

# HOUSE BILL REPORT

## SHB 1514

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### As Passed Legislature

**Title:** An act relating to transportation demand management.

**Brief Description:** Addressing transportation demand management.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Taylor, Ramos and Harris-Talley).

### Brief History:

#### Committee Activity:

Transportation: 2/17/21, 2/22/21 [DPS].

#### Floor Activity:

Passed House: 3/5/21, 92-5.

Senate Amended.

Passed Senate: 4/8/21, 45-4.

House Concurred.

Passed House: 4/13/21, 63-35.

Passed Legislature.

### Brief Summary of Substitute Bill

- Reduces the minimum requirement for ride sharing from five persons including the driver to three persons including the driver, and eliminates weight and trip requirements.
- Requires the Washington State Department of Transportation and the Commute Trip Reduction (CTR) Board to make recommendations regarding changes to the CTR program.
- Broadens eligibility for tax exemptions, tax credits, and license plates associated with ride sharing and commute trip reduction.

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### HOUSE COMMITTEE ON TRANSPORTATION

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Duerr, Entenman, Griffey, Hackney, Klicker, Lovick, Orcutt, Paul, Ramel, Riccelli, Slatter, Sutherland, Taylor, Valdez and Wicks.

**Minority Report:** Without recommendation. Signed by 4 members: Representatives Dent, Goehner, McCaslin and Walsh.

**Staff:** David Munnecke (786-7315).

**Background:**

Ride Sharing.

Commuter ride sharing is defined as an arrangement where five to 15 persons, or four to 15 persons when at least two of those people are confined to wheelchairs, are transported between their homes and places of employment or educational or other institutions, in a single daily round trip. Flexible commuter ride sharing is defined an arrangement where two to 15 persons are transported between their homes and places of employment or educational or other institutions.

A registered owner who uses a passenger motor vehicle for commuter ride sharing and carries at least five persons (including the driver), must apply for special ride share license plates, which are not required to be renewed annually.

Passenger motor vehicles that are used as commuter ride sharing vehicles in the state's eight largest counties and in other counties, cities, or towns that elect to adopt and implement a commute trip reduction (CTR) plan and carry at least five persons (including the driver) are exempt for 36 months from sales and use tax. If the vehicle is used for ride sharing for less than 36 months, the registered owner must notify the Department of Revenue and pay the appropriate sales and use tax due.

Passenger motor vehicles that are used as commuter ride sharing vehicles in the state's eight largest counties and in other counties, cities, or towns that elect to adopt and implement a CTR plan and carry at least five persons (including the driver), are exempt from the motor vehicle excise tax. The registered owner of a vehicle that is no longer used for ride sharing must notify the Department of Licensing and pay the motor vehicle excise tax due.

Funds that are received in the course of commuter ride sharing are exempt from the business and occupation tax and public utility tax.

Commute Trip Reduction.

Major employers who employ 100 or more employees in the state's eight largest counties and in other counties, cities, or towns that elect to adopt and implement a CTR plan are required to implement CTR programs, to reduce the number of their employees traveling by single-occupant vehicles to their work sites between 6:00 a.m. and 9:00 a.m. on weekdays.

Under the state CTR program, employers are allowed a business and occupation or public utility tax credit if they provide financial incentives to their employees for ride sharing in car pools, using public transportation, using car sharing, and nonmotorized commuting.

**Summary of Substitute Bill:**

The minimum requirement to meet the definition of ride sharing is defined as three persons including the driver, and there are no requirements regarding the type of trip. The commuter ride sharing and flexible ride sharing definitions are eliminated.

Taxicab companies under chapter 81.72 RCW; charter party or excursion service carriers under chapter 81.70 RCW; auto transportation companies under chapter 81.68 RCW; private, nonprofit transportation providers under chapter 81.66 RCW; limousine carriers under chapter 46.72A RCW; commercial transportation service providers under chapter 48.177 RCW; and peer-to-peer car-sharing companies, where existing motor vehicle owners make their motor vehicles available for other persons to rent for short periods of time, are excluded from the definition of ride sharing.

The current business and occupation tax, public utility tax, sales and use tax, and motor vehicle excise tax exemptions for commuter ride sharing are applied to ride sharing, and the eligibility for these exemptions is further expanded to include to any location where the vehicle is registered with or operated by a public transportation agency for the benefit of the general public.

A ride sharing vehicle is required to be operated by a public transportation agency in order to qualify for a sales and use tax exemption with at least three passengers, including the driver. All other ride sharing vehicles require five or more passengers to qualify.

Public transportation agencies are added to the list of entities that are defined as ride-sharing operators.

The Washington State Department of Transportation and the CTR Board are required to provide a report and recommendations regarding modifications to the CTR program to the transportation committees of the Legislature by October 1, 2021.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on September 1, 2021.

**Staff Summary of Public Testimony:**

(In support) This bill would assist transit agencies in offering more vanpool options. With only three passengers required, vanpools could continue at a smaller size, which puts fewer cars on the road, and businesses could offer employees more options. This bill would also allow agencies to provide vanpool services for trips other than work or education, and allow elders to travel in a more comfortable fashion. It would build community and meet more transportation needs.

Many people in Redmond rely on vanpools. One employer had 30 vanpools, most of which folded due to the pandemic. With this bill, people would be able to more easily rebuild vanpools. This bill would also encourage commuting to medical appointments, libraries, and other places.

We want to be flexible during the recovery from COVID-19. This bill has been worked on with vanpool providers for much of the year. It allows smaller businesses to be brought into vanpools and the CTR program, and would prevent vanpools from folding when they drop under five participants. Joint Base Lewis-McChord has had a particularly hard time with this requirement due to regular deployments of vanpool participants.

Equitable, affordable transportation needs vanpools. In 2019 King County Metro had the nation's largest vanpool program. Rural areas and small businesses had a tough time meeting the five-person minimum though. This bill would solve that problem and provide greater flexibility for smaller, more-efficient vehicles.

(Opposed) None.

**Persons Testifying:** Representative Taylor, prime sponsor; Kelli Refer and Kirk Hovenkotter, Greater Redmond Transportation Management Association; Justin Leighton, Washington State Transit Association; and Christina O'Claire, King County Metro.

**Persons Signed In To Testify But Not Testifying:** None.