FINAL BILL REPORT
ESSB 5457

C 373 L 11
Synopsis as Enacted

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

Sponsors: Senate Committee on Transportation (originally sponsored by Senators White, Shin, Murray, Kohl-Welles, Harper, Nelson, Keiser, Prentice, Kline and McAuliffe).

Senate Committee on Transportation
House Committee on Transportation

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.

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: A metropolitan municipal corporation may impose, upon a two-thirds majority approval of the governing body of the system or by a simple majority 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.

Votes on Final Passage:

Senate	26	23	
House	51	46	(House amended)

<u>Conference Committee</u>

Senate	25	21
House	50	47

Effective: July 22, 2011.