

Estimated Revenue Impacts of Initiative 976*

(Dollars in Millions)

State Revenue Impacts	2019-21	2021-23	2023-25	2025-27	2027-29	10 Years
Passenger & Other Vehicle Weight Fees - \$25-\$72 Fee & FY 2023 \$10 Increase, Both Eliminated	(\$267.1)	(\$403.2)	(\$474.1)	(\$487.0)	(\$499.7)	(\$2,131.2)
License Fee by Weight for Light Duty Trucks - \$53-\$93 Fees to \$30	(\$113.7)	(\$139.7)	(\$140.4)	(\$142.1)	(\$144.7)	(\$680.7)
Sales and Use Tax on Vehicles - 0.3% Additional Tax Eliminated	(\$80.8)	(\$112.4)	(\$117.4)	(\$122.0)	(\$126.4)	(\$558.9)
Electric Vehicle Fees - \$150 Fees to \$30	(\$6.8)	(\$13.1)	(\$19.9)	(\$27.5)	(\$34.4)	(\$101.7)
Motor Home Vehicle Weight Fee - \$75 Fee Eliminated	(\$8.2)	(\$10.4)	(\$10.5)	(\$10.5)	(\$10.6)	(\$50.2)
Snowmobile Registration Fees - \$50 Fee to \$30	(\$0.7)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$4.4)
Commercial Trailers Registration Fee - \$34 Initial Fee to \$30	(\$0.6)	(\$0.8)	(\$0.8)	(\$0.8)	(\$0.8)	(\$3.9)
TOTAL STATE REVENUE IMPACTS	(\$478.1)	(\$680.5)	(\$764.0)	(\$790.9)	(\$817.5)	(\$3,531.0)

Local Government Revenue Impacts	2019-21	2021-23	2023-25	2025-27	2027-29	10 Years
Sound Transit** - Scenarios include: (1) MVET Is Eliminated If Bonds Are Paid Off by March 31, 2020; (2) the .8% MVET Goes to .2% On April 1, 2020 If Bonds Are Not Paid Off; (3) Potential Impacts From Converting to Kelley Blue Book for Vehicle Valuation	0 - (\$656)	0 - (\$656)	0 - (\$656)	0 - (\$656)	0 - (\$656)	Unknown
Transportation Benefit District (TBD) Vehicle Fees*** - \$20 - \$100 Fee Eliminated	(\$116.4)	(\$116.4)	(\$116.4)	(\$116.4)	(\$116.4)	(\$581.9)

Notes

* Information in this document is based on the Office of Financial Management (OFM) fiscal impact statement updated in Sept. 2019. Please see their document for detailed discussion of the assumptions used in the calculations. Some of the major assumptions include: (1) assuming a Dec. 5th, 2019 effective date for most of the provisions; (2) utilizing the June 2019 revenue forecast estimates; and (3) using local revenues based on fiscal year 2018 actuals without any forecast adjustment. Beginning in November 2019, the revenue impacts of I-976 will be updated quarterly as part of the transportation revenue forecast process. In addition to the revenue impact, the OFM information discusses approximately \$3 million in expenditures related to the implementation of the initiative in the 2019-21 biennium.

** The OFM fiscal impact statement discusses a potential impact of \$328 million per year in reduced revenues representing the entire FY 2018 MVET collections. The OFM information expresses uncertainty regarding the ability of Sound Transit to pay off the bonds and therefore the impact on the contingent effective date provisions. In addition, the ability of Sound Transit to impose a 2.2% rental car tax is repealed by I-976 which would reduce their revenues by approximately \$8 million per biennium. The OFM fiscal impact statement does not specifically discuss the repeal of the rental car tax provisions.

