

SENATE BILL REPORT

SB 5510

As Reported by Senate Committee On:
Transportation, January 27, 2022

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: 1/20/22, 1/27/22 [DP].

Brief Summary of Bill

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

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Lias, Chair; Saldaña, Vice Chair; King, Ranking Member; Cleveland, Das, Fortunato, Hawkins, Holy, Lovelett, Lovick, Nguyen, Nobles, Randall, Sheldon, Wilson, C. and Wilson, J.

Staff: Kelly Simpson (786-7403)

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

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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 ten years. However, the sales tax may be extended for a period not exceeding 10 years if approved by voters.

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.

Appropriation: None.

Fiscal Note: Not requested.

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: Mount Vernon has benefited greatly from TBD funding, especially for local highway maintenance and preservation activities. The taxes are well supported by local voters. Walla Walla's recent TBD renewal was overwhelmingly supported. The funds help leverage other transportation funds, at a five to one ratio in Walla Walla. TBDs provide crucial local transportation funding. The Transportation Improvement Board uses TBD approvals as signs of local commitment which helps secure TIB grant funding. This bill is a legislative priority this session for the Association of Washington Cities. Cities across the state rely heavily on TBD funding for highway maintenance and preservation activities. A discussion should occur on providing more local transportation funding options.

OTHER: This bill seems like a good thing. However, many other tax bills this session are a bit disingenuous and don't really do what they purport to do.

Persons Testifying: PRO: Senator Curtis King, Prime Sponsor; Jill Boudreau, Mayor, City of Mount Vernon; Elizabeth Chamberlain, City of Walla Walla; Ashley Probart,

Transportation Improvement Board; Brandy DeLange, Assoc. of Washington Cities; Bryce Yadon, Transportation Choices Coalition.

OTHER: Jeff Pack, Washington Citizens Against Unfair Taxes.

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