

SENATE BILL REPORT

SB 5854

As of March 3, 2017

Title: An act relating to nullifying the imposition of certain taxes within regional transit authority boundaries.

Brief Description: Nullifying the imposition of certain taxes within regional transit authority boundaries.

Sponsors: Senators O'Ban, Becker, Rivers, Rossi, Zeiger and Sheldon.

Brief History:

Committee Activity: Transportation:

Brief Summary of Bill

- Sound Transit property taxes may be nullified through a voter-approved proposition, or a vote of a city or county legislative authority.

SENATE COMMITTEE ON TRANSPORTATION

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 transit system. There is currently one RTA, Sound Transit, that has a taxing district which roughly follows the urban growth boundaries of King, Pierce, and Snohomish counties, and operates light rail, commuter rail, and bus services. Sound Transit is funded to ultimately build and operate a 116 mile light rail system, commuter rail between Du Pont and Everett, and bus rapid transit throughout the district.

In 1996, voters approved Sound Transit's Sound Move Plan, which was supported by revenues from a sales tax of 0.5 percent, a motor vehicle exercise tax (MVET) of 0.3 percent —\$30 per \$10,000 in vehicle value, and a car rental sales tax of 0.8 percent. In 1998, voters approved the Sound Transit 2 plan, which included a sales tax increase to a total of 0.9 percent.

In 2016, voters approved the Sound Transit 3 plan, which included:

- a sales tax increase of 0.5 percent to a total of 1.4 percent;

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- an MVET increase of 0.8 percent to a total of 1.1 percent—\$110 per \$10,000 of vehicle value; and
- a new property tax of \$0.25 per \$1,000 of assessed value—\$100 on a \$400,000 house.

An additional 1.372 percent car rental sales tax and \$2 employer tax are available to Sound Transit if approved by voters.

Summary of Bill: Any property taxes approved by RTA voters for the purpose of funding an RTA may be nullified within a city or county within the RTA district by either an approved voter proposition or a majority vote of a city or county legislative authority. Any nullified property taxes may not be imposed within the affected city or county.

A voter proposition must be submitted to the voters at a special election if a petition to nullify RTA property taxes submitted to the county auditor includes signatures of 8 percent of registered voters from the city or county area petitioning.

Appropriation: None.

Fiscal Note: Not requested.

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

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