

**DRAFT**  
**2019 New Law Transportation Funding Concept Summary**  
**FY 2020 – FY 2029**

**Needs & Nexus:**

*Preservation:*

Investing in the upkeep and safety of our state's bridges, roads and other aspects of our state's transportation system is critical to public safety and our economy. While the 2015 Connecting Washington package addressed ongoing needs of the state, additional funding is required to maintain and preserve existing infrastructure and investments.

- In order to prioritize the maintenance and preservation of existing investments the proposal includes over \$1 billion for preservation needs, as well as \$500 million for maintenance.
- This recognizes the importance of focusing not just on system additions, but ensuring the state's existing infrastructure is in good repair and system performance is maximized.

*Environmental protection:*

Washington's transportation sector is by far the largest single source of carbon emissions in the state, accounting for approximately 50 percent of all greenhouse gases.

- No other proposal takes on the environmental challenges facing this state as comprehensively as this one. This plan addresses many of the major recommendations of the Southern Resident Killer Whale Recovery Task Force, including:
  - Investment in replacement of culverts to allow for fish passage at the state and local level, opening up nearly 1,000 miles of fish habitat.
  - A \$500 million investment in legacy storm water projects – the No. 1 source of pollution in Puget Sound.
  - Electrification of the state's ferry vessels along with terminal and grid upgrades, reducing carbon and noise pollution.

*Economic opportunity:*

Washington is growing. That requires increased investment in our transportation infrastructure. Our state has the opportunity to lead the nation when it comes to embracing new and emerging forms of transportation. Meaningful investments now will position us as a leader in the development of a 21st century infrastructure and a desirable destination for businesses.

- These investments will create more than 65,000 family wage jobs throughout the state, with projects from the Palouse to Puget Sound.

- With the growth in population and reliance on our already congested roads, this proposal invests in state highway and local road improvements, getting people home to their families rather than stuck in their cars.

### *Equity:*

The impacts of our transportation system, whether negative or positive, are felt particularly hard by communities lacking in economic and social opportunities. Whether it's a lack of access to affordable transit options, or high rates of asthma from exposure to carbon emissions, these communities deserve much more.

- The plan invests in areas where these communities are underserved, such as transportation for people with special needs, rural mobility, commute trip reduction and transit planning, as well as bicycle and pedestrian projects.
- Healthier communities will be created through electrification and the reduction of carbon emissions.

### **Summary:**

#### *Carbon Fee:*

Imposes a flat rate \$15 per metric ton fee on carbon dioxide emissions on the sale or use of fossil fuels within the state of Washington and the sale or use of electricity in Washington generated using fossil fuels. Exemptions to the fee are similar to those provided for under SB 6203 from 2018. No credits against the fee are allowed.

Revenue from the fee is dedicated to environmental investments throughout the transportation system including:

- Fish passage barrier removal/corrections;
- Removal of key local fish passage barriers using a watershed approach;
- Storm water improvements;
- Next generation ferry vessel and terminal investments including electrification initiatives;
- Energy grid upgrades targeting transportation electrification;
- Washington State Department of Transportation (WSDOT) Local Programs including;
  - Bicycle and Pedestrian projects and grant program
  - Safe Routes to Schools grant program
  - Complete Street grant program
- Grant funding through the WSDOT Public Transportation Program including;
  - Special Needs
  - Rural Mobility

- Bus & Bus Facility
- Vanpool
- Transit Coordination
- Commute Trip Reduction (CTR)
- Debt service repayment on related capital investments.

*Motor and Special Fuels Excise Tax:*

Raises the state's fuel tax rate to 55.4 cents per gallon, an increase of 6 cents per gallon.

Revenue from the tax is dedicated to highway investments including:

- State highway and local road/street improvements and preservation;
- Tribal highway/road/street improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities; and
- Debt service repayment on related capital investments.

*Transportation Impact Fees:*

Imposes transportation impact fees of \$2.50 per square foot for commercial development and \$1.00 per square foot for manufacturing and residential development.

Revenue from the tax is dedicated to development and growth management investments including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- Direct distributions to cities and counties;
- Grant funding through CRAB, FMSIB, TIB, and WSDOT Local Programs including;
  - Bicycle and Pedestrian projects and grant program
  - Safe Routes to Schools grant program
  - Complete Streets grant program
- Removal of key local fish passage barriers using a watershed approach; and
- Grants to port districts.

*Truck and Motorhome Weight Fees:*

Increases existing weight fees by \$10 per year for light trucks. Increases motorhome weight fee by \$25 per year. Increases freight project fee by 15%. Accelerates previously authorized weight fee increases scheduled for 2023 to 2020.

Revenue from the fees are dedicated to highway investments including:

- State highway and local road/street improvements and preservation;
- Tribal highway/road/street improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities;
- Grant funding through FMSIB; and
- Grants to port districts.

