

SENATE BILL REPORT

HB 2941

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 27, 1992

Brief Description: Revising financing of public transit.

SPONSORS: Representatives R. Fisher, Prentice, Day, Wood, Paris and Nelson

HOUSE COMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Patterson, Chairman; von Reichbauer, Vice Chairman; Conner, Erwin, Madsen, Oke, Sellar, Skratek, and Thorsness.

Staff: Gene Baxstrom (786-7303)

Hearing Dates: February 25, 1992; February 27, 1992

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 transits.

Five of the recommendations concern two public transit accounts established by the Legislature in 1990 which become effective in 1993. The recommendations relate to funding of these accounts and the use and method for 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 difference between the MVET that a system would match with locally generated tax revenues at 0.815 percent and at .725 percent is the amount which goes into one of the two accounts. 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 system development, HOV lanes and related facilities, and contributions required to fund projects approved by the Transportation Improvement Board.

The PTSA is funded by transit systems in the remainder of the state which impose the motor vehicle excise tax. These monies may be used by the transit systems from which the funds are derived for development of high capacity transportation systems, for HOV lanes and related facilities, for other public transit system related roadway projects, and as contributions required to fund projects approved by the Transportation Improvement Board.

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 motor vehicle excise tax 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." This residual from transit agencies reverts to the transportation fund.

SUMMARY:

The uses of monies in the public transportation systems account and the central Puget Sound public transportation account are expanded to allow use for planning, development of capital projects, and for local match to federal programs. The Department of Transportation is to develop a management plan for allocating monies within these accounts and submit it to the Legislative Transportation Committee 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 department 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.

The residual, that is the difference between the amount of motor vehicle excise taxes which a transit agency generates at 0.815 percent and that which it is able to match with locally generated tax revenues, is to be deposited into one of the two accounts, rather than into the transportation fund.

The funding provisions of this act are to take effect on January 1, 1993.

Appropriation: none

Revenue: none

Fiscal Note: available

SUMMARY OF PROPOSED SENATE AMENDMENT:

The transfer of "residual" from the transportation fund to the transit account is deleted. Use of the public transportation systems account is expanded to provide assistance to newly formed systems and to systems located in economically distressed areas and preference is given to that assistance. Transit systems must be imposing the motor vehicle excise tax to be eligible for funds from the account.

TESTIMONY FOR:

A process is established for distribution of funds from the public transportation systems account and Central Puget Sound public transportation account. The use of funds in those accounts would be allowed for matching federal grants.

TESTIMONY AGAINST:

It transfers funds from the transportation fund to the public transit account (provision deleted).

TESTIFIED: PRO: Representative Ruth Fisher, prime sponsor; Jim Slakey, Department of Transportation; Dan Snow, WSTA; CON: Paul Locke