

SENATE BILL REPORT

SB 5457

As Reported by Senate Committee On:
Transportation, February 24, 2011

Title: An act relating to providing a congestion reduction charge to fund the operational and capital needs of transit agencies.

Brief Description: Providing a congestion reduction charge to fund the operational and capital needs of transit agencies.

Sponsors: Senators White, Shin, Murray, Kohl-Welles, Harper, Nelson, Keiser, Prentice, Kline and McAuliffe.

Brief History:

Committee Activity: Transportation: 2/21/11, 2/24/11 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5457 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; White, Vice Chair; Eide, Hobbs, Nelson, Prentice, Ranker, Shin and Swecker.

Minority Report: Do not pass.

Signed by Senators King, Ranking Minority Member; Fain, Assistant Ranking Minority Member; Ericksen, Hill, Litzow and Sheldon.

Minority Report: That it be referred without recommendation.

Signed by Senator Delvin.

Staff: Amanda Cecil (786-7429)

Background: There are 31 transit systems operating in the state. Transit systems are special purpose districts authorized to provide public transportation services within their respective boundaries. These transit systems can be formed under a variety of different governance structures, including public transportation benefit areas (PTBAs), metropolitan municipal corporations, county transportation authorities, city-owned transit systems, and regional transit authorities.

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.

To fund capital and operating expenses, transit systems are authorized to seek voter approval of up to 0.9 percent in sales and use tax. Most transit systems may also 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.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): A metropolitan municipal corporation may impose, upon the majority approval of the governing body of the system or a vote of the people, a congestion reduction charge for certain vehicles of up to \$20. This charge remains in effect until two years after it is imposed or June 30, 2014, which ever comes first.

Public transportation systems that impose a congestion reduction charge are required to complete a congestion reduction plan prior to implementation as well as reports detailing the expenditures of the congestion reduction charge.

The proceeds from the charge must be used in a manner that is consistent with recommendations of a regional transit taskforce, if one was completed in the past two years.

If a charge is imposed after June 30, 2014, it must be approved by a majority vote of the people in the jurisdiction.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute as Passed Committee): Adds legislative intent language related to the King County transit taskforce.

Limits the eligible entities to include only King County Metro.

Allows the governing board or a vote of the people to authorize the charge.

The amount of the charge is reduced from up to \$30 to up to \$20.

The proceeds from a congestion reduction charge must be spent in a manner that is consistent with the recommendations of a transit task force.

The expiration of the fee is changed to two years after the fee is imposed or June 30, 2014, whichever comes first.

If the sunset is repealed in future legislation, a congestion reduction charge imposed after June 30, 2014, must be approved by a vote of the people.

The emergency clause which made the law effective on August 1, 2011, is removed.

Appropriation: None.

Fiscal Note: Requested on February 18, 2011.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Proposed Substitute as Heard in Committee:

PRO: Transit service is crucial to the economy in King County, and this would allow them to save services that are on the chopping block. Metro has done many things to cut costs; they have raised fares and cut service. This is not a long-term sustainable funding solution, but this would allow Metro to keep thousands of hours of service available.

This would mitigate cuts to the most critical transit service in King, Pierce, and Snohomish counties.

In addition to the revenue source authorized in this act, it should also include a vehicles miles traveled, carbon tax on fuel, sales tax on fuel, and a motor vehicle excise tax option. People are asking for more transit service and sky rocketing fares are difficult for people to pay.

OTHER: Transit needs a long-term sustainable source of funding, but these funds should be separate from those fees and taxes imposed on vehicles and should be provided from the broadest base. Additionally, this type of tax should be voter approved.

Persons Testifying: **PRO:** Genesee Adkins, King County Metro; Larry Phillips, Tom Rasmussen, King County Council; John Morrow, Community Transit; John Coney, Uptown Urban Center Alliance; Dick Burkhart, Washington Unitarian Universalist Voices for Justice; George Allen, Greater Seattle Chamber of Commerce; Carrie Dolwick, Transportation Choices Coalition; Josh Kavanagh, Alex Soldano, University of Washington; Tim Gould, Sierra Club; Jack Whisner, Feet First.

OTHER: Dave Overstreet, AAA.