

About University Place Transportation Benefit District

On December 2, 2013, the University Place City Council held passed Ordinance 634, creating a Transportation Benefit District in the City of University Place, known as the University Place Transportation Benefit District ("UPTBD"). The UPTBD Governing Board is comprised of all University Place City Councilmembers.

On December 16, 2013, The University Place Transportation Benefit District Board authorized a vehicle license fee of \$20. In July of 2014, the Washington State Department of Licensing began collecting the vehicle license fee on behalf of the UPTBD to fund maintenance, preservation, and safety enhancements to University Place's existing transportation network.

The 2015 Legislature adopted Second Engrossed Substitute Senate Bill ("2ESSB") 5987 which authorizes any city in which a transportation benefit district ("TBD") has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city to assume the rights, powers, functions, and obligations of the TBD, by adoption of an ordinance or resolution of the city legislative authority. On November 16, 2015 the City adopted an ordinance assuming the rights, powers, functions, and obligations of the UPTBD. The fee remained the same at \$20.00.

Frequently Asked Questions

History of Transportation Benefit Districts (TBD)?

In 1987, the State Legislature created Transportation Benefit Districts (TBDs) as an option for local governments to fund transportation improvements. Chapter 36.73 of the Revised Code of Washington provides for the establishment of TBD by cities and counties for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the district.

In 2005 and 2007, the Legislature amended the TBD statute to expand its uses and revenue authority, including the ability to authorize a \$20 annual vehicle license fee (VLF), and up to an additional \$80 of VLF, if approved by voters within the district.

The state legislature provided local governments with these tools because inflation has eroded the local share of gas tax and because a series of statewide ballot initiatives passed over the last 12 years have eliminated other traditional sources of funding for local transportation needs. For example, in 2002 a statewide initiative had the effect of repealing a \$15 annual countywide VLF that had been dedicated to the same local street maintenance needs now supported by the University Place TBD's annual fee.

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Who runs the UPTBD?

The University Place Transportation Benefit District is run by the City of University Place. Changes and decisions are made by the University Place City Council.

Why did the UPTBD implement a \$20 VLF without voter approval?

In large part, the legislature authorized the \$20 VLF to replace a \$15 countywide license fee dedicated to local street funding that had been eliminated by passage of I-776 in 2002.

How is University Place's TBD spending my \$20?

The TBD budget spends the revenue on a mix of maintenance and preservation as well as safety and enhancements to University Place's existing transportation network.

What funding sources are available to TBDs

Without voter approval:

- Annual vehicle fee up to \$20. This fee is collected at the time of vehicle renewal and cannot be used to fund passenger-only ferry service improvements.
- Transportation impact fees on commercial and industrial buildings. Residential buildings are excluded. In addition, a county or city must provide a credit for a commercial or industrial transportation impact if the respective county or city has already imposed a transportation impact fee.

With voter approval:

- Property taxes: a one-year excess levy or an excess levy for capital purposes;
- Up to 0.2 percent sales and use tax;
- Up to \$100 total annual vehicle fee per vehicle registered in the district;
- Vehicle tolls.

The District enacted \$20 now. But can they raise this fee in future years?

No. According to state statutes, once the fee is adopted, it cannot be increased during the life of the transportation district without a vote of the people.

If in the future the County adopts a similar fee, will I have to pay both?

No. Although the county also has the authority to create a TBD and enact up to a \$20 car tab fee without a vote of the people, they would have to give you credit for any other TBD you are already paying. However, if the county, through a vote, enacts a fee greater than \$20, you may be subject to the incremental difference.

Can the City of University Place use this money to help with revenue shortfalls in its General Fund or other funds? And how can I be sure that this won't happen?

No. State statute limits how this money may be used. The money collected from this fee may only be used for acquiring, constructing, improving, providing, and funding transportation improvements within the District. This includes preservation and maintenance of our transportation system. Also, state statute requires that the District specifically report how the money is spent each year to insure that this money is not used for purposes other than transportation.

Are TBD revenues required to be spent as they are collected?

No. The board that creates a TBD must develop a plan that specifies the transportation improvements to be provided or funded by the TBD. The board can indicate if the funds will be used immediately or collected for a specific period prior to spending the accumulated funds.

What other cities have established or are considering a TBD?

DuPont, Bainbridge Island, Bremerton, Buckley, Burien, Carbonado, Des Moines, East Wenatchee, Eatonville, Edmonds, Electric City, Grandview, Kelso, Kenmore, Kittitas County, Lakeforest Park, Lynnwood, Mabton, Maple Valley, Mountlake Terrace, Olympia, Orting, Prosser, Royal City, Shoreline, Snohomish County, Snoqualmie, Spokane, Tacoma, Toppenish, Wenatchee, and Zillah all collect annual VLF's through a Transportation Benefit District. Others collect sales taxes through TBDs. Additional TBD information can be found at <http://www.mrsc.org/Subjects/governance/spd/tbd.aspx#About>.