

SENATE BILL REPORT

SB 6475

As Reported by Senate Committee On:
Transportation, January 29, 2018

Title: An act relating to regional transit authority property taxes imposed on less than a whole parcel.

Brief Description: Prohibiting the imposition of regional transit authority property taxes on less than a whole parcel.

Sponsors: Senators Hobbs, Palumbo, King, Wagoner, McCoy and Liias.

Brief History:

Committee Activity: Transportation: 1/24/18, 1/29/18 [DPS].

Brief Summary of First Substitute Bill

- Prohibits a regional transit authority from imposing a property tax on less than a whole parcel of property.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6475 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Chase, Cleveland, Dhingra, Liias, McCoy, O'Ban, Sheldon, Takko, Walsh, Wellman and Zeiger.

Staff: Hayley Gamble (786-7452)

Background: A Regional Transit Authority (RTA) is authorized to use its tax revenues to develop and operate a high capacity transportation system. There is currently one RTA, Sound Transit, which operates light rail, commuter rail service, and express bus service. The boundaries of the Sound Transit district generally follow the urban growth boundaries of King, Pierce, and Snohomish counties.

After the approval of the most recent system expansion plan in 2016, Sound Transit imposes the following taxes within the boundaries of the Sound Transit district:

- a sales and use tax of 1.4 percent;

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- a motor vehicle excise tax of 1.1 percent;
- a property tax of 25 cents per \$1,000 of assessed valuation; and
- a rental car sales and use tax of 0.8 percent.

Summary of Bill (First Substitute): An RTA is prohibited from imposing a property tax on less than a whole parcel of property.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute): The retroactive nature of the bill is removed. The waiving of interest and penalties already collected before June 30, 2018, on delinquent property taxes is removed.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Sound Transit property tax collection is done using old property descriptions and the plots do not currently match Sound Transit boundary lines. Currently two property tax bills need to be generated for properties with this issue. About 52 accounts are impacted in Snohomish County, but there are impacts in other counties. If the split included a parcel with a home, an owner may be currently being taxed without having being able to vote on Sound Transit. The House version of this bill passed off the floor last year three times. There is a fix needed to address a constitutional issue of gifting of public funds.

Persons Testifying: PRO: Linda HJelle, Snohomish County Assessor; Representative Mark Harmsworth.

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