
Transportation Committee

HB 1898

Brief Description: Concerning the funding of enhanced public transportation zones for public transportation systems.

Sponsors: Representatives Fey, Sawyer, Fitzgibbon, Jinkins, Farrell, Ryu, Pollet and Morrell.

Brief Summary of Bill

- Allows for the establishment of enhanced public transportation zones (Zone) by all existing transit agencies, except for regional transit authorities.
- Requires approval of the voters within a Zone to increase the sales and use tax rate, which may not exceed the existing 0.9 percent cap.
- Requires revenue from any tax imposed by a Zone to be expended for increased public transportation service within the Zone.
- Limits a Zone to 49 percent of the population of the transit agency area and requires that a Zone include 55 percent or more of the low-income or minority population of the transit agency area.

Hearing Date: 2/27/13

Staff: David Munnecke (786-7315).

Background:

Several types of transit agencies have been created under different authorizing laws depending on the desired service area to be covered, governance structure, and taxing authority. There are currently 31 local public transit agencies in Washington – 20 are Public Transportation Benefit Areas; five are City Authorities; two are County Transportation Authorities; two are Unincorporated Transportation Benefit Areas; one is a county-assumed Metropolitan Municipal Corporation, King County Metro; and one, Sound Transit, is a Regional Transit Authority.

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.

In general, transit agencies are authorized to, and do, impose a sales and use tax of up to 0.9 percent with voter approval, for the purpose of funding public transportation services. A proposal for implementing a sales and use tax increase must be put before all the voters within the boundary of a transit agency.

Summary of Bill:

All transit agencies, except a Regional Transit Authority, may establish an enhanced public transportation zone (Zone) within the transit agencies' boundaries. A transit agency may put to the voters within a Zone a sales and use tax increase for the purpose of providing enhanced transit service solely within the Zone, and funds collected from the tax may not supplant existing revenue expended in the Zone. A sales and use tax imposed on a Zone, when combined with a transit agency's existing sales and use taxing authority, may not exceed the existing limit of 0.9 percent.

When establishing the boundaries of a Zone, the establishing agency must consult with the Department of Revenue on sales tax collection methods, and boundaries must follow election precinct lines if possible. A Zone may cover only a portion of an area within a transit agency's boundaries, including portions of a city or town, and may not include more than 49 percent of the population of the transit agency's area. Also, the Zone must include 55 percent of the low-income or minority populations, designated as such for the purposes of Title VI of the federal Civil Rights Act, within the transit agency's boundaries.

The establishing transit agency must adopt an ordinance that finds that the Zone warrants consistent and sustainable transportation service levels of passenger capacity, speed, and service frequency to serve persons within the Zone that would otherwise be substantially disadvantaged if the Zone were not created. A baseline level of service must be established prior to creation of the Zone, and service within the Zone must increase in proportion to the additional revenue collected.

A sales and use tax imposed on a Zone expires after five years, unless reauthorized by the voters of the Zone.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on August 1, 2015.