
Transportation Committee

HB 2148

Brief Description: Establishing a regional transit authority rebate program for low-income individuals.

Sponsors: Representatives Reeves, Kilduff, Springer, Farrell, Clibborn, Pellicciotti, Frame, Ryu, Tarleton, Sawyer, Kirby, Stonier, Lovick, Stanford, Pollet, Orwall, Senn, Goodman, Dolan, Muri, Macri and Santos.

Brief Summary of Bill

- Allows certain regional transit authorities to establish a rebate program for property taxes and motor vehicle excise taxes for individuals and families making less than 80 percent of the median income in their county.
- Requires a Regional Transit Authority that establishes a rebate program to work with the Department of Licensing and provide a report regarding various aspects of the rebate program to the Legislature after two years.

Hearing Date: 4/18/17

Staff: David Munnecke (786-7315).

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 (Sound Transit 3) 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;
- a motor vehicle excise tax (MVET) of 1.1 percent;
- a property tax of 25 cents per \$1,000 of assessed valuation; and

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- a rental car sales and use tax of 0.8 percent.

Sound Transit 3 is planned to provide 62 new miles of light rail, additional bus rapid transit, expanded capacity commuter rail service, additional express bus service, and parking expansion with improved access.

Summary of Bill:

An RTA that includes a county with a population of more than 1,500,000 is authorized to establish a rebate program of up to 40 percent for property taxes and MVET for individuals and families making less than 80 percent of the median income in their county. A rebate for property taxes may only be provided to individuals who qualify for an exemption from certain property taxes, and the rebates may be funded from the proceeds of a sales and use tax, an MVET, or a property tax imposed by the RTA.

An RTA that establishes a rebate program is required to work with the Department of Licensing regarding the administration, functions, and costs associated with the program. An RTA that establishes a rebate program is also required to provide a report to the Legislature two years after the program takes effect regarding, at a minimum, the structure of the rebate program, the average rebate provided, the total amount of rebates issued, and the number of people receiving rebates.

Appropriation: None.

Fiscal Note: Requested on April 15, 2017.

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