*Toll and High Occupancy Vehicle (HOV) Lane Violations:*

Increases penalty fees for toll and HOV lane violation by \$114.

Revenue from the penalty fee is dedicated to the maintenance costs of the tolled facility where the violation occurred.

*Passenger Vehicle Weight Fees:*

Increases existing weight fees by \$10 per year for passenger vehicles. Accelerates previously authorized weight fee increases scheduled for 2023 to 2020.

Revenue from the fee is dedicated to highway and multimodal investments throughout the transportation network including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities;
- Palouse River & Coulee City (PCC) railroad upgrades;
- Grant funding through FMSIB;
- Grants to port districts; and
- Grant funding through the WSDOT Public Transportation Program including:
  - Special Needs
  - Rural Mobility
  - Bus & Bus Facility
  - Vanpool
  - Transit Coordination
  - Commute Trip Reduction (CTR)

*Passenger Vehicle Basic License Fee:*

Raises the basic license fee on passenger vehicles to \$35, an increase of \$5 annually.

Revenue from the incremental increase in the tax is dedicated to highway investments including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations; and
- State highway related facilities.

*Enhanced Driver's License (EDL) Fee:*

Increases the EDL fee by \$30 beginning in October of 2020.

Revenue from the fee is dedicated to transportation investments including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities;
- PCC railroad upgrades; and
- Grant funding through the WSDOT Public Transportation Program including:
  - Special Needs
  - Rural Mobility
  - Bus & Bus Facility
  - Vanpool
  - Transit Coordination
  - Commute Trip Reduction (CTR)

*Auto Parts Sales & Use Tax:*

Increases the sales and use tax rate on the sale of auto parts by 1%.

Revenue from the incremental increase in the tax is dedicated to highway investments including:

- State highway and local road/street improvements and preservation;
- Tribal highway/road/street improvements and preservation;
- State highway maintenance;
- State highway traffic operations; and
- State highway related facilities.

*Electric Vehicle Fee:*

Increases the electric vehicle fee by \$200.

Revenue from the fee is dedicated to investments including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities; and
- Alternative fuel credits.

*Rental Car Tax:*

Increases the rental car tax by 1%.

Revenue from the incremental increase in the tax is dedicated to highway investments including:

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations; and
- State highway related facilities.

*For-Hire Vehicle Fee:*

Imposes a 50 cent per trip fee on for-hire vehicles.

- State highway and local road/street improvements and preservation;
- Tribal transportation improvements and preservation;
- State highway maintenance;
- State highway traffic operations;
- State highway related facilities;
- PCC railroad upgrades; and
- Grant funding through the WSDOT Public Transportation Program including:
  - Special Needs
  - Rural Mobility
  - Bus & Bus Facility
  - Vanpool
  - Transit Coordination

- Commute Trip Reduction (CTR)

*Washington State Ferries (WSF) Capital Vessel Surcharge:*

Raises the capital vessel surcharge to 50 cents, an increase of 25 cents.

Revenue from the surcharge is dedicated to next generation ferry vessel and terminal investments including electrification initiatives.

*Bicycle Sales & Use Tax:*

Increases the sales and use tax rate on the sale of new bicycles, including e-bikes, by 1%.

Revenue from the tax is dedicated to transportation investments including:

- Grant funding through WSDOT Local Programs including:
  - Bicycle and Pedestrian projects and grant program
  - Safe Routes to Schools grant program
  - Complete Streets grant program
- State highway and local road/street improvements and preservation; and
- Tribal transportation improvements and preservation.

*Road Access Permits:*

Doubles the current road access permit fee (variable rate).

Revenue from the fee is dedicated to speeding up and supporting state highway access permitting activity.

*International Fuel Tax Agreement (IFTA) Decal & 3-Day Trip Permit Fee:*

Increases the IFTA decal fee by \$40 and the 3-day trip permit fee by \$25.

Revenue from the fee is dedicated to highway investments including:

- Grant funding through FMSIB; and
- State highway preservation.

**Bond Authorization:**

A \$5 billion bond authorization backed by carbon fee and fuel tax revenues will expedite the benefits and facilitate generational equity of the investments.

## **Attendant Policy Initiatives:**

- Eliminate the sunset on 2015 Low Carbon Fuel Standard (LCFS) provision & expand prohibition to local jurisdictions.
- Identify fish passage barrier remediation and the US 2 trestle project as projects of statewide significance.
- Create a Columbia River bridge authority with jurisdiction over the Bridge of the Gods, Hood River bridge, I-5 bridge, and any future bridges spanning the Columbia River. Also identify these projects as projects of statewide significance.
- Advance delivery of the SR 167/SR 509 Puget Sound Gateway project.
- Advance delivery of the I-90/Barker to Harvard project.

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