

Transportation Futures

Straw Man Scenario - Starting Point for Discussion

- Funding gap to meet is approximately \$36B
- Overall Approach: Increase near term sources to advance needs from the last 10-years of the existing T2040 Plan, fill funding gaps, phase sources according to need and revenue capacity, and ultimately result in long term sustainable sources
- This is not a recommendation, but rather a collection of ideas for revenue sources to meet identified needs

Phased Sources

2015-2031

- a. Index State Fuel Tax to inflation (+\$264 M)
 - Assumed 2% inflation increase for 15 Years (2016 to 2031)
 - Eventually phase out state fuel tax, not bonded
 - b. Increase Motor Vehicle Fees (+1,850 M)
 - Increase fee for alternative fuel vehicles from \$150 to \$200 for 15 years (2016 to 2031)
 - General increase to motor vehicle fees for all vehicles for 15 years (2016 to 2031). Assumes a 31% increase in vehicle fees over the level approved in the 2015 Legislation.
- These fees are phased out in 2031 as the Road Usage Charge becomes fully effective
 - The sales tax is too large to replace. (\$60,354 M for 2011 to 2040 for current revenues plus the additional amount provided by the 2015 Legislation assuming the authority is approved and used in a timely manner) There are no assumed Sales Tax increases in this scenario.

Permanent Sources

2017-2040

State Level

- a. Express Toll Lane Network continues to expand consistent with T2040 (\$217 M for 2015 to 2040)

- b. Small Ferry Fare increase consistent with T2040 (\$263 M for 2015-2040)
- c. Toll New/Replacement Major Facilities (\$2,900 M in toll bond proceeds 2016 to 2040)
 - SR 520, Tacoma Narrows Bridge, SR 522, SR 509 Extension, SR 167 extension, Alaskan Way Tunnel
- d. Carbon Tax on Vehicle Emissions (\$8,695 M)
 - Start in 2017 with 2017 – 2021 about \$365 M annual
 - Increase in 2021- 2040 to about \$380 M annual
 - Recent Washington state legislature bills focused on cap and trade system similar to California which includes emissions on motor fuels.
- e. Road Usage Charges (\$17,585 for 2026-2040)
 - Begin 2026 at an average of 4 cents per mile and indexed annually to inflation (assumed at 2%)
 - Assume flexible (not bonded) portion of state fuel tax is phased out in 2031 and road user charge level is set to make up for the loss in purchasing power from this action and to fund remainder of T2040 Plan.

Local Level

- a. Small Transit Fare increases (\$403 M for 2015-2040)
- b. County and City level fees
 - i. Impact fees for new construction permits of about \$50 M annually (\$1,200 M for 2017-2040)
 - ii. Road Utility Fee (\$5,900 M for 2017-2040)
 - Amount applies to existing properties based on the forecasted trips generated by the property with slight increases over time
 - Assumed to initially generate \$200 M in 2017 and grow to \$265 M for 2021-2040

Transportation Futures - Straw Man Scenario

SOURCES OF TRANSPORTATION REVENUE		Updated Current Law	Straw Man Scenario	TOTAL
Existing Sources	State Taxes on Motor Fuels	\$18,645	(\$2,776)	\$15,869
	Vehicle Fees (Registration/Weight)	\$4,341	\$1,850	\$6,191
	MVET	\$1,575	\$0	\$1,575
	Other State Taxes and Fees	\$3,512	\$0	\$3,512
	Other Taxes; Fees supporting General Fund	\$21,190	\$1,200	\$22,390
	Property Taxes (general or restricted)	\$5,080	\$0	\$5,080
	Fares and Operating Funds	\$13,420	\$663	\$14,083
	Tolled Facilities (bridges, new roads, express toll lanes)	\$0	\$3,117	\$3,117
	Federal - FHWA/FTA	\$9,260	\$0	\$9,260
	Sales Taxes (general)	\$60,354	\$0	\$60,354
Additional Sources	Sales Tax on Motor Fuels	\$0	\$0	\$0
	Carbon Tax on Emissions	\$0	\$8,695	\$8,695
	Highway System Tolling	\$0	\$0	\$0
	Road Utility Fee	\$0	\$5,900	\$5,900
	Road Usage Charge	\$0	\$17,585	\$17,585
TOTAL		\$137,377	\$36,234	\$173,611

Transportation Futures - Straw Man Scenario Traits

SOURCES OF TRANSPORTATION REVENUE	Timing for Scenario	Existing Rate Plus Changes	Revenue Raised	Who Can Use?
State Taxes on Motor Fuels	2016-2031	\$0.494 per gallon, Indexed to inflation 2016 to 2031, begin phase out in 2031	(\$2,776)	State highways and some local roadways programs
Vehicle Fees (Registration/Weight)	2016-2031	Raise electric vehicle fee \$150 to \$200; Raise general vehicle fees 31%	\$1,850	State programs, local programs, transit
MVET	N/A	1.1% times vehicle depreciated value	\$0	Local programs, transit
Other State Taxes and Fees	N/A			
Other Taxes; Fees supporting General Fund	2017-2040	Various	\$1,200	Varies by source, new revenue from impact fees for local use
Property Taxes (general or restricted)	N/A	Various by county	\$0	Local programs
Fares and Operating Funds	2016-2040	Current rates plus small rate increases over period	\$663	Local program - collection source specific
Tolled Facilities (bridges, new roads, express toll lanes)	2016-2040	Varies by toll facility	\$3,117	Under current law, toll facility where collected
Federal - FHWA/FTA	N/A	\$0.184 per gallon gas, \$0.244 for diesel	\$0	FHWA for highways and FTA for transit
Sales Taxes (general)	N/A	1.2% Community Transit; 1.4% Sound Transit - overall rate about 10%	\$0	Primarily local transit programs designed in law
Sales Tax on Motor Fuels	NA	N/A	\$0	Local programs, transit
Carbon Tax on Emissions	2017-2040	New rate that equals about \$0.21 per gallon of fuel	\$8,695	New, could be for carbon reduction projects
Highway System Tolling	NA	N/A	\$0	Dedicated to tolled facility
Road Utility Fee	2017-2040	New, to be developed - rate per number of trips for each property unit	\$5,900	City / County roads / streets
Road Usage Charge	2026-2040	New, average of \$.04 per mile	\$17,585	New, flexible for all modes
TOTAL			\$36,234	