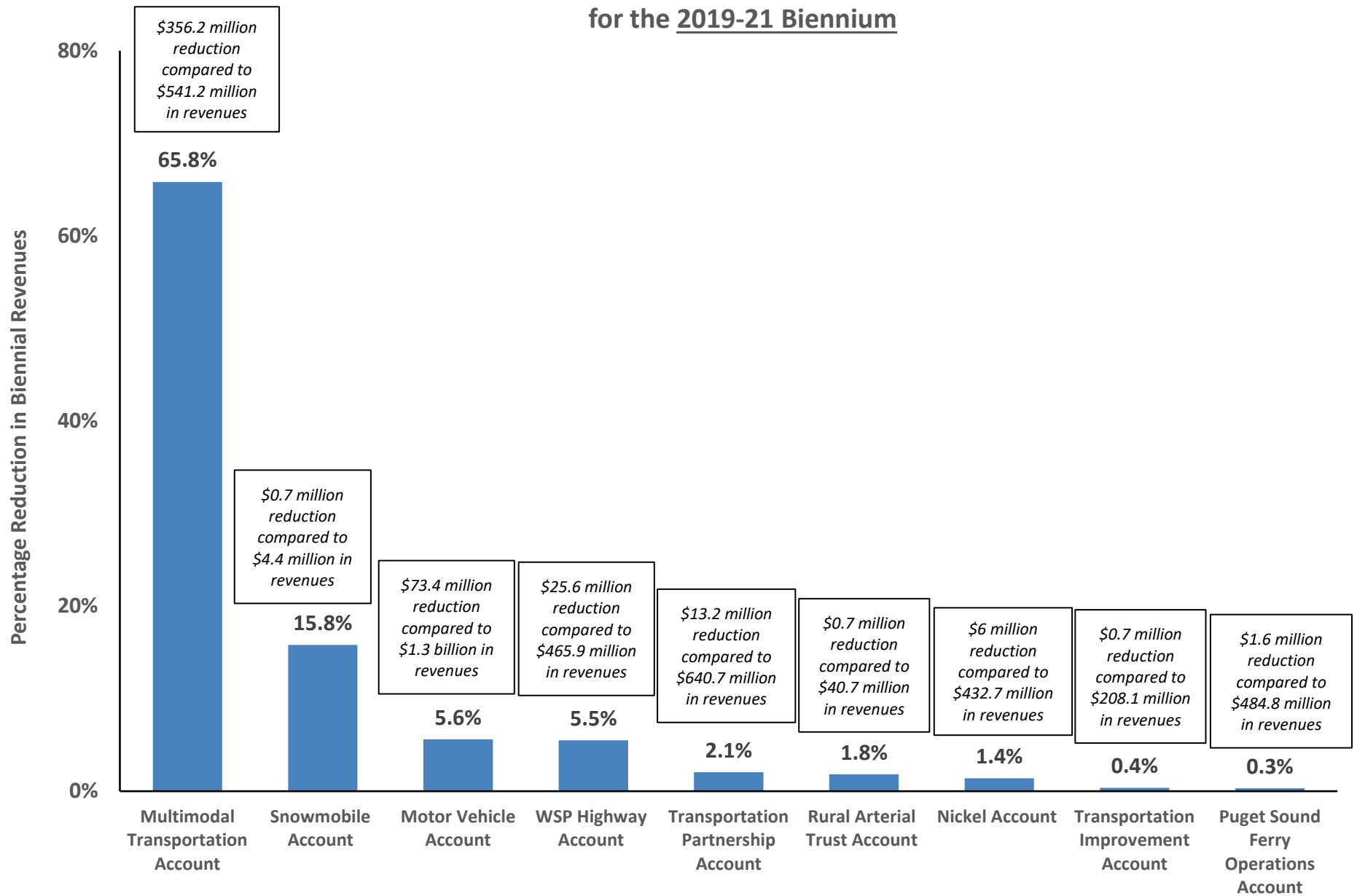
*** Assumes both the councilmanic and voter approved capability of TBDs to impose local vehicle fees is eliminated. The ability of TBDs to impose a local option sales and use tax is not impacted by the initiative. The initiative also repeals the authority of a Public Transportation benefit Area, with a boundary on the Puget Sound, to impose an MVET of up to 0.4 percent. This provision is not currently being utilized.

