

**SENATE BILL REPORT**

**SB 6465**

**AS OF FEBRUARY 6, 1992**

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

**SPONSORS:** Senators Patterson, Skratek, Madsen and Thorsness

**SENATE COMMITTEE ON TRANSPORTATION**

**Staff:** Gene Baxstrom (786-7303); Judy Burns (786-7301)

**Hearing Dates:** February 6, 1992

**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 transits.

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 motor vehicle excise tax, 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:**

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.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**Effective Date:** January 1, 1993