

SENATE BILL REPORT

SSB 5876

AS PASSED SENATE, MARCH 17, 1993

**Brief Description:** Extending incentives for ride sharing and vanpools.

**SPONSORS:** Senate Committee on Transportation (originally sponsored by Senators Prentice, Skratek, Sellar, M. Rasmussen and Winsley)

**SENATE COMMITTEE ON TRANSPORTATION**

**Majority Report:** That Substitute Senate Bill No. 5876 be substituted therefor, and the substitute bill do pass.

Signed by Senators Vognild, Chairman; Loveland, Vice Chairman; Skratek, Vice Chairman; Drew, Haugen, Nelson, Oke, Prentice, Prince, M. Rasmussen, Sheldon, von Reichbauer, and Winsley.

**Staff:** Brian McMorrow (786-7304)

**Hearing Dates:** March 1, 1993; March 3, 1993

**HOUSE COMMITTEE ON TRANSPORTATION**

**BACKGROUND:**

The Commute Trip Reduction Law requires that major employers in the state's eight largest counties reduce the number of their employees traveling to work by single-occupant vehicle. One effective strategy for meeting the Commute Trip Reduction Law's goals is to encourage commuters to participate in vanpool and ride-sharing programs.

**SUMMARY:**

Passenger motor vehicles (vans and cars) that are used primarily as ride-sharing vehicles and carry at least five persons (including the driver) are exempt for 36 months from sales tax and use tax. If the vehicle is used for ride sharing less than 36 months, the registered owner must notify the Department of Revenue and pay the appropriate sales or use tax due.

Passenger motor vehicles (vans and cars) that are used primarily as ride-sharing vehicles and carry at least five persons (including the driver), or at least four persons (including the driver) when at least two persons are confined to wheelchairs when riding, are exempt from the motor vehicle excise tax. The registered owner of a vehicle that is no longer primarily used for ride sharing must notify the Department of Licensing and pay the motor vehicle excise tax due. A person who knowingly gives false information to the

department when applying for special plates required for ride-sharing vehicles may be guilty of a gross misdemeanor.

The sunset on sales tax, use tax and motor vehicle excise tax exemptions for ride-sharing vehicles is repealed.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested

**TESTIMONY FOR:**

This bill encourages the use of vanpools as a way of reducing the number of single-occupant vehicles that travel during rush hours.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Ben Porter, Price Waterhouse; Gary Molyneaux, Paul Tolliver, METRO; Jean Leonard, Small & Mid-Size Transit; Jim Slakey, WSDOT

**HOUSE AMENDMENT(S):**

The House amendment restricts further the sales tax, use tax and motor vehicle excise tax exemptions for ride-sharing vehicles. Beyond the restrictions in the Senate bill, tax exemptions will be granted to commuter ride-sharing vehicles that are 10,000 pounds or less. To qualify for the tax exemption, vehicles with five or six passengers, including the driver, operating within the state's eight largest counties will also be required to participate in a transit agency-sponsored or commute trip reduction law-required program.

The House amendment also grants sales tax and use tax exemptions to owners of vehicles that are used primarily as ride-sharing vehicles for the elderly or handicapped and carry at least five persons, including the driver.

The Department of Licensing must adopt by rule a process for annually recertifying vehicles registered as ride-sharing vehicles to discourage abuse of tax exemptions. The department in consultation with the Department of Transportation must submit a report to the transportation committees assessing its ability to restrict the ride-sharing tax exemptions to bona fide ride-sharing vehicles.