

# FINAL BILL REPORT

## SSB 5528

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Synopsis as Enacted

**Brief Description:** Concerning the imposition of supplemental revenue sources within a regional transit authority area.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Pedersen, Lias and Hawkins).

**Senate Committee on Transportation**  
**House Committee on Transportation**

**Background:** Regional Transit Authority. A Regional Transit Authority (RTA) is authorized to levy and collect taxes within its boundaries and to use its tax revenues to plan, construct, and operate high-capacity transportation, such as express bus services and light rail. There is currently one RTA—Sound Transit—which operates light rail, commuter rail, and express bus service in parts of King, Snohomish, and Pierce counties. Sound Transit currently imposes the following voter-approved taxes:

- 1.4 percent sales and use tax;
- 1.1 percent motor vehicle excise tax (MVET);
- an annual \$0.25 per \$1,000 of assessed value property tax; and
- a rental car sales tax of 0.8 percent.

High Capacity Transportation System Planning and Expert Review Panel Oversight. Local authorities must follow a specific planning process for high capacity transportation system and project plans if their system plan includes a rail fixed guideway system component or a bus rapid transit component that is planned by a regional transit authority. An expert review panel must provide independent technical review for development of any system plan that will be funded in whole or in part by the imposition of any voter-approved local option funding sources and includes a rail fixed guideway system component or a bus rapid transit component that is planned by a regional transit authority. The expert review panel must be selected cooperatively by the chairs of the Senate and House of Representatives Transportation committees, the secretary of the Department of Transportation, and the Governor.

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

**Summary:** Authority to Establish Enhanced Service Zones. The board of an RTA may establish one or more enhanced service zones (ESZ) within a portion of the boundaries of the RTA to finance high capacity transportation system improvements directly benefiting the respective ESZ. An ESZ must lie entirely within the RTA boundaries and must comprise no less than the entire portion of a city or town that lies within the RTA boundaries. An ESZ may also include one or more entire adjacent cities or towns and adjacent unincorporated areas, and must contain all or portions of one or more high capacity transportation projects included within an existing voter-approved regional transportation plan. There may also be multiple ESZs encompassing the same city or town, and adjacent unincorporated area.

Authority to Collect Additional Funding Within an Enhanced Service Zone. An RTA may levy and collect within the boundaries of an ESZ one or more of the following voter-approved local option funding sources to finance the proposed improvements within the ESZ:

- a special MVET up to 1.5 percent in addition to the existing RTA MVET; and
- a commercial parking tax.

The commercial parking tax cannot be applied to exclusive and individual parking stalls provided as an inseverable condition of a residential lease agreement for the duration of that lease agreement, or parking charged separately from the residential rent payment, as long as the parking stall is in the same residential building in which the lessee resides.

Establishment Processes and Other Requirements. Before an ESZ may be established, it must first be recommended to the RTA board by an advisory committee composed of board members representing the subarea in which the proposed ESZ is located. The advisory committee's recommendations must include proposed system improvements benefiting the ESZ, to be financed by residents of the ESZ but constructed and operated by the RTA.

If the board establishes the recommended ESZ, then the board must submit a ballot proposition to voters within the ESZ at a general or special election for approval of the proposed system improvements and funding sources. The funding sources may not be imposed without approval of a simple majority of the voters in the ESZ voting on the proposition. The proposition must include a specific description of the proposed system improvement or improvements, including speed, reliability, and safety enhancements to the improvements, and the funding sources to be imposed within the ESZ to raise revenue to fund the improvement or improvements.

Design and construction of the system improvements approved by the voters of an enhanced service zone may not delay the estimated completion date of high capacity transportation system improvements contained in an existing voter-approved regional transit plan, by more than six months.

A regional transit authority may not proceed with the construction of any system

improvement or improvements financed by an enhanced service zone prior to providing a report regarding the engineering and financing of each such system improvement to the transportation committees of the Legislature that confirms that the system improvement will not delay the estimated completion date of high capacity transportation system improvements contained in an existing voter-approved regional transit plan by more than six months.

A ballot proposition to voters within the enhanced service zone may authorize improvements that are:

- enhancements to one or more high capacity transportation systems contained in an existing voter-approved regional transit plan, including modifications to an existing system's facilities that improve performance characteristics such as speed, reliability, potential for future expansion, and safety or the completion date of the system, but do not change the mode or route alignment of the system previously approved by voters, and improvements to service, such as reducing headway times or adding interim bus service;
- new rail improvements on alignments that are not contained in an existing voter-approved regional transit plan and connect to the high capacity transportation system;
- high capacity transportation system planning for future system expansion within the enhanced service zone; or
- a combination of these improvements.

Planning process requirements in RCW 81.104.100 and expert review panel requirements in RCW 81.104.110 are suspended for any ballot proposition submitted to the voters of an enhanced service zone for planning and improvements, if the improvements are enhancements and only contain modifications to an existing system's facilities that improve performance characteristics, but do not change the mode or route alignment of the system previously approved by voters.

To the extent that system improvements include new light rail components within Seattle, the light rail components shall be in entirely exclusive rights-of-way and not contain any level traffic crossings with modes not part of the light rail system.

Sound Transit is authorized to pledge ESZ parking taxes to retire bonds issued solely for providing high capacity transportation service and to contract with the Department of Revenue or other entities for collection of ESZ revenues.

**Votes on Final Passage:**

Senate	28	21	
House	50	48	(House amended)
Senate	29	18	(Senate concurred)

**Effective:** June 9, 2022