

SENATE BILL REPORT

SB 5892

As Reported by Senate Committee On:
Transportation, March 29, 2017

Title: An act relating to regional transit authority capital project reauthorization.

Brief Description: Concerning regional transit authority capital project reauthorization.

Sponsors: Senators Fortunato, Rivers, Rossi, Miloscia, Zeiger, Braun, Angel, O'Ban, Wilson and Honeyford.

Brief History:

Committee Activity: Transportation: 3/27/17, 3/29/17 [DPS, DNP].

Brief Summary of Substitute Bill

- Requires a re-vote on Regional Transit Authority (RTA) taxing authority approved after January 1, 2015, if RTA program costs exceed 100 percent of planned costs.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5892 be substituted therefor, and the substitute bill do pass.

Signed by Senators King, Chair; Sheldon, Vice Chair; Hobbs, Ranking Minority Member; Ericksen, Fortunato, Hawkins, O'Ban, Walsh and Wilson.

Minority Report: Do not pass.

Signed by Senators Liias, Assistant Ranking Minority Member; Cleveland, Saldaña, Takko and Van De Wege.

Staff: Hayley Gamble (786-7452)

Background: An RTA is authorized to use its tax revenues to plan, construct, and operate high-capacity transportation, such as express bus service and light rail. There is currently one RTA—Sound Transit—which operates light rail, commuter rail, and express bus service in Puget Sound. Sound Transit currently imposes the following voter-approved taxes:

- 1.4 percent sales and use tax;

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- 1.1 percent Motor Vehicle Exercise Tax (MVET);
- an annual \$0.25 per \$1,000 of assessed value property tax; and
- a rental car sales tax of 0.8 percent.

These tax rates include tax increases to fund a transit construction and operation program known as "ST3" approved by voters in November 2016 of:

- an additional 0.5 percent sales and use tax effective April 1, 2017;
- an additional 0.8 percent MVET beginning March 1, 2017; and
- a property tax of \$0.25 per \$1,000 of assessed valuation beginning January 1, 2017.

"ST3" includes planned construction of 62 additional miles of link light rail, including 37 new stations, bus rapid transit on I-405, SR 518, SR 522 and NE 145th, rail Sounder service from Lakewood to Dupont, and expansion of express bus service throughout the district. Significant construction plan amendments may be approved by the board of an RTA via a two-thirds favorable vote.

Summary of Bill (First Substitute): Legislative intent is stated to be to allow voters to reaffirm or withdraw their support for an RTA to continue collecting revenue and constructing capital projects if costs exceed the original budget by more than 100 percent.

An RTA must provide an engineers estimate for all capital projects in a voter approved capital program on its website or another publically accessible location. If two years after beginning a voter approved capital program the overall capital program budget is more than 100 percent over the initial estimate, an RTA must ask voters to reauthorize any taxes approved after January 1, 2015.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute): The overall capital program budget must be 100 percent, rather than 20 percent, over the initial engineers estimate to trigger the requirement that an RTA must ask voters to reauthorize any taxes approved after January 1, 2015.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Washington Public Power Supply System started building nuclear power plants and they did not finish the program and the public took a big hit. Recently the Sound Transit I-90 project increased more than 46 percent over the original budget. It could happen that Sound Transit will use up all of their contingencies at the beginning of the program. This bill would require Sound Transit to go back to the voters if their program is 20 percent over budget. Sound Transit needs to be fair and honest with the taxpayers. There needs to be some kind of voter approval.

CON: Voters approved Sound Transit and most recently ST3. Voters could choose to not elect Sound Transit representatives if there are problems with projects. Do not politicize these projects. Projects often experience project increases or decreases and these can be accommodated. Let Sound Transit deliver on the expectations of the voters. Sound Transit voters wanted projects as soon as possible, this bill would jeopardize the timeline for projects, and create uncertainty in project construction. This would cripple the project construction process. Sound Transit would reduce energy consumption, promote health and reduce road traffic accidents, lower household expenses for transportation and housing. Companies rely on Sound transit work. Projects could end up half completed, which is wasteful.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor.

CON: Vlad Gutman-Britten, Climate Solutions; Ricardo Gotla, Transportation Choices Coalition; Marilyn Strickland, Sound Transit/Mayor, City of Tacoma; Claudia Balducci, Sound Transit/King County Councilmember; Monty Anderson, King County Building and Construction Trades Council; Ellicott Dandy, OneAmerica; Bryce Yadon, Futurewise; Dale Bright, Pol. Dir. Laborers Local 242; Jeremy Une, COPE Chair Amalgamated Transit Union local 587; Tim Gould, Sierra Club; Osama Quotah, AIA Washington Council.

Persons Signed In To Testify But Not Testifying: No one.