

2016 Seattle City Council Statement of Legislative Intent

Ready for Notebook

Tab	Action	Option	Version
98	1	A	1

Budget Action Title: Evaluate a new program requiring employers to provide transit benefits to employees

Councilmembers: Bagshaw; Burgess; O'Brien; Rasmussen

Staff Analyst: Calvin Chow; David Yeaworth

Date		Total	SB	BH	JO	TR	NL	TB	JG	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

Council requests that the Executive evaluate the feasibility and merits of a potential new program requiring employers to provide transit benefits to employees. This evaluation should include a City-led process to consult with affected and interested stakeholder groups.

Background:

Traffic congestion is repeatedly cited as a significant concern to Seattle residents. To reduce congestion, it is well documented that one of the best solutions is to incentivize more commuters to take transit, as opposed to traveling by single-occupancy vehicle.

Today, a number of Seattle employers provide incentives for their employees to take transit, through benefits such as tax-free employer-paid transit passes, a federal pre-tax payroll deduction for employees to purchase their own transit passes, employer-provided shuttle programs, or other similar programs. However, these incentives are generally provided by employers on a voluntary basis only.

Recently, San Francisco, New York City, and the District of Columbia have enacted legislation that mandates employers with over 20 full-time employees to provide these types of transit benefits to their employees. Many employers choose to offer the federal pre-tax payroll deduction option to employees, as this benefit can actually save employers from paying payroll taxes on the dollars set aside by employees pre-tax.

The merits of enacting similar legislation in Seattle have not been explored before. The possibility of incentivizing more employees to take transit is intriguing, as it could have a significant positive impact on transit ridership and contribute to a reduction in single-occupancy vehicle usage. As the Executive evaluates potential new requirements for employers, research should include, but not be limited to, the following:

- The City's authority to enact such legislation;
- The number of Seattle employers – small, medium, and large – that currently provide transit benefits to employees;
- City costs associated with enforcing a mandatory transit benefits requirement; and
- The experiences of other cities that have enacted similar legislation.

Responsible Council Committee(s): Transportation

Date Due to Council: June 1, 2016