

SENATE BILL REPORT

ESB 5288

As Passed Senate, February 7, 2018

Title: An act relating to authorizing certain public transportation benefit areas to impose a sales and use tax increase approved by voters.

Brief Description: Authorizing certain public transportation benefit areas to impose a sales and use tax increase approved by voters.

Sponsors: Senators Hunt, Lias and Kuderer.

Brief History:

Committee Activity: Transportation: 1/30/17, 2/06/17 [DP, w/oRec].

Floor Activity:

Passed Senate: 2/07/18, 34-14.

Brief Summary of Engrossed Bill

- Allows certain Public Transportation Benefit Areas (PTBAs) to impose an additional 0.3 percent sales and use tax with voter approval. Currently, the PTBA operating in Thurston County would qualify.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators King, Chair; Sheldon, Vice Chair; Hobbs, Ranking Minority Member; Lias, Assistant Ranking Minority Member; Cleveland, Hawkins, Takko, Van De Wege and Walsh.

Minority Report: That it be referred without recommendation.

Signed by Senators Fortunato, O'Ban and Wilson.

Staff: Hayley Gamble (786-7452)

Background: Public Transportation Benefit Area. A PTBA is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. Cities must be wholly included or excluded. The PTBA is the most common type of district providing public transportation service in the state, with 21 currently in existence.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A PTBA may collect fares for service and, with approval of the majority of the voters within the area, impose a sales and use tax within the area. Currently all but one PTBA may impose a sales and use tax up to a 0.9 percent. One PTBA operating in Snohomish County meets the population threshold required to implement an additional 0.3 percent, for a total of 1.2 percent voter approved sales and use tax.

Summary of Engrossed Bill: Added population requirements allow PTBAs that meet these new requirements to impose an additional 0.3 percent sales and use tax with voter approval, for a total of 1.2 percent sales and use tax. Currently, the PTBA operating in Thurston County would meet the new requirement of being a PTBA in a county with a population of more than 250,000, but less than 400,000, and also containing two or more cities with a population of over 40,000.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill takes effect on August 1, 2018.

Staff Summary of Public Testimony: PRO: A voter approved sales tax was provided to Snohomish PTBA last year. Thurston County is rapidly growing. It has a robust transit system and this increase would allow Thurston County to meet the growing need for transit service. Intercity Transit provides and promotes a sustainable and livable community and is a great steward of public funds. The community wants more service than Intercity Transit can currently provide. There are more people including older people living in Thurston County and needs are only going to grow.

As someone who became dependent on transportation, we need more fixed line and dial-a-ride services. You do not know how much you need transportation until you do not have it. Reliable transportation is vital to this area. Our comprehensive plan is dependent on a higher level of public transportation. Transit is the efficient choice for a growing community. Students are heavily dependent on public transportation. Please give us the authority to ask taxpayers to raise their taxes to fund transit.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor; Ann Freeman-Manzanares, Intercity Transit; Nathaniel Jones, Olympia City Council, Mayor Pro-Tem; Lin Zenki, citizen; Walter Smit, citizen; Bud Blake, Thurston County Commissioner; Larry Watkinson, citizen.

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