

SENATE BILL REPORT

SB 5528

As of January 13, 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.

Staff Summary of Public Testimony: PRO: As a resident of Capitol Hill in Seattle, my world has been transformed by the opening of light rail. Now that the line is open to Northgate, we're starting to see the promise of how quickly and efficiently people can get from one part of the city to another. The purpose of this bill is to let local communities take advantage of that promise and expand the system even more. This bill would allow voters and Sound Transit to accelerate segments of the regional light rail network. If you've seen the line of cars coming out of Northgate after a Kraken game, you know how many vehicle miles have been avoided and how much congestion reduced because of light rail. The Sound Transit board has committed to supporting new, creative ways of providing additional funding for transit. We do support the bill but would like to work with the sponsor on refinements. Transportation Choices Coalition does see value in providing local jurisdictions progressive taxing options to increase frequency and service for their residents. This can't be seen as backfill, and this should not be seen as a substitute for state support for transit operating needs for all agencies. Because most carbon emissions in the state come from transportation, it makes things like Sound Transit absolutely essential to addressing the climate crisis, as well as addressing our mobility and economic needs. This bill is an essential part of the solution to these problems. Much of the economic strength of our state funnels through the Puget Sound area. Unfortunately the Puget Sound accounts for much of the state's carbon emissions as well. In Seattle, road emissions account for 60 percent of our CO2 output. This bill would provide another tool to local jurisdictions and the RTA to fill gaps and expand the transit system, at a time when we need every tool available. Seventy-six percent of survey respondents in Seattle support new transit funding sources, compared to 19 percent who were opposed. Other polling also shows support for transit expansion in the area. It's great that this bill gives local jurisdictions flexibility. This bill helps people who value their time. We don't want to be stuck in traffic. This bill is about speeding timelines, giving local control, and adding additional transit service.

Persons Testifying: PRO: Senator Jamie Pedersen, Prime Sponsor; Joe Kunzler, None; Andrew Villeneuve, Northwest Progressive Institute; Jonathan Hopkins, Seattle Subway; Robert Cruickshank, Sierra Club; Alex Soldano, Sound Transit; Bryce Yadon, Transportation Choices Coalition; Dan Strauss, Seattle City Council.

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