

SENATE BILL REPORT

SB 6779

As Reported By Senate Committee On:
Water, Energy & Environment, January 31, 2006

Title: An act relating to a state public utility tax credit for providing special needs transportation services.

Brief Description: Authorizing a public utility tax credit for the cost of providing certain special needs transportation services.

Sponsors: Senator Morton and Rasmussen.

Brief History:

Committee Activity: Water, Energy & Environment: 1/24/06, 1/31/06 [DPS-WM]

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6779 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Honeyford, Mulliken, Pridemore and Regala.

Staff: William Bridges (786-7424)

Background: Public Utility Tax (PUT). Gross income derived from the operation of public and privately owned utilities is subject to the state PUT. The rate for electric utilities is 3.873 percent.

Public Utility Districts (PUD). PUDs are municipal corporations authorized to provide electricity, water, wholesale telecommunications, and sewer service. There are currently 28 PUDs in Washington, four of which supply electricity to counties with less than nine persons per square mile: Ferry, Okanogan, Pend Oreille, and Skamania.

American with Disabilities Act (ADA). The ADA is a federal law that, among other things, prohibits discrimination on the basis of disability in public accommodations and transportation. Under the ADA, an individual with a disability is a person who, among other things, has a physical or mental impairment that substantially limits one or more major life activities.

Summary of Substitute Bill: Authorizing certain PUDs to offer limited transportation services. A PUD, serving a county with a population density of less than nine persons per square mile, may establish a demand responsive transportation system, such as taxi, van, or shuttle bus service, for qualified seniors and persons with disabilities. The transportation service may not include ambulance service.

Creating a PUT credit for ADA-compliant transportation services. An eligible PUD that establishes a "special needs transportation fund" may claim a credit against the state PUT.

The credit is equal to the amount of contributions to the transportation fund and is limited to \$25,000 per fiscal year per eligible PUD.

An eligible PUD is one that supplies electricity and primarily serves a county with a population density of less than nine persons per square mile. A "special needs transportation fund" is one that is exclusively used to acquire or provide ADA-compliant transportation, such as taxis, vans, or shuttle buses, for "qualified recipients." A "qualified recipient" is a person with a disability or who is at least 60 years old, resides in a rural area, and is unable to obtain transportation because of age or disability.

Substitute Bill Compared to Original Bill: Authorizes rural PUDs to provide transportation systems for seniors and persons with disabilities. Clarifies that PUDs may not provide ambulance services.

Appropriation: None.

Fiscal Note: Requested on January 20, 2006.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2006.

Testimony For: The bill addresses the lack of adequate transportation services for seniors and persons with disabilities in rural areas. These persons require special vehicles with lift capability and there are few vehicles in rural areas that are capable of providing this service. In Ferry County, for example, special transportation services are provided by volunteers.

Testimony Against: None.

Who Testified: PRO: Sen. Morton, prime sponsor; Dave Warren, Wash. PUD Assn.