

SENATE BILL REPORT

SB 5528

As of January 12, 2022

Title: An act relating to the imposition of additive revenue sources within a regional transit authority area.

Brief Description: Concerning the imposition of additive revenue sources within a regional transit authority area.

Sponsors: Senators Pedersen, Liias and Hawkins.

Brief History:

Committee Activity: Transportation: 1/13/22.

Brief Summary of Bill

- Allows a Regional Transit Authority (RTA) to establish one or more enhanced service zones (ESZ) within its boundaries to finance high capacity transportation system improvements directly benefiting the ESZ.
- Allows an RTA to collect certain additional taxes within an ESZ if a majority of the voters in the ESZ approve.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Daniel Masterson (786-7454)

Background: Regional Transit Authority. A Regional Transit Authority (RTA) is authorized to levy and collect taxes within its boundaries and to use its tax revenues to plan, construct, and operate high-capacity transportation, such as express bus services and light rail. There is currently one RTA—Sound Transit—which operates light rail, commuter rail, and express bus service in parts of King, Snohomish, and Pierce counties. Sound Transit currently imposes the following voter-approved taxes:

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- 1.4 percent sales and use tax;
- 1.1 percent motor vehicle excise tax (MVET);
- an annual \$0.25 per \$1,000 of assessed value property tax; and
- a rental car sales tax of 0.8 percent.

Summary of Bill: Authority to Establish Enhanced Service Zones. The board of an RTA may establish one or more enhanced service zones (ESZ) within a portion of the boundaries of the RTA to finance high capacity transportation system improvements directly benefiting the respective ESZ. An ESZ must lie entirely within the RTA boundaries and must comprise no less than the entire portion of a city or town that lies within the RTA boundaries. An ESZ may also include one or more entire adjacent cities or towns and adjacent unincorporated areas. There may also be multiple ESZs encompassing the same city or town, or adjacent unincorporated area.

Authority to Collect Additional Funding Within an Enhanced Service Zone. An RTA may levy and collect within the boundaries of an ESZ one or more of the following voter-approved local option funding sources to finance the proposed improvements within the ESZ:

- a special MVET up to 1.5 percent in addition to the existing RTA MVET; and
- a commercial parking tax.

The commercial parking tax cannot be applied to exclusive and individual parking stalls provided as an inseverable condition of a residential lease agreement for the duration of that lease agreement.

Establishment Processes and Other Requirements. Before an ESZ may be established, it must first be recommended to the RTA board by an advisory committee composed of board members representing the proposed ESZ. The advisory committee's recommendations must include proposed system improvements benefiting the ESZ, to be financed by residents of the ESZ but constructed and operated by the RTA.

If the board establishes the recommended ESZ, then the board must submit a ballot proposition to voters within the ESZ at a general or special election for approval of the proposed system improvements and funding sources. The funding sources may not be imposed without approval of a majority of the voters in the ESZ voting on the proposition. The proposition must include a specific description of the proposed system improvement or improvements and the funding sources to be imposed within the ESZ to raise revenue to fund the improvement or improvements.

To the extent that system improvements include new light rail components within Seattle, the light rail components shall be in entirely exclusive rights-of-way and not contain any level traffic crossings with modes not part of the light rail system.

Appropriation: None.

Fiscal Note: Available.

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

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