
Transportation Committee

HB 2362

Brief Description: Addressing local transportation revenue options.

Sponsors: Representatives Ramos, Callan, Ryu, Chapman, Doglio, Senn, Kloba, Gregerson and Pollet.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Provides cities and counties with certain councilmanic taxing authority to be used for transportation purposes.

Hearing Date: 2/20/20

Staff: David Munnecke (786-7315).

Background:

Cities and counties have authority to impose a number of taxes for the purpose of raising local transportation revenue. Some of these local taxing options require voter approval and some require approval by the governing body of the city or county, which is also referred to as councilmanic authority.

Some of the local taxing options include:

- a city utility tax on electricity, gas, steam, and telephone of up to 6 percent without voter approval, and more than 6 percent with voter approval;
- a transportation benefit district sales and use tax that requires voter approval, may not exceed 0.2 percent, or be imposed for a period exceeding 10 years unless the tax is bonded against or receives an affirmative extension vote; and
- a county motor vehicle fuel tax, which requires voter approval, must be 10 percent of the statewide fuel tax rate, must be used for highway purposes, and must be partly distributed to cities within the imposing county.

Summary of Bill:

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.

Cities or towns may councilmanically impose a utility tax of up to 2 percent to be used exclusively for transportation improvements in a state, regional, or local transportation plan.

Transportation benefit districts, that include all the territory within the boundaries of the establishing jurisdictions, may councilmanically impose a sales and use tax not to exceed 0.4 percent. This tax may not be imposed for a period exceeding 20 years, unless the tax is bonded against or receives an affirmative extension vote or a majority vote of the governing board.

Cities, in addition to counties, may impose a local motor vehicle fuel tax. With voter approval, the rate may be no more than 10 percent of the statewide fuel tax rate. When approved councilmanically, the rate may be no more than 5 percent of the statewide fuel tax rate. The proceeds of a county-imposed motor vehicle fuel tax would be retained entirely by the imposing county.

The bill also includes a severability clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2020.