

HOUSE BILL REPORT

HB 1677

As Reported by House Committee On:
Transportation

Title: An act relating to high capacity transportation service.

Brief Description: Establishing high capacity transportation corridor areas.

Sponsors: Representatives Moeller, Clibborn, Jacks, Wood, Ormsby and Simpson.

Brief History:

Committee Activity:

Transportation: 2/12/09, 2/27/09 [DP].

Brief Summary of Bill

- Allows certain transit agencies to establish one or more high capacity transportation (HCT) corridor areas within the transit agency's boundaries for the purpose of providing HCT service.
- Authorizes the transit agency to finance the HCT system through voter-approved revenue measures that are in addition to revenue measures authorized for other public transportation purposes.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 17 members: Representatives Clibborn, Chair; Liias, Vice Chair; Campbell, Eddy, Finn, Flannigan, Moeller, Morris, Rolfes, Sells, Simpson, Springer, Takko, Upthegrove, Wallace, Williams and Wood.

Minority Report: Do not pass. Signed by 9 members: Representatives Roach, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Armstrong, Cox, Driscoll, Ericksen, Herrera, Johnson and Klippert.

Staff: Kathryn Leathers (786-7114)

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In the central Puget Sound region, high capacity transportation (HCT) systems may be established and financed by a regional transit authority. Outside of the central Puget Sound region, HCT systems may be established by certain transit agencies only in Clark, Spokane, Thurston, Whatcom, and Yakima counties.

High capacity transportation service means a system of public transportation services within an urbanized region operating principally on exclusive rights of way, and the supporting services and facilities necessary to implement the system, including interim express services and high occupancy vehicle lanes, which, taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally in general purpose roadways.

Transit agencies authorized to provide HCT service may seek to finance the system and service with the following voter-approved revenue measures:

- an employer tax of up to \$2 per month per employee;
- rental car sales and use tax not to exceed 2.172 percent; and
- sales and use tax not to exceed 0.9 percent.

To assure development of an effective HCT system, the local authority must establish a system and financing plan, and must provide for public involvement. In addition, an expert review panel must be appointed to provide independent technical review for development of any plan which is to be funded in whole or part by HCT voter-approved taxes. The state's role in HCT planning is to facilitate cooperative state and local planning efforts, and to provide system and project planning review and monitoring in cooperation with the expert review panel.

In general, most transit agencies, like public transportation benefit areas and county transportation authorities, are authorized to impose a sales and use tax of up to 0.9 percent with voter approval for the purpose of funding public transportation services.

Summary of Bill:

Certain transit agencies are authorized to create one or more high capacity transportation corridor areas (HCTCA or corridor area) within their existing boundaries for the purpose of establishing, financing, and operating HCT services. Based on population and geographic requirements, HCTCAs are authorized to be created by transit agencies in Clark and Spokane counties.

A HCTCA is a quasi-municipal corporation and independent taxing authority, and is governed by the existing governing body of the transit agency authorized to create the corridor area. The boundaries of a corridor area may include all or a portion of a city or town if the portion to be included in the corridor area is within the transit agency's boundaries.

A HCTCA possesses the same taxing authority available to any agency authorized to establish and finance a HCT system (employer tax or up to \$2 per month per employee;

rental car tax up to 2.172 percent; and sales and use tax of up to 0.9 percent), all of which require voter approval.

Voter-approved taxes imposed for HCT purposes are in addition to the voter-approved taxes permitted to be imposed by a transit agency for other public transportation purposes. If more than one corridor area is created within an authorized transit agency's boundaries, combined HCT taxes may not exceed the maximum rates authorized for the HCT systems. A corridor area may also issue general obligation and revenue bonds.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This legislation applies only to Clark and Spokane counties. In Clark County, there is an Interstate 5 bridge that needs to be replaced. Currently, there is an extensive public process to consider replacement of the bridge. It has already been decided that the new bridge will include light rail and will connect with an extensive high capacity transportation (HCT) system in Portland. This bill allows Clark County's transit system, C-TRAN, to take the current transit district and create a subdistrict that will come across the bridge. Any tax increase will go to the voters, and it will allow the voters to decide. This is an important piece to replacing the bridge and federal assistance is already in place. This tool is endorsed by the Clark County Transportation Alliance, which is made up of 26 community and business groups.

There has been tremendous population growth in the Clark County area in the past decade. Roads and bus routes are more congested, and C-TRAN has worked hard to respond to the 18 percent ridership growth. The growth in demand has forced C-TRAN to look at expanding options. The preferred local alternative includes light rail, but there is a need for operating funds.

The C-TRAN Board is planning to adopt a 20-year transit development plan this year to look at additional options, including bus rapid transit. The issue of who should pay for light rail has also been studied. Currently, taxes must be imposed on everyone within the boundaries, and there are no options to ask those who benefit the most to pay for the service. This provides an additional option to explore in finalizing a HCT plan.

(Opposed) None.

Persons Testifying: Representative Moeller, prime sponsor; Scott Patterson, Clark County Transit; Jim Irish, City of LaCenter; and Bill Fromhold, Columbia River Crossing Coalition.

Persons Signed In To Testify But Not Testifying: None.