

HOUSE BILL REPORT

HB 2942

*As Reported By House Committee on:
Transportation*

Title: An act relating to distribution of motor vehicle excise taxes.

Brief Description: Allowing transit fare revenue to be used as a match for motor vehicle excise tax revenues.

Sponsor(s): Representatives R. Fisher, Wood, Day, Prentice, Paris, Winsley, Nelson and Haugen.

Brief History:

Reported by House Committee on:
Transportation, February 10, 1992, DP.

**HOUSE COMMITTEE ON
TRANSPORTATION**

Majority Report: *Do pass.* Signed by 25 members: Representatives R. Fisher, Chair; R. Meyers, Vice Chair; Betrozoff, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Brough; Cantwell; Cooper; Day; G. Fisher; Forner; Haugen; Heavey; Horn; P. Johnson; R. Johnson; Jones; Kremen; Mitchell; Nelson; Orr; Prentice; Prince; Schmidt; Wood; and Zellinsky.

Staff: Judy Burns (786-7301).

Background: Over the past 18 months, the Legislative Transportation Committee conducted a comprehensive policy review of transit systems in the state. The final study report made a number of recommendations aimed at improving the governance, financing, administration and planning of transit systems.

One of the recommendations related to encouragement for public transit agencies to improve farebox collections to help offset system costs.

Currently, transit agencies are authorized to impose a motor vehicle excise tax (MVET) of up to 0.815 percent and, effective July 1, 1992, a rate of 0.725 percent. To qualify for the MVET, transit systems must generate local tax revenues as a "match." Currently, some agencies are unable

to generate enough from local tax sources to fully match the MVET.

Summary of Bill: Transit systems may use revenues derived from system operations for match to qualify for the motor vehicle excise tax. These system operating revenues include such income as farebox and advertising income but may not include federal revenues.

Fiscal Note: Available.

Effective Date: The bill takes effect January 1, 1993.

Testimony For: This legislation is part of a package of five bills which will implement recommendations from the Legislative Transportation Committee's public transportation study. Overall, the recommendations will improve the accountability, financing and governance of public transit in Washington.

Testimony Against: None.

Witnesses: Dan Snow, Washington State Transit Association; and Jim Toohey, Department of Transportation.