

## Connecting Washington 10-Year Revenue Options Menu

Sources Authorized by Legislature Without 2/3 Majority Vote (Flexible Funding Sources)		
Sources	10-year estimate (2014-2023)	Background and Considerations
Tolling	Depends on individual facility	<ul style="list-style-type: none"> <li>• Available as a tool to generate revenue and manage traffic.</li> <li>• Decisions to toll one part of the system potentially have operational impacts on other parts of the system.</li> <li>• May not be an effective revenue source for all projects.</li> </ul>
Driver Record Abstract Fees (fee increase of \$2 based on 2011 SHB 2053)	\$65 m	<ul style="list-style-type: none"> <li>• Currently \$10.00</li> <li>• Does not keep up with inflation without regular increases.</li> </ul>
Vehicle Title Fees (fee increase of \$10 based on 2011 SHB 2053)	\$237 m	<ul style="list-style-type: none"> <li>• Currently \$30.00</li> <li>• Does not keep up with inflation without regular increases.</li> </ul>
Drivers License Fees (originals increase by \$20 and renewals increase by \$15)	\$185 m	<ul style="list-style-type: none"> <li>• Currently \$45.00 for an original license and \$25.00 for renewals. Drivers must renew every 5 years.</li> <li>• Does not keep up with inflation without regular increases.</li> </ul>
Studded Snow Tire Fee (\$5 per tire fee at the time of purchase only)	\$7 m	<ul style="list-style-type: none"> <li>• Currently fee of \$1.00 for the retail sale of new replacement tires.</li> <li>• There is a relationship between the use of studded snow tires and impacts on pavement in the existing system.</li> <li>• This source may not have long-term benefits based on developments in all weather tire technology.</li> </ul>
Electric Vehicle Fee (\$100 annually)	\$10 m	<ul style="list-style-type: none"> <li>• This source may be more useful over time if the use of electric vehicles increases.</li> </ul>
Gross Vehicle Weight Fee (10% increase) Existing fee varies based on the vehicle	\$130 m	<ul style="list-style-type: none"> <li>• Paid by trucks with gross weight of 4,000 pounds or more and commercial trailers.</li> <li>• There is a strong relationship between the weight of the vehicle and the impact on the existing system.</li> </ul>
Passenger Weight Fee (\$50 increase)	\$2.5 b	<ul style="list-style-type: none"> <li>• Currently \$10/\$20/\$30</li> <li>• There is a strong relationship between the weight of the vehicle and the impact on the existing system.</li> </ul>
Passenger Weight Fee (\$30 increase)	\$1.5 b	
Passenger Weight Fee (\$15 increase)	\$757 m	

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Sources that Require a Two-Thirds Vote of the Legislature or Voter Approval		
Source	10-Year Estimate (2014-2023)	Background and Considerations
Tax Increase Deposited in Dedicated Fund for Maintenance	Depends on source of funds	<ul style="list-style-type: none"> <li>• Source of funds would be deposited in a dedicated account for operating and maintaining the system.</li> <li>• Evaluate whether some portion of existing funds could also be deposited in a dedicated maintenance fund.</li> <li>• Any toll project must dedicate funds to operations and maintenance as part of the bond covenants.</li> </ul>
Fuel Tax (20 cent total increase): 6 cent increase in 2014, 6 cents in 2015; penny per year starting in 2016—Cash only	\$4.7 b	<ul style="list-style-type: none"> <li>• 18<sup>th</sup> amendment restricted</li> <li>• Without regular increases, this is a flat revenue source that does not grow with inflation.</li> <li>• Bonding the full amount requires other sources of funds for operating and maintaining the system.</li> </ul>
Fuel Tax (15 cent total increase): 5 cent increase in 2014, 5 cent increase in 2015, 5 cent increase in 2016—Cash Only	\$4.3 b	
Fuel Tax (15 cent total increase): 6 cent increase in 2014, penny per year starting in 2015—Cash Only	\$3.3 b	
<b>Bond Proceeds (assumes 100% bonded and interest rates of 5%-6% for debt service)</b>		
\$1 billion in bond proceeds (need additional tax rate of 2 cents to 2.3 cents per gallon)	\$1.0 b	
\$5 billion in bond proceeds (need additional fuel tax rate of 10.2 cents to 11.4 cents per gallon)	\$5.0 b	
\$10 billion in bond proceeds (need an additional fuel tax rate of 20.3 cents to 22.7 cents per gallon)	\$10.0 b	
Statewide Motor Vehicle Excise Tax (1% of value of the vehicle)	\$4.0 b	<ul style="list-style-type: none"> <li>• Flexible fund source</li> <li>• Used as a source of funds for ferries, transit and local governments prior to elimination in 2000.</li> <li>• Implementation would require review of the interaction with local option MVET.</li> </ul>
Barrel Tax (\$0.5 per barrel tax on oil products refined in Washington)	\$1.1 b	<ul style="list-style-type: none"> <li>• A fee that can be assessed on a per barrel basis at the wholesale level.</li> <li>• New infrastructure at the Department of Licensing would be necessary to collect.</li> </ul>

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Hazardous Substance Tax (0.6% increase)	\$1.8 b	<ul style="list-style-type: none"> <li>• A tax on the first possession of hazardous substances. Funds are used clean up and manage solid and hazardous waste. Use of funds for transportation purposes would have to compete with non-transportation purposes.</li> </ul>
Vehicle Miles Traveled Tax	Framework is not in place to estimate.	<ul style="list-style-type: none"> <li>• Flexible fund source</li> <li>• The VMT fee is a direct user charge based on actual system use, like other public utility charges (water, electricity).</li> <li>• There would be a cost associated with establishing the infrastructure for a VMT fee and at least one significant pilot project is necessary. The estimated ramp-up time to full implementation is 8-10 years.</li> </ul>
Emissions Tax (Representative Example Based on British Columbia Experience)	At B.C.'s initial rate, could generate \$433 m per year.	<ul style="list-style-type: none"> <li>• An environmental tax levied on the carbon content of fuels.</li> <li>• British Columbia introduced a carbon tax in 2008, with a \$10 per ton charge, annually increasing by \$5 per ton. In the first two years, the carbon tax generated \$848 million.</li> <li>• There would be a cost associated with establishing the infrastructure to assess the tax.</li> <li>• Flexible fund source.</li> </ul>

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Potential Local Option Sources	
Source	Investment Options
Local Option MVET—This could be in lieu of or in addition to a local sales tax for transit.	<ul style="list-style-type: none"> <li>· Mix of transit service and local road maintenance investments</li> </ul>
Local Option Fuel Tax—Examples of changes to the existing authority include transitioning to a flat rate and councilmatic approval authority.	<ul style="list-style-type: none"> <li>· Local Improvements on 2011 Top 20 list</li> <li>· Local maintenance needs not addressed at state level</li> </ul>
Local Property Tax	Increase limit on county road property tax or pursue a city option for transportation purposes.
Local Tolling	Available for mix of street and transit investments
Parking Stall Fee	Available for mix of street and transit investments
City Street Utility Authority	Available for maintenance