

SENATE BILL REPORT

SB 5773

As Reported by Senate Committee On:
Transportation, February 27, 2013

Title: An act relating to local option transportation revenue.

Brief Description: Concerning local option transportation revenue.

Sponsors: Senators Harper, Eide, Shin, McAuliffe, Nelson, Frockt and Kline.

Brief History:

Committee Activity: Transportation: 2/20/13, 2/27/13 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5773 be substituted therefor, and the substitute bill do pass.

Signed by Senators Eide, Co-Chair; King, Co-Chair; Hobbs, Vice Co-Chair; Billig, Carrell, Harper, Mullet, Rolfes and Schlicher.

Minority Report: Do not pass.

Signed by Senator Brown.

Minority Report: That it be referred without recommendation.

Signed by Senators Ericksen and Smith.

Staff: Amanda Cecil (786-7429)

Background: Public Transportation Benefit Area. A public transportation benefit area (PTBA) is a type of municipal corporation created to provide regional public transportation service to all or a portion of a county or multiple counties. A PTBA may construct, own, and operate a regional public transportation system within its jurisdictional boundaries. 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 city or town may form a municipal public transportation system for the purposes of providing public transportation services.

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.

Motor Vehicle Excise Taxes (MVET). Various taxing jurisdictions are authorized to impose an MVET. An MVET is assessed on the value of the vehicles within the taxing district and depreciated.

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

Summary of Bill (Recommended Substitute): 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 which operates a municipal transit system, may impose an MVET with approval of the voters within the area. The MVET may be up to 1 percent of the value and may be imposed on all the vehicles within the area, except for trucks with an unladen weight of 6000 pounds or more, farm vehicles, and commercial trailers. The value of passenger vehicles is 85 percent of the manufacturer's base suggested retail price depreciated based on the age of the vehicle, the year that the vehicle was sold as new being the first year of service. The value of trucks and trailers is the latest purchase price, depreciated based on the number of years in service, the latest purchase year being the first year of service.

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

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): The provision in the underlying bill authorizing an MVET is removed and replaced with an additional sales and use tax of up to 0.3 percent with approval of the voters within the area. The authority to impose the additional sales and use tax may only be imposed until four years from the date of imposition or until December 31, 2018, whichever comes first.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Community Transit has taken steps to remain financially feasible and they are not asking for a bailout but rather for options to restore important service. Community Transit has cut service, increased fares, and extended the life of the buses during these tough economic times. They eliminated early morning, late night, and Sunday service. Transit helps move people and having that is an incentive to bring talent to an area for businesses to hire. Transit allows people to leave independently when they give up their license or are otherwise unable to drive a car. After the cuts were made, a bus stop was removed from the workforce center and this stop was used by workers at the Monroe Correctional Center. Now the inmates from the center have to catch the bus in front of the elementary school. Sales tax is a volatile revenue source. Community Transit provides service to the University of Washington (UW) and the unstable sources of transit revenue makes it challenging to plan for the cost to students. Community Transit transports

Boeing employees and this takes many cars off the road during shift change. Their service also improves freight mobility by taking more people off the road.

CON: The Association of Washington Business (AWB) does not support peeling away elements of a larger package because it makes a larger package less likely for charging drivers for non-highway purposes.

Persons Testifying: PRO: Joe Marine, Mayor of Mukilteo, Chairman of Community Transit; Joyce Eleanor, CEO Community Transit; Katrina Ondracek, United Way; Patrick Pierce, Economic Alliance Snohomish County; Larry Brown, Aerospace Machinists Union Seattle 751; Darrell Chapman, Snohomish County Work Force, Edmonds Development Council; Cody Arledge, Transportation Choices Coalition; Melanie Mayock, UW Graduate and Professional Student Senate; Larry Brown, International Assn. of Machinists 751.

CON: Michael Ennis, Assn. of WA Business.