions to a request for qualifications or request for proposals must be made available to all vendors then under consideration by the governing body of the authority and must be made available to any other person who has requested receipt of that information.~~

~~(d) Based on the criteria established by the governing body of the authority, the representative will recommend to the governing body a vendor or vendors that are initially determined to be the best qualified to provide one or more of the design, construction, operation or maintenance, or other service related to the development of the proposed monorail public transportation system.~~

~~(c) The governing body of the authority or its representative may attempt to negotiate a contract with the vendor or vendors selected for one or more of the design, construction, operation or maintenance, or other service related to the development of the proposed monorail public transportation system on terms that the governing body of the authority determines to be fair and reasonable and in the best interest of the authority. If the governing body, or its representative, is unable to negotiate a contract with any one or more of the vendors first selected on terms that it determines to be fair and reasonable and in the best interest of the authority, negotiations with any one or more of the vendors must be terminated or suspended and another qualified vendor or vendors may be selected in accordance with the procedures set forth in this section. If the governing body decides to continue the process of selection, negotiations will continue with a qualified vendor or vendors in accordance with this section at the sole discretion of the governing body of the authority until an agreement is reached with one or more qualified vendors, or the process is terminated by the governing body. The process may be repeated until an agreement is reached.~~

~~(f) Prior to entering into a contract with a vendor, the governing body of the authority must make written findings, after holding a public hearing on the proposal, that it is in the public interest to enter into the contract, that the contract is financially sound, and~~

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~~that it is advantageous for the governing body of the authority to use this method for awarding contracts for one or more of the design, construction, or operation or maintenance of the proposed monorail public transportation system as compared to all other methods of awarding such contracts.~~

~~(g) Each contract must include a project performance bond or bonds or other security by the vendor.~~

~~(h) The provisions of chapters 39.12 and 39.19 RCW apply to a contract entered into under this section as if the public transportation systems and facilities were owned by a public body.~~

~~(i) The vendor selection process permitted by this section is supplemental to and is not construed as a repeal of or limitation on any other authority granted by law.~~

~~(j) Contracts for the construction of facilities, other than contracts for facilities to be provided by the selected vendor, with an estimated cost greater than two hundred thousand dollars must be awarded after a competitive bid process consistent with chapter 39.04 RCW or awarded through an alternative public works contracting procedure consistent with chapter 39.10 RCW;))~~

~~((4)) (5) To contract with the United States or any of its agencies, any state or any of its agencies, any metropolitan municipal corporation, any other county, city, other political subdivision or governmental instrumentality, any governmental agency, or any private person, firm, or corporation for the use by either contracting party of all or any part of the facilities, structures, lands, interests in lands, air rights over lands, and rights-of-way of all kinds which are owned, leased, or held by the other party and for the purpose of planning, designing, constructing, operating any public transportation facility, or performing any service related to transportation which the authority is authorized to operate or perform, on terms as may be agreed upon by the contracting parties;~~

~~((5)) (6) To acquire any existing public transportation facility by conveyance, sale, or lease. In any acquisition from a county, city, or other political subdivision of the state, the authority will receive credit from the county or city or other political subdivision~~

for any federal assistance and state matching assistance used by the county or city or other political subdivision in acquiring any portion of the public transportation facility. Upon acquisition, the authority must assume and observe all existing labor contracts relating to the public transportation facility and, to the extent necessary for operation of the public transportation facility, all of the employees of the public transportation facility whose duties are necessary to efficiently operate the public transportation facility must be appointed to comparable positions to those which they held at the time of the transfer, and no employee or retired or pensioned employee of the public transportation facility will be placed in any worse position with respect to pension seniority, wages, sick leave, vacation, or other benefits than he or she enjoyed as an employee of the public transportation facility prior to the acquisition. Furthermore, the authority must engage in collective bargaining with the duly appointed representatives of any employee labor organization having existing contracts with the acquired facility and may enter into labor contracts with the employee labor organization;

((6) To contract for, participate in, and support research, demonstration, testing, and development of public monorail transportation facilities, equipment, and use incentives, and have all powers necessary to comply with any criteria, standards, and regulations which may be adopted under state and federal law, and to take all actions necessary to meet the requirements of those laws. The authority has, in addition to these powers, the authority to prepare, adopt, and carry out a comprehensive public monorail plan and to make other plans and studies and to perform programs as the authority deems necessary to implement and comply with those laws;))

(7) To establish local improvement districts within the authority area to finance public ((monorail)) transportation facilities, to levy special assessments on property specially benefited by those facilities, and to issue local improvement bonds to be repaid by the collection of local improvement assessments. The method of establishment, levying, collection, enforcement, and all other matters relating to the local improvement districts, assessments, collection,

and bonds are as provided in the statutes governing local improvement districts of cities and towns. The duties devolving upon the city treasurer in those statutes are imposed on the treasurer of the authority;

(8) To exercise all other powers necessary and appropriate to carry out its responsibilities, including without limitation the power to sue and be sued, to own, construct, purchase, lease, add to, and maintain any real and personal property or property rights necessary for the conduct of the affairs of the authority, to enter into contracts, and to employ the persons as the authority deems appropriate. An authority may also sell, lease, convey, or otherwise dispose of any real or personal property no longer necessary for the conduct of the affairs of the authority.

