

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 <i>- \$25-\$72 Fee & FY 2023 \$10 Increase, Both Eliminated</i>	(\$250.1)	(\$402.2)	(\$473.2)	(\$486.1)	(\$498.7)	(\$2,110.2)
License Fee by Weight for Light Duty Trucks <i>- \$53-\$93 Fees to \$30</i>	(\$104.7)	(\$140.4)	(\$141.1)	(\$142.3)	(\$144.1)	(\$672.5)
Sales and Use Tax on Vehicles <i>- 0.3% Additional Tax Eliminated</i>	(\$81.0)	(\$112.8)	(\$117.8)	(\$122.5)	(\$127.0)	(\$561.1)
Electric Vehicle Fees <i>- \$150 Fees to \$30</i>	(\$8.8)	(\$17.2)	(\$25.0)	(\$33.4)	(\$41.2)	(\$125.7)
Motor Home Vehicle Weight Fee <i>- \$75 Fee Eliminated</i>	(\$7.6)	(\$10.2)	(\$10.2)	(\$10.3)	(\$10.3)	(\$48.7)
Snowmobile Registration Fees <i>- \$50 Fee to \$30</i>	(\$0.7)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$4.4)
Commercial Trailers Registration Fee <i>- \$34 Initial Fee to \$30</i>	(\$0.7)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$4.3)
TOTAL STATE REVENUE IMPACTS	(\$453.6)	(\$684.6)	(\$769.1)	(\$796.4)	(\$823.3)	(\$3,526.9)

Local Government Revenue Impacts	2019-21	2021-23	2023-25	2025-27	2027-29	10 Years
Sound Transit** <i>- 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</i>	0 - (\$656)	0 - (\$656)	0 - (\$656)	0 - (\$656)	0 - (\$656)	Unknown
Transportation Benefit District (TBD) Vehicle Fees*** <i>- \$20 - \$100 Fee Eliminated</i>	(\$116.4)	(\$116.4)	(\$116.4)	(\$116.4)	(\$116.4)	(\$581.9)

Notes

* Information in this document is based on the November 2019 quarterly transportation revenue forecast information produced by the Office of Financial Management. The amounts depicted assume a Dec. 5th, 2019 effective date for most of the provisions.

** 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 In addition, the ability of Sound Transit to impose a 2.2% rental car tax is repealed by I-976 which would reduce their revenues by approximately \$8 million per biennium.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.

Estimated Revenue Impacts of Initiative 976

(Dollars in Millions)

State Fund Breakout	2019-21	2021-23	2023-25	2025-27	2027-29	10 Years
Multimodal Transportation Account (218)	(\$338.7)	(\$525.2)	(\$601.2)	(\$618.9)	(\$636.1)	(\$2,720.0)
Motor Vehicle Account (108)	(\$69.9)	(\$97.7)	(\$104.5)	(\$112.2)	(\$119.7)	(\$504.1)
WSP Highway Account (081)	(\$23.6)	(\$31.6)	(\$31.7)	(\$32.0)	(\$32.4)	(\$151.3)
Transportation Partnership Account (09H)	(\$12.2)	(\$16.3)	(\$16.4)	(\$16.5)	(\$16.7)	(\$78.1)
Nickel Account (550)	(\$5.5)	(\$7.4)	(\$7.4)	(\$7.5)	(\$7.6)	(\$35.5)
Puget Sound Ferry Operations (109)	(\$1.5)	(\$1.9)	(\$2.0)	(\$2.0)	(\$2.0)	(\$9.3)
Snowmobile Account (01M)	(\$0.7)	(\$0.9)	(\$0.9)	(\$0.9)	(\$0.9)	(\$4.3)
Rural Arterial Trust Account (102)	(\$0.8)	(\$1.8)	(\$2.5)	(\$3.2)	(\$3.9)	(\$12.2)
Transportation Improvement Account (144)	(\$0.8)	(\$1.8)	(\$2.5)	(\$3.2)	(\$3.9)	(\$12.2)
Total State Funds	(\$453.6)	(\$684.6)	(\$769.1)	(\$796.4)	(\$823.3)	(\$3,526.9)

Comparison of Vehicle Taxes and Fee Provisions of Initiative 976 and 2020 Legislation

State Impacts	I-976	SB 6031	SB 6245	SB 6350
Passenger & Other Vehicle Weight Fees <i>- \$25-\$72 Fee & FY 2023 \$10 Increase, Both Eliminated</i>	X	X	X	X
License Fee by Weight for Light Duty Trucks <i>- \$53-\$93 Fees to \$30</i>	X	X	X	X
Sales and Use Tax on Vehicles <i>- 0.3% Additional Tax Eliminated</i>	X	X	O	O
Electric Vehicle Fees <i>- \$150 Fees to \$30</i>	X	X	X	X
Motor Home Vehicle Weight Fee <i>- \$75 Fee Eliminated</i>	X	X	X	X
Snowmobile Registration Fees <i>- \$50 Fee to \$30</i>	X	X	X	X
Commercial Trailers Registration Fee <i>- \$34 Initial Fee to \$30</i>	X	X	X	X

