Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Transportation Committee

HB 2855

Brief Description: Providing financing options for the operations and capital needs of transit agencies.

Sponsors: Representatives Liias, Clibborn, White, Simpson, Williams, Nelson, Sells, Carlyle, Eddy, Dickerson, Upthegrove, Pedersen, Hunt, Chase, Morris, Darneille, Kenney, Cody, Moeller and Maxwell.

Brief Summary of Bill

- Temporarily authorizes certain transit agencies to impose, by majority vote of the transit agency's governing body, an annual vehicle license fee of up to $20.
- Establishes that, for councilmanic vehicle license fees imposed after July 1, 2010, by transit agencies and transportation benefit districts that have common boundaries, no more than $20 in councilmanic vehicle license fees may be imposed on any one vehicle registered to owners who reside within the common territory.
- Directs the Joint Transportation Committee to convene an advisory panel to consider and propose a statewide blueprint for public transportation services.

Hearing Date: 1/28/10

Staff: Kathryn Leathers (786-7114).

Background:

Public Transit Systems.
There are 28 public transit systems operating in the state. Transit systems can be formed under different governance structures, including public transportation benefit areas (PTBAs), metropolitan municipal corporations (Metros), county transportation authorities, city-owned transit systems (city-owned transits), and regional transit authorities. Transit systems are special purpose districts authorized to provide public transportation services within their respective boundaries. Metros are also authorized to provide a number of other essential public services, including water supply, sewage treatment, and garbage disposal.

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.

Generally speaking, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. For PTBAs, "public transportation service" also includes passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service.

To fund capital and operating public transportation expenses, public transit systems are authorized to seek voter approval of up to 0.9 percent in sales and use tax. Most transit systems may seek voter approval of a business and occupation tax and a household tax in lieu of a sales and use tax. Fares may be set and increased by the transit agency's governing body without voter approval.

Transportation Benefit Districts.
A transportation benefit district (TBDs) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate district formation.

A TBD dissolves and ceases to exist 30 days after the financing or debt service on the improvement project is completed and paid. If there is no debt service on the project, the district must dissolve within 30 days from the date construction of the improvement is completed.

Transportation benefit districts may implement the following revenue measures, all of which are subject to voter approval except as otherwise noted:
- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to $100 on vehicle license renewals, $20 of which may be imposed in certain circumstances without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Washington State Transportation Commission if imposed on state routes.

Transportation benefits districts may impose the following revenue measures without voter approval:
- transportation impact fees on commercial and industrial development; and

- except for passenger-only ferry improvements, up to $20 in local annual vehicle license renewals if the boundaries of the TBD are either county-wide or city-wide.

If two or more TBDs have overlapping boundaries, no more than $20 in councilmanic vehicle license fees (VLFs) may be imposed on each vehicle registered to an owner who lives in the shared territory (also known as a "no stacking" provision). If more than $20 in combined fees is imposed, a credit must be provided to ensure that no more than $20 in combined councilmanic fees are imposed on any one vehicle. In no event may any single vehicle be subject to vehicle fees in excess of $100, whether voter-approved or imposed by councilmanic authority of the TBD.

Summary of Bill:

The governing body of a public transportation system is authorized to impose by majority vote of the governing body up to $20 in VLFs on vehicles registered to owners who reside within the boundaries of the public transportation system. This authorization is temporary and expires in four years.

"Public transportation system" is defined to mean public transportation benefit areas, metropolitan municipal corporations, county transportation authorities, and city-owned transit systems.

A "no stacking" provision applies in the event that a public transportation system and another transportation system or TBD have overlapping jurisdictional boundaries and councilmanic VLFs are imposed after July 1, 2010, within the shared territory; in that event, councilmanic fees imposed in the shared territory may not exceed $20. Vehicle license fees that are imposed without voter approval prior to July 1, 2010, are not taken into account when applying the "no stacking" provision. In no event may any single vehicle be subject to combined vehicle fees in excess of $100, whether voter-approved or imposed by councilmanic authority of a public transportation system or a TBD.

The Department of Licensing (DOL) must administer and collect the vehicle fee. The DOL must deduct a percentage amount not to exceed 1 percent of the fees collected for administration and collection expenses.

The Joint Transportation Committee (JTC) is directed to, by July 31, 2010, convene a panel of interested stakeholders to consider and propose a statewide blueprint for public transportation services. The blueprint should, at minimum, serve to guide future investments in public transportation and establish a plan to significantly improve connectivity between transportation providers and across jurisdictional boundaries. The co-chairs of the JTC must select members to serve on the panel that represents a balance of statewide interests. Staff support is provided by the JTC. By December 1, 2010, the panel must submit an interim progress report to the Transportation Committees of the Legislature. A final report must be submitted by December 1, 2011.

Appropriation: None.

Fiscal Note: Available.

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