**Sec. 5.** RCW 35.95A.070 and 2002 c 248 s 8 are each amended to read as follows:

Every authority has the power to:

(1) Levy excess levies upon the property included within the authority area, in the manner prescribed by Article VII, section 2 of the state Constitution and by RCW 84.52.052 for operating funds, capital outlay funds, and cumulative reserve funds;

(2) Issue general obligation bonds, not to exceed an amount, together with any outstanding nonvoter-approved general obligation indebtedness equal to one and one-half percent of the value of the taxable property within the authority area, as the term "value of the taxable property" is defined in RCW 39.36.015. An authority may additionally issue general obligation bonds, together with outstanding voter-approved and nonvoter-approved general obligation indebtedness, equal to two and one-half percent of the value of the taxable property within the authority area, as the term "value of the taxable property" is defined in RCW 39.36.015, when the bonds are approved by three-fifths of the qualified electors of the authority at a general or special election called for that purpose and may provide for the retirement thereof by levies in excess of dollar rate limitations in

accordance with the provisions of RCW 84.52.056. These elections will be held as provided in RCW 39.36.050;

(3) Issue revenue bonds payable from any revenues other than taxes levied by the authority, and to pledge those revenues for the repayment of the bonds. Proceeds of revenue bonds may only be expended for the costs of public ((monorail)) transportation facilities, for financing costs, and for capitalized interest during construction plus six months thereafter. The bonds and warrants will be issued and sold in accordance with chapter 39.46 RCW.

No bonds issued by an authority are obligations of any city, county, or the state of Washington or any political subdivision thereof other than the authority, and the bonds will so state, unless the legislative authority of any city or county or the legislature expressly authorizes particular bonds to be either guaranteed by or obligations of its respective city or county or of the state.

**Sec. 6.** RCW 35.95A.080 and 2002 c 248 s 9 are each amended to read as follows:

(1) Every authority has the power to levy and collect a special excise tax not exceeding two and one-half percent on the value of every motor vehicle owned by a resident of the authority area for the privilege of using a motor vehicle. Before utilization of any excise tax money collected under this section for acquisition of right-of-way or construction of a public ((monorail)) transportation facility on a separate right-of-way, the authority must adopt rules affording the public an opportunity for corridor public hearings and design public hearings, which provide in detail the procedures necessary for public participation in the following instances: (a) Prior to adoption of location and design plans having a substantial social, economic, or environmental effect upon the locality upon which they are to be constructed; or (b) on the public transportation facilities operating on a separate right-of-way whenever a substantial change is proposed relating to location or design in the adopted plan. In adopting rules the authority must adhere to the provisions of the administrative procedure act.

(2) A "corridor public hearing" is a public hearing that: (a) Is held before the authority is committed to a specific route proposal for the public transportation facility, and before a route location is established; (b) is held to afford an opportunity for participation by those interested in the determination of the need for, and the location of, the public transportation facility; and (c) provides a public forum that affords a full opportunity for presenting views on the public transportation facility route location, and the social, economic, and environmental effects on that location and alternate locations. However, the hearing is not deemed to be necessary before (~~(adoption of a transportation plan as provided in section 7 of this actor)~~) a vote of the qualified electors under subsection (5) of this section.

(3) A "design public hearing" is a public hearing that: (a) Is held after the location is established but before the design is adopted; (b) is held to afford an opportunity for participation by those interested in the determination of major design features of the public ((monorail)) transportation facility; and (c) provides a public forum to afford a full opportunity for presenting views on the public transportation system design, and the social, economic, and environmental effects of that design and alternate designs, including people-mover technology.

(4) An authority imposing a tax under subsection (1) of this section may also impose a sales and use tax, in addition to any tax authorized by RCW 82.14.030, upon retail car rentals within the city that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax must not exceed 1.944 percent of the base of the tax. The base of the tax will be the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax. The revenue collected under this subsection will be distributed in the same manner as sales and use taxes under chapter 82.14 RCW.

(5) Before any authority may impose any of the taxes authorized under this section, the authorization for imposition of the taxes must be approved by the qualified electors of the authority area.