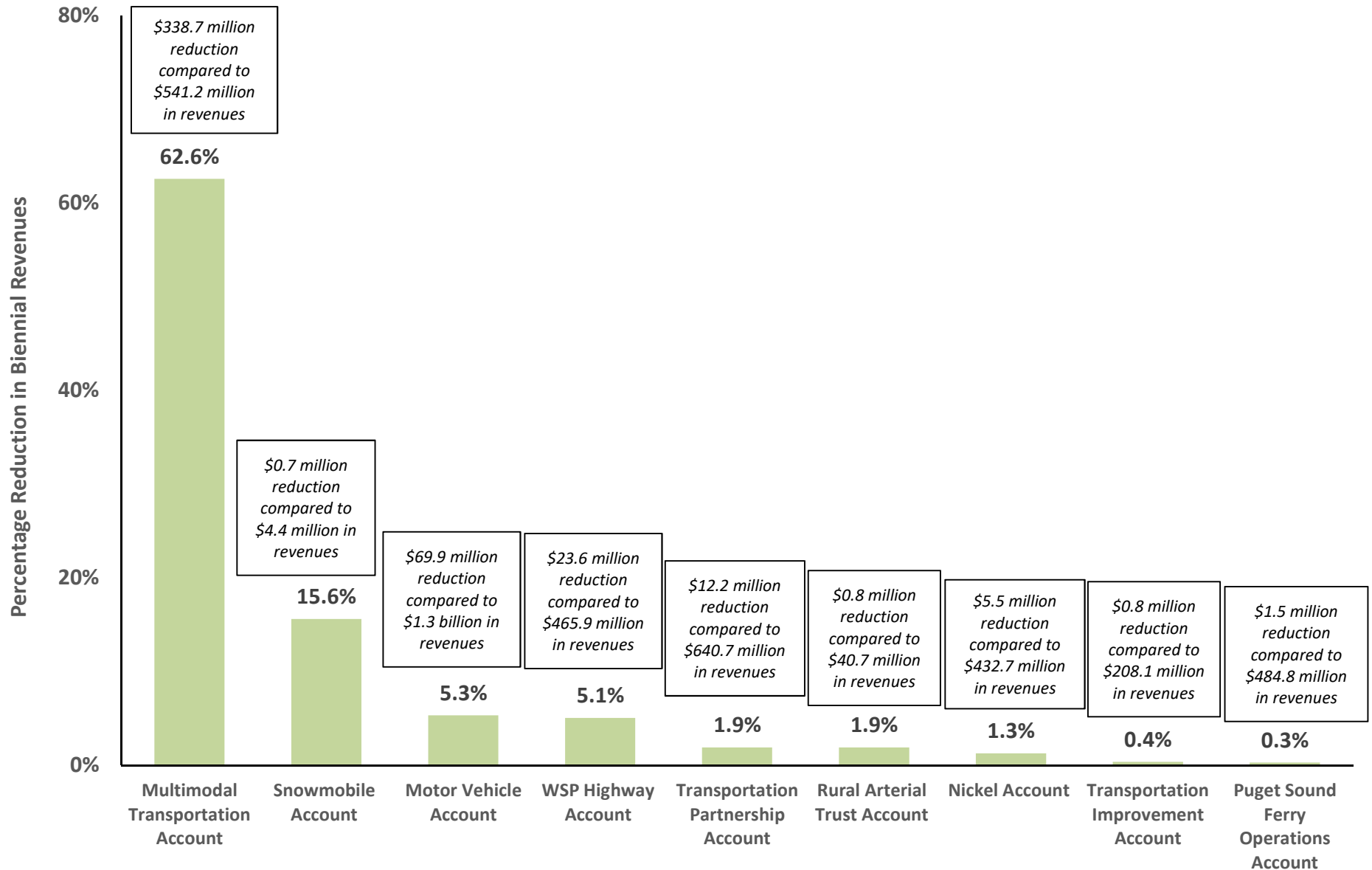
Local Government Impacts	I-976	SB 6031	SB 6245	SB 6350
Sound Transit <i>- Scenarios include: (1) MVET Is Eliminated If Bonds Are Paid Off by March 31, 2020; (2) the .8% MVET Goes to .2% On April 1, 2020 If Bonds Are Not Paid Off; (3) Potential Impacts From Converting to Kelley Blue Book for Vehicle Valuation; (4) Rental Car Taxing Authority Being Repealed.</i>	X	X	X	O
Transportation Benefit District (TBD) Vehicle Fees <i>- \$20 - \$100 Fee Eliminated</i>	X	X	X	O
Local Motor Vehicle Excise Tax for Passenger Ferry Service <i>- Authority to impose a .4% MVET is repealed</i>	X	X	X	O

Legend

X - Indicates an identical or similar I-976 provision is included in the bill.

