
Transportation Committee

HB 1523

Brief Description: Concerning renewal of the sales and use tax for transportation benefit districts.

Sponsors: Representatives Wylie, Rude and Slatter.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Allows a sales tax imposed by a transportation benefit district to be renewed every 10 years, with an affirmative vote of the people.

Hearing Date: 2/17/21

Staff: David Munnecke (786-7315).

Background:

A transportation benefit district (TBD) is an independent taxing district and quasi-municipal corporation. A TBD may be created to acquire, construct, improve, provide, and fund transportation improvement projects within a district. The legislative authority of a city or county may create a TBD, and other jurisdictions may be incorporated via interlocal agreements.

Transportation benefit districts have the authority to raise revenue in the following ways, each of which are subject to voter approval:

- excess property taxes for up to one year;
- a local sales and use tax of up to 0.2 percent;
- a border area fuel tax in certain jurisdictions;
- annual vehicle fees of up to \$100; and
- vehicle tolls, subject to various restrictions.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

A TBD may also raise revenue by imposing an annual vehicle fee of up to \$50 or by establishing transportation impact fees on commercial and industrial development, without receiving voter approval.

A TBD may only impose a sales and use tax for 10 years, unless the proceeds are dedicated to the repayment of indebtedness. A sales and use tax may also be extended for an additional 10 years with voter approval.

Summary of Bill:

A sales tax imposed by a TBD may be renewed every 10 years, with an affirmative vote of the people.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.