

SENATE BILL REPORT

SB 5793

As of February 25, 2013

Title: An act relating to the funding of enhanced public transportation zones for public transportation systems.

Brief Description: Concerning the funding of enhanced public transportation zones for public transportation systems.

Sponsors: Senators Darneille and Conway.

Brief History:

Committee Activity: Transportation: 2/25/13.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Hayley Gamble (786-7452)

Background: Various types of transit agencies have been created under different authorizing laws depending on the desired service area to be covered, governance structure, and taxing authority. There are currently 31 local public transit agencies in Washington – 20 are Public Transportation Benefit Areas; five are City Authorities; two are Unincorporated Transportation Benefit Areas; and one, Sound Transit, is a Regional Transit Authority.

In general, most transit agencies are authorized to impose a sales and use tax of up to 0.9 percent with voter approval, for the purpose of funding public transportation services.

A proposal for implementing a tax increase must be put before all the voters within the boundary of a transit agency.

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

Summary of Bill (Proposed Substitute): All transit agencies, except a Regional Transit Authority, may establish an enhanced public transportation zone (Zone) within the transit agencies boundaries. A Zone is created as a separate, independent local government, governed by the members of the transit agency that created it, with specific authority to impose a sales and use tax. A transit agency may put to the voters within a Zone a sales and use tax increase for the purpose of providing enhanced transit service solely within the Zone, and funds collected from the tax may not supplant existing revenue expended in the Zone. A

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sales and use tax imposed on a Zone, when combined with a transit agency's existing sales and use taxing authority, may not exceed the existing limit of 0.9 percent.

When establishing the boundaries of a Zone, the establishing agency must consult with the Department of Revenue on sales tax collection methods, and boundaries must follow election precinct lines if possible. A Zone may cover only a portion of an area within a transit agency's boundaries, including portions of a city, town, or county. A city, town, or county may choose to opt out of a Zone prior to creation of the Zone, or at the time of reauthorization of Zone. Also, the establishing transit agency must attempt to include a significant amount of low-income or minority populations, designated as such for the purposes of Title VI of the federal Civil Rights Act, within the Zone.

The establishing transit agency must adopt an ordinance that finds that the Zone warrants consistent and sustainable transportation service levels of passenger capacity, speed, and service frequency to serve persons within the Zone that would otherwise be substantially disadvantaged if the Zone were not created. A baseline level of service must be established prior to creation of the Zone, and service within the Zone must increase in proportion to the additional revenue collected.

A sales and use tax imposed on a Zone expires after five years, unless reauthorized by the voters of the Zone.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2013.

Staff Summary of Public Testimony: PRO: This bill is important. In Pierce County there are a lot of low-income residents and there are different needs for transit service for those in the city versus those in the county. Pierce Transit has experienced a 43 percent service reduction. This bill is about mitigating upcoming service cuts to transit, especially for vulnerable populations. If you are willing to pay for the service within a subarea, you should be able to have it. Transportation Benefit Districts do not work for Pierce Transit as it covers jurisdictional boundaries. This legislation is a tool to take advantage of existing taxing authority given to transit agencies.

Persons Testifying: PRO: Senator Darneille, prime sponsor; Ken Gibson, Tacoma Area Coalition of Individuals with Disabilities; Gabriel Bowman, Associated Students University of WA Tacoma; Kristina Walker, Downtown On the Go; Ryan Mello, City of Tacoma; Briahna Taylor, Lynne Griffith, Derek Young, Lauren Walker, Pierce Transit; Cody Arledge, Transportation Choices Coalition; Larry Brown, International Assn. of Machinists 751; Kate Whiting, Transit Riders.