

SENATE BILL REPORT

SB 5541

As Reported by Senate Committee On:
Transportation, February 24, 2011

Title: An act relating to regional mobility grants and tax incentives for improving transportation connectivity and efficiency.

Brief Description: Concerning regional mobility grants and tax incentives for improving transportation connectivity and efficiency.

Sponsors: Senators Murray, Delvin, Haugen, Roach, King, White, Shin, Kohl-Welles and Kline.

Brief History:

Committee Activity: Transportation: 2/14/11, 2/24/11 [DPS, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5541 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; White, Vice Chair; King, Ranking Minority Member; Fain, Assistant Ranking Minority Member; Delvin, Eide, Hill, Nelson, Prentice, Ranker, Sheldon, Shin and Swecker.

Minority Report: That it be referred without recommendation.

Signed by Senator Ericksen.

Staff: Amanda Cecil (786-7429)

Background: The state's first Commute Trip Reduction (CTR) laws were passed in 1991 with the goal of reducing air pollution, traffic congestion, and consumption of transportation fuels through employer-based programs that reduce the number of commute trips made in single-occupant vehicles. The law requires major employers in urban areas to have a CTR plan and to report to the local jurisdiction. Major employers are all employers, public or private, that employ 100 or more full time employees at a single worksite.

In 2003 a temporary business and occupation tax credit, which expires July 1, 2013, was authorized for employers that offer financial incentives to employees that use public transportation, carpool, or non-motorized transportation.

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.

The Washington State Department of Transportation (WSDOT) administers a Regional Mobility Grant Program. Grants from this program are awarded to local governments, including transit agencies, for projects that reduce delay for people and goods and improve connectivity between counties and regional population centers.

Summary of Bill (Recommended Substitute): Entities eligible to receive regional mobility grants are expanded to include public institutions of higher education.

An exemption is created from locally imposed parking taxes for public institutions of higher education and for public or non-profit hospitals that contract with public institutions of higher education if they invest at least 110 percent of their parking proceeds into a commute trip reduction program.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Requires that at least 110 percent of an entities parking proceeds be invested into a commute trip reduction program for them to be eligible for an exemption from commercial parking.

Expands the eligible entities to include public and non-profit hospitals that contract with public institutions of higher education.

It caps a commercial parking tax imposed by a governing body to 12.5 percent.

Allows a CPT to be raised above 12.5 percent to a max of 15 percent only if it is approved by a majority vote of the people.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: The UPass program at the University of Washington is a vital program for students and has made higher education possible for many people throughout the state. Without this program, there would be more than 20,000 additional trips on highways and surrounding city streets. Without financial assistance, this program will fail. In these financial times, we have to look for creative ways to encourage commute trip reduction.

CON: A complete exemption is costly to the city, and this is a local government issue. The commercial parking tax revenue is invested in transportation infrastructure, and this cuts deeply into those funds.

OTHER: The Regional Mobility Grant Program is currently over subscribed and adding another eligible entity exacerbates the issue. In terms of the commercial parking tax, this is a local issue and can be handled locally.

Persons Testifying: PRO: Andrew Lewis, Michelle Nance, Brandon Skyles, William Dow, Matthew Phillip FitzGerald, Associated Students of the University of Washington; Ben Henry, University of Washington Graduate Professor, Student Senate; Cathy Silins, WSDOT; Ron Main, Josh Kavahagh, University of Washington.

CON: Sally Clark, City of Seattle Councilmember; Craig Engelking, City of Seattle; David Hiller, Cascade Bicycle Club, Bridging the Gap Oversight Committee.

OTHER: Michael Shaw, Washington State Transit Association; Ashley Probart, Association of Washington Cities.