
Transportation Committee

HB 2751

Brief Description: Concerning local transportation revenue.

Sponsors: Representatives Clibborn, Lias, Pollet and Ryu.

Brief Summary of Bill

- Allows a Transportation Benefit District to impose a vehicle fee of up to \$40 by a majority vote of the district's governing board.
- Allows a county to impose a local surcharge of up to 1 percent of the value of a vehicle registered in the county.

Hearing Date: 2/6/12

Staff: Jerry Long (786-7306).

Background:

A transportation benefit district (TBD) 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. Various revenue options are available to a TBD in order to finance the improvements, most of which are subject to voter approval. Voter approval is not required for a TBD governing board to impose a vehicle fee of up to \$20 per vehicle, but only if the TBD includes all the territory within the boundaries of the jurisdiction(s) establishing the TBD. When imposing this fee, if the TBD is countywide the revenues must be distributed to each city within the county by interlocal agreement.

For the purpose of determining any locally imposed motor vehicle excise tax, the value of a vehicle other than a truck or trailer shall be 85 percent of the manufacturer's base suggested retail price of the vehicle when first offered for sale as a new vehicle, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in

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the depreciation schedules established by legislation in 2006. For the purpose of determining any locally imposed motor vehicle excise tax, the value of a truck or trailer shall be the latest purchase price of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the following percentage based on year of service of the vehicle since last sale. The latest purchase year shall be considered the first year of service.

Presently, the Regional Transit Authority (Sound Transit) motor vehicle excise tax is 0.3 percent of a vehicle's value and is applicable since 1996 in King, Pierce, and Snohomish counties. King, Pierce, and Snohomish counties may also impose with voter approval a local motor vehicle excise tax of up to 0.3 percent of a vehicle's value to be used for high occupancy vehicle (HOV) systems. These funds can be used for HOV lane development, mitigation of environmental impacts of high occupancy development, support of employer programs to reduce single-occupant commuting, and commuter rail programs.

Summary of Bill:

Up to \$40 Vehicle Fee.

A TBD that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a two-thirds majority vote of the governing board of the district up to \$40 of the statutorily authorized vehicle fee for TBDs.

Up to 1 Percent Vehicle Surcharge.

A county may impose a local vehicle surcharge of up to 1 percent of the value of every vehicle registered to a person residing within the county. Exemptions are vehicles registered by weight and over 6,000 pounds; farm vehicles registered based on gross weight; fixed load motor vehicles; and commercial trailers.

Counties imposing a surcharge under this section must use the funds for transportation projects, which may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, or other transportation projects and programs of regional or statewide significance, including transportation demand management. Projects may also include the operation, preservation, or maintenance of these facilities or programs.

Counties imposing the surcharge must contract with Department of Licensing (DOL) for the administration and collection of the surcharge and as appropriate the DOL will deduct an amount as provided by contract for the expenses incurred by the DOL.

Counties imposing a surcharge under this section must negotiate an interlocal agreement with cities and the transit agencies within the county to distribute a portion of the revenues to the cities and transit agencies. The interlocal agreement must require that the county distribute a maximum of \$20 per vehicle in each city to the cities within the county for the cities to use on local road operations and maintenance needs. The interlocal agreement must be effective prior to the imposition of the surcharge. The interlocal agreement is effective when approved by the county and 60 percent of the cities representing 75 percent of the population of the cities within the county.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect January 1, 2013.