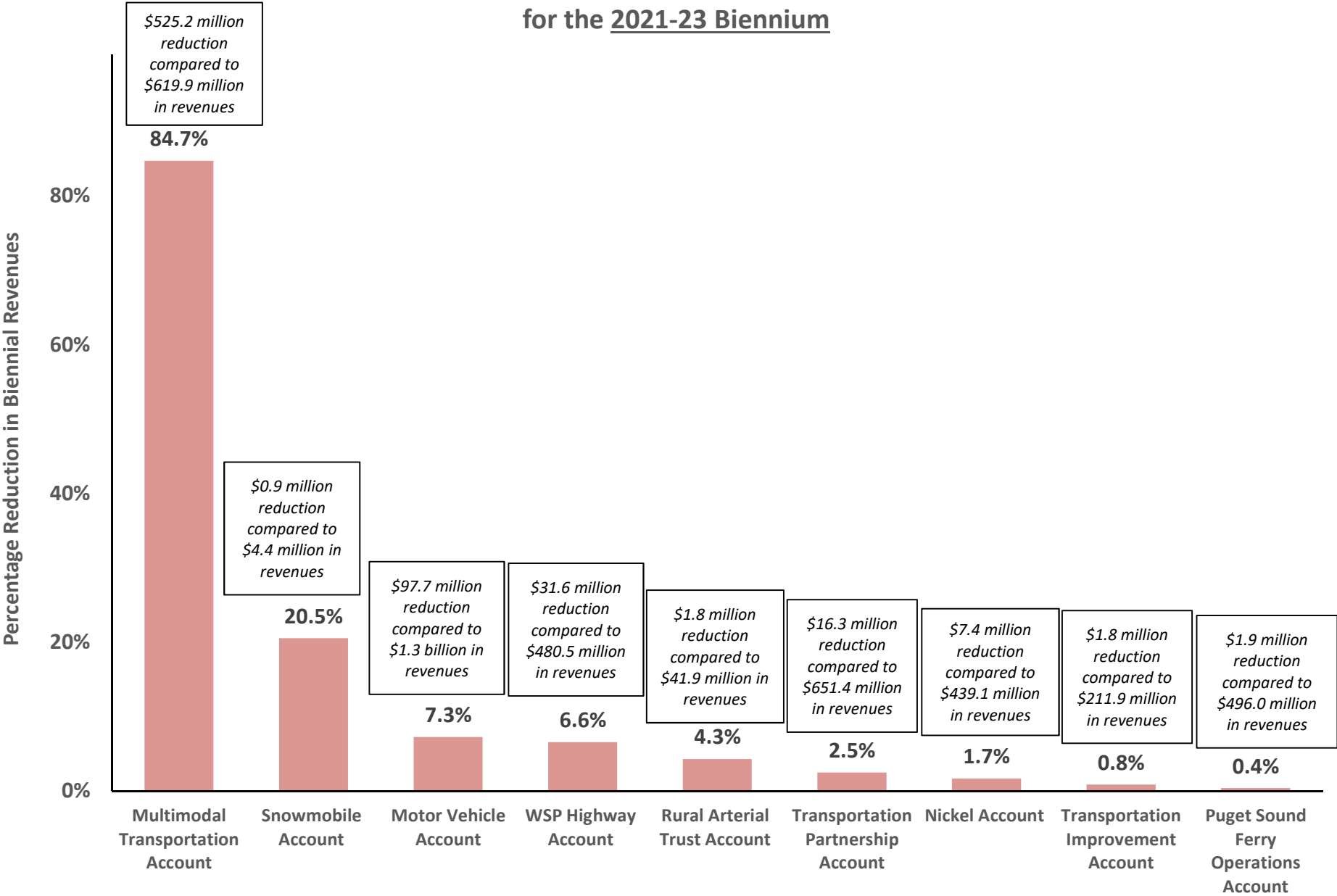
O - Indicates an identical or similar I-976 provision is not included in the bill.

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



* Information reflects the 2019-21 biennium revenue reductions from I-976 as estimated in the November 2019 forecast 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 I-976 as estimated in the November 2019 forecast compared to projected biennial revenues for each account based on the June 2019 revenue forecast.