

# SENATE BILL REPORT

## SB 6556

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As of January 31, 2018

**Title:** An act relating to the pilot transit pass incentive program.

**Brief Description:** Establishing the pilot transit pass incentive program.

**Sponsors:** Senators Hobbs and Palumbo.

**Brief History:**

**Committee Activity:** Transportation: 1/31/18.

**Brief Summary of Bill**

- Creates a pilot transit pass incentive program administered by the Department of Transportation (DOT).

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Hayley Gamble (786-7452)

**Background:** Commuter Trip Reduction (CTR). CTR is an employer-based program designed to promote the use of ride-sharing, public transportation, and non-motorized commuting in order to reduce air pollution, energy use, and traffic congestion. A CTR program may include providing information on alternative commuting options, discounting parking rates for carpoolers, providing a bus pass, and permitting flexible work schedules. CTR legislation passed in 2006 requires public and private employers considered to be major employers to have a CTR program with defined CTR goals. Major employers are considered to be those with more than 100 employees at a single worksite located in certain urban growth areas, who begin their workday between 6:00 a.m. and 9:00 a.m. Smaller businesses may choose to voluntarily participate in CTR goals.

CTR Tax Credit. The Department of Revenue offers a business and occupation tax or a public utility tax credit to businesses or property owners funding CTR incentives. The credit is equal to 50 percent of the incentive payments paid by the employer or property manager, but may not exceed \$60 per employee per year. No applicant may receive a tax credit totaling more than \$100,000 in one year. The funding available for this tax credit is capped at \$2.75 million per year.

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*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.*

ORCA Card. The ORCA card is a multi-agency use transit pass that is administered by King County Metro. The ORCA card is accepted on Community Transit, Everett Transit, King County Metro Transit, Kitsap Transit, Pierce Transit, Sound Transit, and Washington State Ferries. An ORCA card can be loaded with an agency-specific pass, a regional pass, or used like cash to pay a fare. King County Metro also administers ORCA pass programs aimed at businesses.

County Populations. Currently, King, Pierce, and Snohomish are the only counties located adjacent to Puget Sound, and with a population of more than 700,000.

**Summary of Bill:** DOT must administer a pilot transit pass incentive program. Businesses located in a county adjacent to Puget Sound with a population of more than 700,000 are eligible to apply to the program for a 50 percent rebate on the cost of an employee transit pass, including an ORCA card. No business may receive more than \$20,000 in rebates. Businesses that apply for the CTR tax credit are not eligible for this transit pass incentive program.

DOT may adopt rules to implement the program and shall report to the transportation committees of the Legislature on the program by September 1, 2019.

**Appropriation:** \$1 million from the multimodal transportation account - state.

**Fiscal Note:** Requested on January 29, 2018.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill compliments the CTR program, it provides a more streamlined approach. There is a cap included to avoid all the resources going to large companies. It is a pilot program to see if the concept works. The CTR board supports this bill, the bill supports public-private partnerships, and recognizes the costs to employers. A pilot would allow testing of a concept. It will be important to establish how this pilot program will be measured. Consider modifications that would help smaller businesses.

**Persons Testifying:** PRO: Senator Steve Hobbs, Prime Sponsor; Abigail Doerr, Transportation Choices Coalition; Karen Parkhurst, Washington State Commute Trip Reduction Board; Michael Shaw, Washington State Transit Association.

**Persons Signed In To Testify But Not Testifying:** No one.