

SENATE BILL REPORT

SB 5162

As Reported By Senate Committee On:
Highways & Transportation, March 5, 2003

Title: An act relating to the transportation of persons with special needs.

Brief Description: Modifying eligibility to provide special need transportation services.

Sponsors: Senators Rasmussen, Horn, Kastama, Esser, Kohl-Welles and Oke.

Brief History:

Committee Activity: Highways & Transportation: 2/4/03, 3/5/03 [DPS].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5162 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Benton, Vice Chair; Swecker, Vice Chair; Esser, Finkbeiner, Haugen, Jacobsen, Kastama, Mulliken, Oke, Prentice and Spanel.

Staff: Michael Groesch (786-7434)

Background: The Utilities and Transportation Commission (UTC) regulates transportation for persons with special needs by private, nonprofit transportation providers under authority of Chapter 81.66 RCW. The regulation extends only to private, nonprofit corporations providing transportation services for compensation solely to persons with special transportation needs. For the purposes of that regulatory function, "persons with special transportation needs" means those persons, including personal attendants, who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase appropriate transportation.

The authority of the UTC extends only to the issuance of certification for operation, the development of insurance requirements, the adoption of rules to insure that vehicles will be adequate for the proposed service, the inspection of vehicles, and the regulation of the safety of operations of each provider. The UTC may charge fees in amounts that provide for the reasonable costs of providing such regulations.

For hire vehicle are licensed under local regulations. The term "for hire vehicle" includes all vehicles used for transportation of passengers for compensation, except auto stages, school buss operating under contract to a school district, certain ride sharing vehicles, limousine carriers, hotel courtesy vans, charter and excursion services and nonprofit, special needs transportation providers.

There are tax exemptions for private, nonprofit transportation providers regulated by the UTC under Chapter 81.66 for commuter ride sharing or ride sharing for persons with special transportation needs. These exemptions include exemptions from the state business and

occupation tax and public utility tax (if the public utility tax does not apply, the business and occupation tax exemption automatically applies), as well as exemptions from retail sales tax (Chapter 82.08 RCW) and state use tax (Chapter 82.12 RCW) for the purchase of equipment such as buses and vans. In addition, an exemption in Chapter 82.08 RCW automatically triggers an exemption from local sales and use taxes imposed by local governments under Chapter 82.14 RCW.

Summary of Substitute Bill: Regulation of private, nonprofit transportation providers by the UTC is extended to private, for-profit providers. Private, for-profit special needs transportation providers are exempt from for-hire statutes.

Substitute Bill Compared to Original Bill: Provisions in the original bill allowing for tax exemptions are deleted in the substitute. The substitute bill exempts for-profit providers of special needs transportation services from regulation under "for-hire" provisions.

Appropriation: None.

Fiscal Note: Available on original bill.

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

Testimony For: This bill is a first step that removes barriers to coordinated special needs transportation services. It levels the playing field between nonprofits and for-profit providers. The bill could be improved if the definition of special needs transportation providers could be broadened by including providers who "primarily" provide services to special needs clients rather than restricting the definition to those who provide services "solely" to special needs clients.

Testimony Against: None.

Testified: Rick Maesner, Transpro Inc.; Mary Jo Cady, CTA-NW.