



LONGVIEW TRANSPORTATION BENEFIT DISTRICT

Memorandum

February 2, 2017

TO: Longview Transportation Benefit District Board
David M. Campbell, TBD Executive Director

FROM: Jeff D. Cameron, Longview Public Works Director

SUBJECT: Funding Longview Transportation Benefit District

Background

The Longview Transportation Benefit District (TBD) was formed on December 15, 2016, by the Longview City Council pursuant to City of Longview Ordinance No. 3334, effective January 19, 2017. Formation of the TBD included adoption of the TBD's initial Transportation Improvements Plan (TBD Plan), but did not include adoption of any source of revenue to fund TBD activities. Establishing revenue for the TBD, if any, is determined by the governing board of the TBD.

On January 26, 2017, the TBD Board held its first meeting, elected its officers, approved an interlocal agreement with the City of Longview to provide administrative and technical support to the District, approved its operating bylaws, and set a public hearing for February 9, 2017, to consider establishing a vehicle license fee to provide funding to complete projects identified in the TBD Plan.

TBD Revenue Options

The TBD is an independent taxing authority that may establish a revenue source either by a majority vote of the TBD Board, or by submitting approval of the revenue source to a vote of the citizens within the TBD boundary. The TBD is authorized to impose the following taxes, fees, charges, and tolls:

- a) A sales and use tax up to 0.02% in accordance with Revised Code of Washington (RCW) 82.14.0455 (requires voter approval);
- b) A vehicle license fee up to \$100 per vehicle in accordance with RCW 82.80.140 (TBD Board approval up to \$50; fee of \$51 or higher requires voter approval);
- c) A development fee or charge (impact fee) in accordance with RCW 36.73.120 (TBD Board approval);
- d) Vehicle tolls in accordance with RCW 47.56 (requires state Transportation Commission approval, plus state Dept. of Transportation approval for tolls on state routes);

- e) An ad valorem property tax in excess of one-percent for a one-year period in accordance with RCW 84.52.052, except that capital bond levies will remain in effect until the bonds are repaid (requires voter approval).

Vehicle License Fee

- 1) Vehicle license fee up to \$20 per vehicle may be established by the TBD Board.
- 2) Vehicle license fee may be increased up to \$40 per vehicle by the TBD Board after a \$20 vehicle license fee has been in effect for at least 24 months; if the vehicle license fee is less than \$20 per vehicle, it must be increased to \$20 before the 24 month waiting period begins.
- 3) Vehicle license fee may be increased up to \$50 per vehicle fee by the TBD Board after a \$40 vehicle license fee has been in effect for at least 24 months; if the vehicle license fee is less than \$40 per vehicle, it must be increased to \$40 before the 24 month waiting period begins.
- 4) Vehicle license fee over \$40 per vehicle may be challenged by a qualifying petition triggering a public vote.
- 5) Vehicle license fee up to \$40 or up to \$50 per vehicle may be approved by voters if the previous fee level has been in effect less than 24 months.
- 6) Vehicle license fee of \$51 up to the maximum of \$100 per vehicle requires voter approval

The vehicle license fees are based on registration renewals. RCW 82.80.140(4) prohibits collection of TBD vehicle license fees until six months after the TBD establishes the fee. This means that it will take approximately 18 months following fee approval to generate the first years' worth of revenue. An interlocal agreement with the state Dept. of Licensing is required for collection of the vehicle license fee, which will specify a service fee paid to the Dept. of Licensing amounting to 1% of the vehicle license fees collected.

According to the Municipal Research and Services Center (MRSC), there are 89 transportation benefit districts in the state, with their funding summarized as follows:

Funding Source	Vehicle License Fee (\$20 to \$80)	Sales Tax (0.1 To 0.2%)	Both Vehicle License Fee and Sales Tax	Unfunded
No. of City formed TBDs	51	29	3	12

Vehicles Exempt From TBD License Fee

In accordance with RCW 82.80.140(6) and other state statues defining vehicles and vehicle fees, the following vehicles are exempt from TBD vehicle license fees:

- Campers
- Semi-Trailer Converter Gear
- Farm; Farm Combination; Farm Exempt
- Federally Owned; Tribe Owned
- Horseless Carriage
- Moped
- Non-powered Commercial; Non-powered Log Hauler

- Off –road Vehicles
- Restored and Collector Vehicles
- Single-axle Personal-Use Trailers (less than 2,000 pounds)
- Snowmobiles
- State, County, and City Owned; Private School
- Vehicles registered under RCW 46.87 and International Registration Plan (commercial vehicles paying a proportional weight fee to Washington and other states)

Staff Recommendation

Staff recommends the TBD Board adopt Ordinance No. TBD 17-01 to establish a \$20 vehicle license fee.