

HOUSE BILL REPORT

HB 1393

As Reported by House Committee On:

Transportation
Finance

Title: An act relating to authorizing certain public transportation benefit areas to impose a sales and use tax approved by voters.

Brief Description: Authorizing certain public transportation benefit areas to impose a sales and use tax approved by voters.

Sponsors: Representatives Ortiz-Self, Moscoso, Hayes, Ryu, Stanford, Smith, Robinson, Sells, Dunshee, Reykdal, Tarleton, Gregerson and Pollet.

Brief History:

Committee Activity:

Transportation: 2/4/15, 2/9/15 [DPS];

Finance: 2/17/15, 2/25/15 [DPS(TR)].

Brief Summary of Substitute Bill

- Allows certain public transportation benefit areas to impose a sales and use tax of up to 0.3 percent with the approval of the voters within the area.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Bergquist, Gregerson, Harmsworth, Hayes, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Pike, Riccelli, Sells, Takko, Tarleton, Wilson and Zeiger.

Minority Report: Do not pass. Signed by 1 member: Representative Shea.

Minority Report: Without recommendation. Signed by 1 member: Representative Young.

Staff: David Munnecke (786-7315).

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.

Background:**Public Transportation Benefit Area.**

A public transportation benefit area (PTBA) is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. Generally speaking, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. It also means passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service. A PTBA may collect fares for service and, with approval of the majority of the voters within the area, impose up to a 0.9 percent sales and use tax within the area.

A PTBA is created through a conference process attended by elected representatives selected by the legislative body of each city within the boundaries of the PTBA as well as the county legislative authority or authorities. Within 60 days of establishment, the county legislative body or bodies provide for the selection of a governing body of not more than nine elected officials (or, in the case of a multi-county PTBA, not more than 15 members) selected by and serving at the pleasure of the governments of the cities and counties in the PTBA. Cities within the PTBA that are excluded from direct membership on the authority are permitted to designate a member of the PTBA who is entitled to represent the interests of those cities.

Summary of Substitute Bill:

A PTBA in a county with a population of 700,000 or more, that also contains a city with a population of 75,000 or more that operates a transit system, may impose a sales and use tax of up to 0.3 percent with the approval of the voters within the area. This 0.3 percent sales and use tax is in addition to the up to 0.9 percent sales and use tax that all the PTBAs are eligible to impose.

Substitute Bill Compared to Original Bill:

The reference to the existing sales and use tax authority of PTBAs is made to subsection (2), rather than subsection (1), of the act.

Appropriation: None.**Fiscal Note:** Available.**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.**Staff Summary of Public Testimony:**

(In support) Snohomish County residents want more transit service, but there is a need for more funding to provide it. Community Transit is already working on a new bus rapid transit line to connect the various manufacturing centers in the county, as well as to restore previously cut service, but these initiatives require funding.

Community Transit is bringing back Sunday service and other trips because of rising revenue, but it is still only expecting to restore less than half of the service that was cut during the recession.

The recovering economy has led to more jobs, but this in turn has led to more traffic. People use Community Transit to get to work, school, and entertainment activities. This bill needs to be passed to keep the economy moving.

Community Transit has used all of its sales tax authorization, and needs the further increase made possible by this bill. Such new revenue would allow for a second Swift Bus Rapid Transit line, and more bus lines to serve Seattle and other locations both inside and outside the county.

Transit is one of the most important issues in Snohomish County today because it gives people more time in their lives. We need a sales tax measure that the people of Snohomish County can support.

Bus service has deteriorated due to lack of funding, and this hurts young people and the people who employ them the most because they can't all afford cars to get to work. Elderly and special needs populations are also hurt because they can't get around on weekends. Transit is critical for low-income populations.

The regional plan calls for doubling the available transit by 2040. There has already been a 100 percent increase in commute times in certain corridors since 2010, and driving is no better than riding the bus in terms of the time spent. There is a lot of growth in Snohomish County and it needs a transit system that can move those people.

Transit is vital for students to commute. Twenty-five percent of students at the University of Washington rely solely on transit. Investment in Community Transit will thus benefit one of the biggest employers in the region.

Snohomish County is the manufacturing center of the state and jobs are at an all time high. With limited room to expand the transportation system, public transit is critical.

It has been 13 years since Community Transit increased the sales tax rate to 0.9 percent. The bill would provide a way for the community to decide if they want more transit.

(Opposed) None.

Persons Testifying: Representative Ortiz-Self, prime sponsor; Mike Todd and Fred Worthen, Community Transit; Bruce Engelhart; Darrell Chapman, Workforce Snohomish; Patrick Pierce, Puget Sound Regional Council; Bob Throckmore, United Way of Snohomish County; Austin Pettibone, Associated Students of the University of Washington; Glenn Coil,

Economic Alliance Snohomish County; Geri Beardsley, Washington State Transit Association; and Andrew Austin, Transportation Choices.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON FINANCE

Majority Report: The substitute bill by Committee on Transportation be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Carlyle, Chair; Tharinger, Vice Chair; Nealey, Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Fitzgibbon, Manweller, Pollet, Reykdal, Robinson, Ryu, Springer, Stokesbary, Wilcox and Wylie.

Minority Report: Do not pass. Signed by 2 members: Representatives Condotta and Vick.

Staff: Jeffrey Mitchell (786-7139).

Summary of Recommendation of Committee On Finance Compared to Recommendation of Committee On Transportation:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The last ballot measure for Community Transit was in 2001. Since then, Snohomish County has had the highest job growth rate in the state of 25 percent and the largest population growth of 14 percent. It has been very difficult to keep up with the transit needs in the county. Also, there have been a lot of cuts with the recession, which haven't been restored. Currently, Community Transit is at the maximum allowable sales tax rate. Since its inception in 1976, Community Transit has gone to the ballot three times and has been successful each time. Each new 0.1 percent generates about \$7 million, which equates to \$11 per adult or \$26 per household. During the recession, we looked inwardly as opposed to coming to the Legislature to ask for additional revenue options. Community Transit cut 37 percent of our service in Snohomish County. Out of 700 employees, 206 were laid off. All lines of transit service were cut. Projects were delayed and fares were increased. To save money, commuter buses were purchased that carried more people than the reticulating buses. The additional money allowed operation of an additional line of the Swift bus rapid transit service. This service would connect the state's largest manufacturing center at Paine Field at Boeing with the Canyon Park High Tech Center in Bothell. Good transportation is essential to fueling economic growth.

(Opposed) None.

Persons Testifying: Representative Ortiz-Self, prime sponsor; Davor Gjurasic and Todd Morrow, Community Transit.

Persons Signed In To Testify But Not Testifying: None.