

HOUSE BILL REPORT

HB 2941

*As Passed House
February 17, 1992*

Title: An act relating to transit funding.

Brief Description: Revising financing of public transit.

Sponsor(s): Representatives R. Fisher, Prentice, Day, Wood, Paris and Nelson.

Brief History:

Reported by House Committee on:
Transportation, February 10, 1992, DP;
Passed House, February 17, 1992, 97-0.

**HOUSE COMMITTEE ON
TRANSPORTATION**

Majority Report: *Do pass.* Signed by 26 members:
Representatives R. Fisher, Chair; R. Meyers, Vice Chair;
Betrozoff, Ranking Minority Member; Chandler, Assistant
Ranking Minority Member; Brough; Cantwell; Cooper; Day;
G. Fisher; Forner; Haugen; Heavey; Horn; P. Johnson;
R. Johnson; Jones; Kremen; Mitchell; Nelson; Orr; Prentice;
Prince; Schmidt; Wilson; Wood; and Zellinsky.

Staff: Judy Burns (786-7301).

Background: Over the past 18 months, the Legislative Transportation Committee conducted a comprehensive policy review of transit systems in the state. The final study report made a number of recommendations aimed at improving the governance, financing, administration and planning of transit systems.

Of the recommendations related to two public transit accounts established by the Legislature in 1990, five became effective in 1993. The recommendations relate to funding of these accounts and the use and distribution of account funds.

The central Puget Sound public transportation account (CPSPTA) and the public transportation systems account (PTSA) were created by the Transportation Funding Act of 1990. These accounts are to be funded, effective January 1, 1993, by a reduction in the motor vehicle excise tax (MVET)

which local transit agencies may impose from 0.815 percent to 0.725 percent. The CPSPTA is funded from the reduction of MVET for transit systems in King, Pierce and Snohomish counties. Those funds are pooled and may be used within the three-county region for high capacity transportation (HCT) system development, high occupancy vehicle (HOV) lanes and related facilities, and contributions required to fund projects approved by the Transportation Improvement Board (TIB).

The PTSA is funded by transit systems in the remainder of the state which impose the MVET. These monies may be used by the transit systems from which the funds are derived for the development of HCT systems, HOV lanes and related facilities, other public transit system-related roadway projects, and as contributions are required to fund projects approved by the TIB.

When these accounts were established, no process for distribution of monies was prescribed except that those monies could only be distributed by legislative appropriation.

Transit systems are currently authorized to impose an up-to-0.815 percent MVET and, effective July 1, 1992, a 0.725 percent MVET. This MVET rate must be matched by locally generated tax revenues. The difference between the maximum amount of MVET authorization and the rate which can actually be imposed by systems by virtue of local tax revenues is the "residual." Currently, this residual from transit agencies reverts to the transportation fund.

Summary of Bill: The uses of monies in the public transportation systems account (PTSA) and the central Puget Sound public transportation account (CPSPTA) are expanded to allow use for planning, development of capital projects, and for local match to federal programs. The Department of Transportation (DOT) is to develop a management plan for allocating monies within these accounts and submit it to the Legislative Transportation Committee (LTC) by July 1, 1992.

By August 1, 1992 and by July 1 of each even-numbered year thereafter, transit agencies are to apply to the DOT for funding in the ensuing biennium for the types of projects eligible for each account. The department is to establish an advisory council of policy and technical experts to assist in the review and prioritization of requests from transit agencies. The list of prioritized requests is to be included in the DOT biennial budget request. Transit agencies and regional transit authorities are eligible recipients.

The transit residual, that is the difference between the amount of motor vehicle excise tax which a transit agency may impose under the maximum rate and that which it is able to match with locally generated tax revenues, is to be deposited into one of the two public transportation accounts rather than into the transportation fund.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed, except funding provisions take effect January 1, 1993.

Testimony For: This legislation is part of a package of five bills which will implement recommendations from the Legislative Transportation Committee's public transportation study. Overall, the recommendations will improve the accountability, financing and governance of public transit in Washington. The Department of Transportation is prepared to carry out the requirements set forth in the bill.

Testimony Against: None.

Witnesses: Dan Snow, Washington State Transit Association; and Jim Toohey, Department of Transportation.