

HOUSE BILL REPORT

HB 1953

As Reported by House Committee On:
Transportation

Title: An act relating to local option transportation revenue.

Brief Description: Concerning local option transportation revenue.

Sponsors: Representatives Liias, Moscoso, Stanford, Roberts, Dunshee, Sells, McCoy, Ryu and Fey.

Brief History:

Committee Activity:

Transportation: 2/25/13, 3/1/13 [DPS].

Brief Summary of Substitute Bill

- Allows public transportation benefit areas in counties meeting certain thresholds to increase the sales and use tax by up to an additional 0.3 percent with voter approval for a limited time.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Bergquist, Farrell, Fitzgibbon, Habib, Kretz, Moeller, Morris, Riccelli, Ryu, Sells, Takko, Tarleton and Upthegrove.

Minority Report: Do not pass. Signed by 14 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Freeman, Hayes, Johnson, Klippert, Kochmar, Kristiansen, O'Ban, Rodne, Shea and Zeiger.

Staff: David Munnecke (786-7315).

Background:

Public Transportation Benefit Area.

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.

A public transportation benefit area (PTBA) is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. 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. It also means passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service. A PTBA may collect fares for service and, with approval of the majority of the voters within the area, impose up to a 0.9 percent sales and use tax within the area.

A PTBA is created through a conference process attended by elected representatives selected by the legislative body of each city within the boundaries of the PTBA as well as the county legislative authority or authorities. Within 60 days of establishment, the county legislative body or bodies provide for the selection of a governing body of not more than nine elected officials (or, in the case of a multi-county PTBA, not more than 15 members) selected by and serving at the pleasure of the governments of the cities and counties in the PTBA. Cities within the PTBA that are excluded from direct membership on the authority are permitted to designate a member of the PTBA who is entitled to represent the interests of those cities.

The corporate authority of any municipality is authorized to acquire, construct, operate, and maintain a public transportation system.

Summary of Substitute Bill:

A PTBA in a county with a population of 700,000 or more, that also contains a city with a population of 75,000 or more that operates a transit system, may increase the sales and use tax by up to an additional 0.3 percent for four years or until December 31, 2018, whichever comes first, with the approval of the voters within the area.

Based on the current population and existing public transportation governing structures, the bill would only apply to Community Transit in Snohomish County.

Substitute Bill Compared to Original Bill:

The authority to impose a motor vehicle excise tax of up to 1 percent of the value of the vehicle is removed. A PTBA in counties meeting certain threshold requirements is instead allowed to increase the sales and use tax by up to an additional 0.3 percent for four years or until December 31, 2018, whichever comes first, with the approval of the voters within the area.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Over the last several years, Community Transit has raised fares repeatedly and reduced service by 37 percent. However, boardings are only down by 4 percent, which means that Community Transit has standing room only on many of its buses. Forty percent of Snohomish County residents commuting to Seattle use transit, and their fares cover the cost of that service. Community Transit has maxed out its current funding, but Community Transit voters have always approved taxes when they are on the ballot.

The Port of Everett has the greatest value of goods passing through it in the state, after Seattle. One million people are predicted to move to the Puget Sound in the next 30 years. To meet this growing need and keep the economy moving, there needs to be more funding for transit. Community Transit service improves the function of the transportation system for everyone. Business leaders understand Community Transit's importance and support it.

Community Transit's fares have increased by 63 percent, expenses have been cut, wages have been frozen, and bus replacement has been slowed. Service has been cut by 37 percent and 200 of 700 employees have been cut. The number of bus trips have been cut in a number of locations, which is making it difficult for some people to get to their jobs.

Fare setting is not a science, but before there is a fare increase studies are always done. Fares are between \$8 and \$10 a day for some commuters. Fares are already to the point where some disadvantaged populations can't afford them.

There is a crisis in transit funding. As the economy has fallen and gas prices have gone up, demand for transit has gone up as well, increasing by 12 percent between 2005 and 2008. Many people are now forced to stand for the entirety of their trip. Funds need to be made available to address operation and maintenance needs, and locals need to be given the tools to provide these funds based on local decision making. The elderly in particular rely on transit to get around and get to doctors because many can no longer drive. Being isolated is as bad for your health as smoking, and worse than obesity.

(With concerns) Transit needs funding, but the money needs to come from the general public. Motorists should not be the only ones asked to pay. If the proposed revenue package is passed, motorists will already be asked to pay a gas tax and a motor vehicle excise tax.

Increasing vehicle fees has not been popular, and the two-thirds requirement for increasing taxes was just approved. There is no silver bullet for funding, but lodging taxes, property taxes, fare box increases, and household taxes would all be possibilities for providing transit funding.

(Opposed) Car tab fees have always been rejected at the local level, and are as dreaded as income taxes. The government likes the Motor Vehicle Excise Tax because it can manipulate the value of the vehicle to increase the revenue. This bill should be changed to make it voter approved.

The problem is that the government keeps asking for more money, and people vote for these things because they think they will benefit.

The South Lake Union Streetcar is so expensive because the senior drivers pick that route. The job should pay the minimum wage because the job is just driving the vehicle. Transit and ferry operators have raised the costs to operate the system to the point where we cannot afford it. If people paid the full cost, the transit agencies would shut down, and private operators could take over.

Persons Testifying: (In support) Representative Lias, prime sponsor; Joyce Eleanor, Community Transit; Katrina Andraceic, United Way; Darrell Chapman, Snohomish County Workforce Development Council; Bruce Wisheart, Sierra Club; Cody Arledge, Transportation Choices Coalition; and Kate Whiting, Transit Riders.

(With concerns) Dave Overstreet, Automobile Association of America - Washington.

(Opposed) Tim Eyman; and Paul Locke.

Persons Signed In To Testify But Not Testifying: None.