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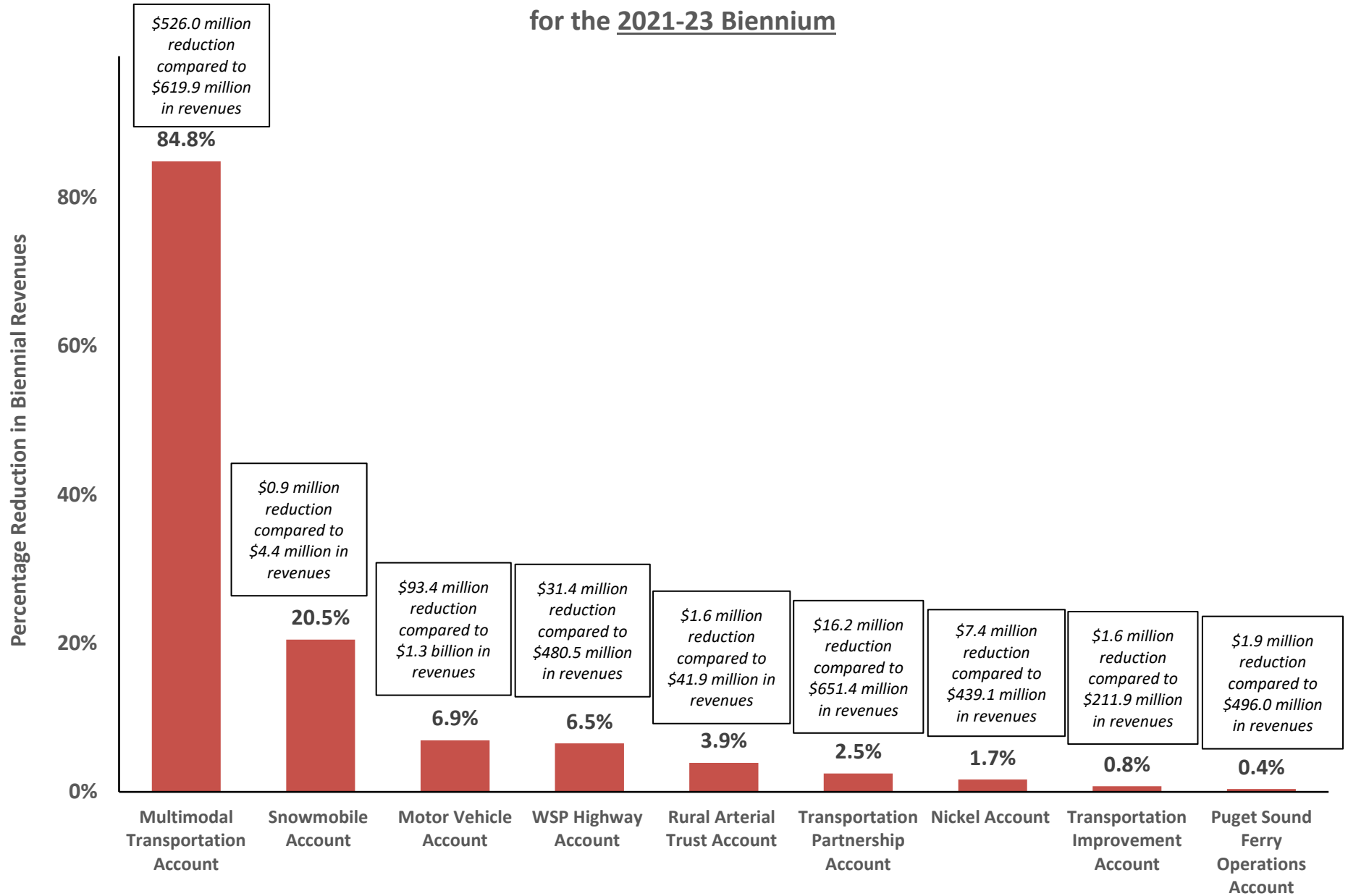
State Fund Breakout	2019-21	2021-23	2023-25	2025-27	2027-29	10 Years
Multimodal Transportation Account (218)	(\$356.2)	(\$526.0)	(\$602.0)	(\$619.5)	(\$636.6)	(\$2,740.3)
Motor Vehicle Account (108)	(\$73.4)	(\$93.4)	(\$98.7)	(\$105.1)	(\$111.6)	(\$482.2)
WSP Highway Account (081)	(\$25.6)	(\$31.4)	(\$31.6)	(\$32.0)	(\$32.5)	(\$153.1)
Transportation Partnership Account (09H)	(\$13.2)	(\$16.2)	(\$16.3)	(\$16.5)	(\$16.8)	(\$79.0)
Nickel Account (550)	(\$6.0)	(\$7.4)	(\$7.4)	(\$7.5)	(\$7.6)	(\$35.9)
Puget Sound Ferry Operations (109)	(\$1.6)	(\$1.9)	(\$1.9)	(\$2.0)	(\$2.0)	(\$9.4)
Snowmobile Account (01M)	(\$0.7)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$4.3)
Rural Arterial Trust Account (102)	(\$0.7)	(\$1.6)	(\$2.6)	(\$3.7)	(\$4.7)	(\$13.4)
Transportation Improvement Account (144)	(\$0.7)	(\$1.6)	(\$2.6)	(\$3.7)	(\$4.7)	(\$13.4)
Total State Funds	(\$478.1)	(\$680.5)	(\$764.0)	(\$790.9)	(\$817.5)	(\$3,531.0)