**Sec. 7.** RCW 35.95A.120 and 2007 c 516 s 12 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the city transportation authority may be dissolved by a vote of the people residing within the boundaries of the authority if the authority is faced with significant financial problems. However, the authority may covenant with holders of its bonds that it may not be dissolved and shall continue to exist solely for the purpose of continuing to levy and collect any taxes or assessments levied by it and pledged to the repayment of debt and to take other actions, including the appointment of a trustee, as necessary to allow it to repay any remaining debt. No such debt may be incurred by the authority on a project until thirty days after a final environmental impact statement on that project has been issued as required by chapter 43.21C RCW. The amount of the authority's initial bond issue is limited to the amount of the project costs in the subsequent two years as documented by a certified engineer or by submitted bids, plus any reimbursable capital expenses already incurred at the time of the bond issue. The authority may size the first bond issue consistent with the internal revenue service five-year spend down schedule if an independent financial advisor recommends such an approach is financially advisable. Any referendum petition to dissolve the city transportation authority must be filed with the city council and contain provisions for dissolution of the authority. Within seven days, the city prosecutor must review the validity of the petition and submit its report to the petitioner and city council. If the petitioner's claims are deemed valid by the city prosecutor, within ten days of the petitioner's filing, the city council will confer with the petitioner concerning the form and style of the petition, issue an identification number for the petition, and write a ballot title for the measure. The ballot title must be posed as a question and an affirmative vote on the measure results in authority retention and a negative vote on the measure results in the authority's dissolution. The petitioner will be notified of the identification number and ballot title within this ten-day period.

After this notification, the petitioner has ninety days in which to secure on petition forms, the signatures of not less than fifteen percent of the registered voters in the authority area and to file the signed petitions with the filing officer. Each petition form must contain the ballot title and the full text of the measure to be referred. The filing officer will verify the sufficiency of the signatures on the petitions. If sufficient valid signatures are properly submitted, the filing officer shall submit the initiative to the authority area voters at a general or special election held on one of the dates provided in RCW 29A.04.321 as determined by the city council, which election will not take place later than one hundred twenty days after the signed petition has been filed with the filing officer.

(2) A city transportation authority is dissolved and terminated if all of the following events occur before or after July 22, 2007:

(a) A majority of the qualified electors voting at a regular or special election determine that new public ((monorail)) transportation facilities must not be built;

(b) The governing body of the authority adopts a resolution and publishes a notice of the proposed dissolution at least once every week for three consecutive weeks in a newspaper of general circulation published in the authority area. The resolution and notice must:

(i) Describe information that must be included in a notice of claim against the authority including, but not limited to, any claims for refunds of special motor vehicle excise tax levied under RCW 35.95A.080 and collected by or on behalf of the authority;

(ii) Provide a mailing address where a notice of claim may be sent;

(iii) State the deadline, which must be at least ninety days from the date of the third publication, by which the authority must receive a notice of claim; and

(iv) State that a claim will be barred if a notice of claim is not received by the deadline;

(c) The authority resolves all claims timely made under (b) of this subsection; and

(d) The governing body adopts a resolution (i) finding that the conditions of (a) through (c) of this subsection have been met and (ii) dissolving and terminating the authority.

(3) A claim against a city transportation authority is barred if (a) a claimant does not deliver a notice of claim to the authority by the deadline stated in subsection (2)(b)(iii) of this section or (b) a claimant whose claim was rejected by the authority does not commence a proceeding to enforce the claim within sixty days from receipt of the rejection notice. For purposes of this subsection, "claim" includes, but is not limited to, any right to payment, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or the right to an equitable remedy for breach of performance if the breach gives rise to a right to payment, whether or not the right to an equitable remedy is fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, including, but not limited to, any claim for a refund of special motor vehicle excise tax levied under RCW 35.95A.080 and collected by or on behalf of the authority.

(4) The governing body of the authority may transfer any net assets to one or more other political subdivisions with instructions as to their use or disposition. The governing body shall authorize this transfer in the resolution that dissolves and terminates the authority under subsection (2)(d) of this section.

(5) Upon the dissolution and termination of the authority, the former officers, directors, employees, and agents of the authority shall be immune from personal liability in connection with any claims brought against them arising from or relating to their service to the authority, and any claim brought against any of them is barred.

(6) Upon satisfaction of the conditions set forth in subsection (2)(a) and (b) of this section, the terms of all members of the governing body of the city transportation authority, whether elected or appointed, who are serving as of the date of the adoption of the resolution described in subsection (2)(b) of this section, shall be extended, and incumbent governing body members shall remain in office

until dissolution of the authority, notwithstanding any provision of any law to the contrary.

**Sec. 8.** RCW 35.95A.140 and 2005 c 19 s 2 are each amended to read as follows:

Each authority shall incorporate in plans for stations along any ((monorail project)) high-capacity transportation system signing that is easily understood by the traveling public, including, but not limited to, persons with disabilities, non-English speaking persons, and visitors from other nations. The signage must employ graphics consistent with international symbols for transportation facilities and signage that are consistent with department of transportation guidelines and programs. The signage must also use distinguishing pictograms as a means to identify stations and points of interest along ((the monorail)) corridor for persons who use languages that are not Roman-alphabet based. These requirements are intended to apply to new sign installation and not to existing signs. The authority may replace existing signs as it chooses; however, it shall use the new signing designs when existing signs are replaced. All signage must comply with requirements of applicable federal law and may include recommendations contained in federal publications providing directions on way-finding for persons with disabilities.