

## MEETING ISSUE BRIEF

Wednesday, July 29, 2015 • 4:00 p.m. – 6:00 p.m.

PSRC 5<sup>th</sup> Floor Conference Room • 1011 Western Avenue • Seattle, WA

### Meeting Purpose and Objectives

Continue discussion of potential funding sources and uses. Discuss initial ideas for scenarios, and provide staff direction on future scenarios for further analysis.

### Guidance on Funding Scenarios

For discussion purposes, staff has identified components for a 'straw man' scenario. This is not a staff recommendation, but a point of departure to solicit Task Force direction on scenarios for analysis. The funding gap to fill is approximately \$36 B.

Overall Approach: Increase near term sources to advance local funding needs earlier in the Transportation 2040 plan time frame, phase sources according to need and revenue capacity, and ultimately result in long term sustainable sources.

### Early Period Funding Strategy: Phased Sources – 2015-2031

Pursue increases to currently available revenue sources in first ten to fifteen years, then phase out when more permanent new revenue sources become available.

#### Sources:

- Index State Fuel Tax to inflation
- Increase Motor Vehicle Fees
  - Increase fee for alternative fuel vehicles. General increase to motor vehicle fee for all vehicles
  - These fees are phased out in 2031 as the Road Usage Charge becomes fully effective
- Continue sales tax as currently assumed with no increase

### Long Term Funding Sources: Permanent Sources – 2017-2040

Enact new transportation revenues and phase out some current sources.

#### State Level Sources

- Expand Express Toll Lane Network consistent with Transportation 2040 (T2040)
- Small ferry fare increase consistent with T2040
- Toll New/Replacement Major Facilities
- Start Carbon Tax on Vehicle Emissions in 2017
  - Annual amount is equivalent to about 21.5 cents per gallon. Recent Washington state legislature bills focused on a cap and trade system similar to California which had these revenue targets
- Begin Road Usage Charges in 2026
  - Begin at an average of 4 cents per mile and index to inflation. Level is set to make up the loss in purchasing power from the state fuel tax in the 2021 to 2040 period
- Phase out the "flexible" (not bonded) state fuel tax in the 2031-2040 period

#### Local Level Sources

- Small transit fare increases
- Pass impact fees for new construction permits in 2017
  - Begin Road Utility Fee in 2017 to apply to existing properties

**Remaining Meeting Schedule:**

September 30, 2015

October 28, 2015

November 18, 2015

December 16, 2015