Projected Revenue Impacts By Fund of Initiative 976 for the 2019-21 Biennium



* Information reflects the 2019-21 biennium revenue reductions from the OFM fiscal impact statement regarding I-976 compared to projected biennial revenues for each account based on the June 2019 revenue forecast.

Projected Revenue Impacts By Fund of Initiative 976 for the 2021-23 Biennium



* Information reflects the 2021-23 biennium revenue reductions from the OFM fiscal impact statement regarding I-976 compared to projected biennial revenues for each account based on the June 2019 revenue forecast.

I-976 Impacts on Adopted 2019-21 Transportation Budget

I-976 IMPACTED ACCOUNTS

Snowmobile Account

- Funds Snowmobile facilities, safety, enforcement, and education programs.
- Appropriated in operating budget.
- State Parks & Rec Commission
- Revenues are snowmobile taxes, licenses, permit fees.

2019-21 beginning balance:	\$4,221
2019-21 revenues/transfers:	\$4,461
2019-21 assumed expenditures:	\$5,632
2019-21 assumed I-976 impact:	(\$687)
2019-21 ending balance:	\$2,363

State Patrol Highway Account

- Funds highway activities of the Washington State Patrol.
- WSP operating and capital
- Vehicle related fees, driver related fees and federal and local revenues.

2019-21 beginning balance:	\$1,425
2019-21 revenues/transfers:	\$534,732
2019-21 assumed expenditures:	\$532,196
2019-21 assumed I-976 impact:	(\$25,578)
2019-21 ending balance:	(\$21,617)

I-976 IMPACTED ACCOUNTS

Transportation Partnership Account

- Funds highway projects and activities from the 2015 Connecting Washington revenue package and associated debt service.
- WSDOT
- Vehicle related fees and gas tax, bond proceeds.

2019-21 beginning balance:	\$91,946
2019-21 revenues/transfers:	\$765,891
2019-21 assumed expenditures:	\$856,836
2019-21 assumed I-976 impact:	(\$13,192)
2019-21 ending balance:	(\$12,191)

Rural Arterial Trust Account

- Funds the Rural Arterial Program.
- County Road Administration Board (CRAB)
- Vehicle related fees and gas tax.

2019-21 beginning balance:	\$22,480
2019-21 revenues/transfers:	\$46,719
2019-21 assumed expenditures:	\$67,133
2019-21 assumed I-976 impact:	(\$742)
2019-21 ending balance:	\$1,324

I-976 IMPACTED ACCOUNTS

Motor Vehicle Account

- Major account for funding state highway purposes. Distribution of gas tax to other accounts and cities/counties.
- WSDOT, Dept. of Licensing, multiple other smaller agency allocations.
- Vehicle related fees and gas tax, bond proceeds.

