

Chair Proposed
2019 New Law Transportation Funding Proposal Summary
FY 2020 – FY 2029

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 available for 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 available for transportation 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.

Assessed Value Transportation Impact Fees:

Imposes assessed value transportation impact fees of 0.4% for commercial development, 0.1% for manufacturing development, and 0.2% for residential development.

Revenue from the fee is available for 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. Graduated freight project fee increase averaging 16% per biennium, Accelerates previously authorized weight fee increases scheduled for 2023 to 2020.

Revenue from the fees are available for transportation 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 available for 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 available for 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;
- 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 available for transportation 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 available for 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 available for transportation 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 available for 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 available for transportation 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 available for 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 available for 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 available for 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 \$22.50 and the 3-day trip permit fee by \$20.

Revenue from the fee is available for transportation 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, is needed to expedite construction of priority capital projects identified by the Legislature.

Attendant Policy Initiatives:

- Eliminate the sunset on 2015 Low Carbon Fuel Standard (LCFS) provision & expand the provision 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.
- Advance delivery of SR 432 project.
- Authorizes a pilot for commercial hauling of triple trailers (SB 5830).
- Provides CRAB with emergency fund of \$2M.