

HOUSE BILL REPORT

EHB 1958

As Passed House:
May 25, 2017

Title: An act relating to regional transit authority property taxes imposed on less than a whole parcel.

Brief Description: Prohibiting the imposition of regional transit authority property taxes on less than a whole parcel.

Sponsors: Representatives Harmsworth, Young, Rodne and Stanford.

Brief History:

Committee Activity:

Transportation: 2/16/17, 2/21/17 [DP].

Floor Activity:

Passed House: 4/12/17, 97-0.

First Special Session

Floor Activity:

Passed House: 5/2/17, 92-0.

Second Special Session

Floor Activity:

Passed House: 5/25/17, 94-0.

Brief Summary of Engrossed Bill

- Prohibits a regional transit authority from imposing a property tax on less than a whole parcel of property.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 24 members: Representatives Clibborn, Chair; Fey, Vice Chair; Wylie, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Chapman, Gregerson, Hayes, Irwin, Kloba, Lovick, McBride, Morris, Ortiz-Self, Pellicciotti, Pike, Riccelli, Shea, Stambaugh, Tarleton, Van Werven, Young and Farrell.

Staff: David Munnecke (786-7315).

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.

Background:

A Regional Transit Authority (RTA) is authorized to use its tax revenues to develop and operate a high capacity transportation system. There is currently one RTA, Sound Transit, which operates light rail, commuter rail service, and express bus service. The boundaries of the Sound Transit district generally follow the urban growth boundaries of King, Pierce, and Snohomish counties.

After the approval of the most recent system expansion plan in 2016, Sound Transit imposes the following taxes within the boundaries of the Sound Transit district:

- a sales and use tax of 1.4 percent;
- a motor vehicle excise tax of 1.1 percent;
- a property tax of 25 cents per \$1,000 of assessed valuation; and
- a rental car sales and use tax of 0.8 percent.

Summary of Engrossed Bill:

An RTA is prohibited from imposing a property tax on less than a whole parcel of property. The interest and penalties on delinquent property taxes imposed by an RTA and collected before June 30, 2017, are waived, if the property is exempt from such taxes under the act.

The bill is retroactive to November 1, 2016.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) There are approximately 50 properties in Snohomish County that are partially in the Sound Transit district. The property owners were not allowed to vote on Sound Transit 3, but they are being taxed, with one individual being taxed on only the back yard shed.

Taxing districts are usually well known, but in the case of Sound Transit, there is a lack of clarity. With this bill, the county assessors will go back and determine who is in and who is out of the Sound Transit district.

(Opposed) None.

Persons Testifying: Representative Harmsworth, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.