2019-21 beginning balance:	\$66,959
2019-21 revenues/transfers:	\$2,265,579
2019-21 assumed expenditures:	\$2,324,982
2019-21 assumed I-976 impact:	(\$73,433)
2019-21 ending balance:	(\$65,877)

Puget Sound Ferry Operations Account

- Funds maintenance and operations of the state ferry system.
- WSDOT
- Ferry fares & concessions, vehicle related fees, federal funds.

2019-21 beginning balance:	\$3,460
2019-21 revenues/transfers:	\$550,176
2019-21 assumed expenditures:	\$549,178
2019-21 assumed I-976 impact:	(\$1,573)
2019-21 ending balance:	\$2,885

I-976 IMPACTED ACCOUNTS

Transportation Improvement Account

- Funds city and county road improvement projects.
- Transportation Improvement Board (TIB)
- Gas tax, vehicle and other related fees.

2019-21 beginning balance:	\$17,280
2019-21 revenues/transfers:	\$228,687
2019-21 assumed expenditures:	\$245,720
2019-21 assumed I-976 impact:	(\$742)
2019-21 ending balance:	(\$495)

Nickel Account

- Funds highway projects and activities from the 2003 Nickel revenue package and associated debt service.
- WSDOT
- Vehicle related fees and gas tax, bond proceeds.

2019-21 beginning balance:	\$8,871
2019-21 revenues/transfers:	\$409,221
2019-21 assumed expenditures:	\$412,089
2019-21 assumed I-976 impact:	(\$5,991)
2019-21 ending balance:	\$12

MULTIMODAL ACCOUNT

	2019-21
Total Revenues / Resources	\$610,324
Beginning Fund Balance	\$78,975
Assumed Federal Revenues	\$15,185
Assumed Local Revenues	\$1,253
Amtrak Reimbursement/Insurance Proceeds	\$10,000
Bond Proceeds	\$25,000
Rental Vehicle Sales Tax	\$74,271
Treasury Deposit Earnings	\$775
Vehicle Related Fees	\$356,286
Vehicle Sales Tax	\$108,554
Incoming transfers (HSA, TIA accounts)	\$19,000

MULTIMODAL ACCOUNT

	2019-21
Total Outgoing Transfers/Distributions/Tax Credits (dollars in thousands)	(\$252,869)
Transfers to other accounts:	
To Pilotage Account:	(\$2,500)
To Puget Sound Capital Construction Account:	(\$15,000)
To Puget Sound Ferry Operating Account:	(\$45,000)
To Regional Mobility Grant Program Account:	(\$77,679)
To Rural Mobility Grant Account:	(\$32,223)
To Freight Mobility Multimodal Account:	(\$8,511)
To Transportation Infrastructure Account:	(\$5,000)
To Complete Streets Grant Program Account:	(\$14,670)
To Electric Vehicle Infrastructure Charg. Account:	(\$8,000)
Distributions and Tax Credits:	
Cities and Counties Direct Distribution (2015 CWA)	(\$26,786)
Commute Trip Reduction Tax Credits (2015 CWA)	(\$5,500)
Other Tax Credits and Incentives (2015 Alt. fuel incentives)	(\$12,000)

MULTIMODAL ACCOUNT

	2019-21
Total Expenditures	\$424,327
Debt Service & issuance costs	\$29,743
Joint Transportation Committee/Transportation Commission/OFM	\$1,162
WSP-Operating	\$286
DOT - Program Management, Delivery & IT	\$3,136
DOT - Improvements	\$5,408
DOT - Public/Private Partner	\$1,634
DOT - Transpo Mgmt and Support	\$1,129
DOT - Trans Planning	\$3,619
DOT - Charges From Other Agencies	\$2,491
DOT - Public Transportation	\$132,228
DOT - Rail-Operating	\$76,793
DOT - Rail-Capital	\$94,079
DOT - Local Programs-Operating	\$350
DOT - Local Programs-Capital	\$72,269
Ending Fund Balance	\$12,103
I-976 Assumed Revenue Reduction	(\$356,155)
Revised Ending Fund Balance	(\$344,052)