

HOUSE BILL REPORT

HB 3074

As Reported By House Committee On:
Transportation

Title: An act relating to local transportation taxes.

Brief Description: Modifying local transportation taxes.

Sponsors: Representatives Fisher, Edwards, Cooper, Radcliff, Murray, Mitchell, O'Brien and McIntire.

Brief History:

Committee Activity:

Transportation: 1/31/00, 2/3/00 [DP].

Brief Summary of Bill

- Removes the 0.6 percent cap on sales tax for transit.
- Voter approval is required for any sales tax increase.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 18 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Edwards, Democratic 2nd Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; Murray; Ogden; Romero; Schual-Berke; Skinner; Wood and Woods.

Minority Report: Without recommendation. Signed by 5 members: Representatives Ericksen, Republican Vice Chair; DeBolt; Fortunato; Pflug and Schindler.

Staff: Jeff Doyle (786-7322).

Background:

Public transit systems are authorized to impose a local sales and use tax of up to 0.6 percent. Voter approval is required to impose this tax. Revenues derived from this tax had been used as local matching funds against a portion of the state motor vehicle excise tax (MVET) collected within the boundaries of the public transit system.

On January 1, 2000, Initiative 695 eliminated the state MVET. This had the effect of eliminating the MVET matching dollars available for transit districts.

Of the 25 public transit systems in Washington, 24 of them impose the transit sales tax. Two of the largest transit systems, King County-Metro and Community Transit in Snohomish County, currently impose the full 0.6 percent transit sales tax. A third system, Kitsap Transit, is currently levying 0.5 percent. A majority of the remaining transit systems levy 0.3 percent transit sales tax.

Summary of Bill:

The 0.6 percent cap on locally-imposed sales tax for public transit systems is removed. Any proposed increase in the transit sales tax must be authorized by a majority of the voters.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This change in current law is needed to allow transits to replace funding lost by passage of Initiative 695.

Testimony Against: None.

Testified: Dan Snow, Washington Transit Association; Joyce Olson, Community Transit; and Chuck Williams, King County.