

# HOUSE BILL REPORT

## SB 5510

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to renewal of the sales and use tax for transportation benefit districts.

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

**Sponsors:** Senators King, Lovelett, Dozier, Mullet, Saldaña and Wilson, J..

**Brief History:**

**Committee Activity:**

Transportation: 2/23/22, 2/25/22 [DP].

**Brief Summary of Bill**

- Allows voters within a transportation benefit district to reauthorize multiple 10-year extensions of a sales tax.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 23 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Dent, Donaghy, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Ramel, Riccelli, Slatter, Taylor, Valdez and Wicks.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Orcutt, Sutherland and Walsh.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives McCaslin and Paul.

**Staff:** David Munnecke (786-7315).

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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 part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

A transportation benefit district (TBD) is a special purpose taxing district that may be established by a county or city for acquiring, constructing, improving, providing, and funding transportation improvements within the TBD area. A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD, but may not initiate TBD formation.

A TBD has independent taxing authority to implement the following revenue measures, most of which are subject to voter approval:

- a local sales and use tax not to exceed 0.2 percent;
- a local annual vehicle fee not to exceed \$100 on vehicle license renewals, up to \$50 of which may be imposed without voter approval under certain conditions;
- transportation impact fees on commercial and industrial development, which may be imposed without voter approval;
- excess property taxes; and
- tolls, subject to legislative authorization and approval by the Washington State Transportation Commission if imposed on state routes.

The TBD sales tax, unless dedicated for the repayment of indebtedness, may not be imposed for a period exceeding 10 years. However, the sales tax may be extended for a period not exceeding 10 years if approved by voters.

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**Summary of Bill:**

Voters within a TBD may renew multiple extensions of a sales tax, with each renewal extending the tax for an additional period not exceeding 10 years.

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**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.

**Staff Summary of Public Testimony:**

(In support) This bill would allow for multiple extensions of TBD sales and use tax with voter approval, which is a needed change.

The Transportation Improvement Board receives many applications for funding and funding certainty is an important factor in the process. This bill removes the 10-year cap on TBD sales and use tax, and if the tax can't be renewed then a project can lose funding.

Extension of the TBD sales and use tax is a priority for the Association of Washington Cities. More than 50 cities have TBDs that impose the tax, which they use for local match funding or local needs. It is one of the few tools available to meet transportation needs.

Cities need the cap removed to provide funding certainty.

Walla Walla has approved a renewal of its sales and use tax and has used it to leverage other funds. This bill would allow them to continue to do this, and it would likely happen again.

(Opposed) None.

**Persons Testifying:** Senator Curtis King, prime sponsor; Brandy DeLange, Association of Washington Cities; Bryce Yadon, Transportation Choices Coalition; Elizabeth Chamberlain, City of Walla Walla; and Ashley Probart, Transportation Improvement Board.

**Persons Signed In To Testify But Not Testifying:** None.