

HOUSE BILL REPORT

HB 1410

As Reported by House Committee On: Finance

Title: An act relating to authorizing certain public transportation benefit areas to impose a sales and use tax increase approved by voters.

Brief Description: Authorizing certain public transportation benefit areas to impose a sales and use tax increase approved by voters.

Sponsors: Representatives Doglio, Dolan, Fey, Farrell, Jinkins, Fitzgibbon, Pollet and Springer.

Brief History:

Committee Activity:

Finance: 1/24/17, 2/3/17 [DP], 2/2/18 [DPS];

Transportation: 2/22/17, 2/23/17 [DP].

Brief Summary of Substitute Bill

- Increases the rate of sales and use tax that may be imposed by certain public transportation benefit areas.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Lytton, Chair; Frame, Vice Chair; Dolan, Pollet, Springer and Wylie.

Minority Report: Do not pass. Signed by 3 members: Representatives Orcutt, Assistant Ranking Minority Member; Condotta and Wilcox.

Minority Report: Without recommendation. Signed by 2 members: Representatives Nealey, Ranking Minority Member; Stokesbary.

Staff: Rachelle Harris (786-7137).

Background:

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.

Public transit systems are special districts that are authorized to provide public transportation service within specific boundaries. Transit systems are formed under a variety of governance structures, including: Public Transportation Benefit Areas (PTBAs), Metropolitan Municipal Corporations (Metros), Transportation Benefit Districts (TBDs), county transportation authorities, city-owned transit systems, and regional transit authorities.

"Public transportation service" refers to the provision of transportation for packages, passengers, and their incidental baggage (by means other than chartered bus or sight-seeing bus), along with the necessary passenger terminals and parking facilities, or other properties necessary for passenger and vehicular access to and from such systems. In the case of some PTBAs, service can also include passenger-only ferry service.

In addition to setting and raising fares, a public transit system or legislative body may seek voter approval to impose a local sales and use tax of up to 0.9 percent to fund transit services. Most transit systems are also permitted to seek approval for a business and occupation tax and a household tax in lieu of a sales and use tax. Certain municipal transit authorities serving counties with large populations are permitted to levy an additional sales and use tax of up to 0.3 percent.

Summary of Substitute Bill:

The legislative body of a PTBA located in a county with a population of more than 250,000 and less than 400,000 that also contains two or more cities with a population of 40,000 or more is granted authority, subject to voter approval, to impose a sales and use tax of up to 0.3 percent that is in addition to any previously authorized public transportation-related sales and use taxes imposed.

Based on the 2016 Office of Financial Management population estimates, the bill would only apply to Thurston County's PTBA, Intercity Transit, which currently levies a sales and use tax of 0.8 percent. The bill would permit Intercity Transit to seek voter approval to impose a rate of up to 1.2 percent.

Substitute Bill Compared to Original Bill:

The substitute bill retains all elements of the underlying bill but removes the effective date. The new effective date will be 90 days after the adjournment of the session in which the bill is passed.

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:

See House Bill Report in the 2017 Legislative Session.

Persons Testifying:

See House Bill Report in the 2017 Legislative Session.

Persons Signed In To Testify But Not Testifying:

See House Bill Report in the 2017 Legislative Session.