
Local Taxes

Overview and Table of Contents

This section summarizes the transportation taxes that have been authorized by the Legislature for use by local governments. These taxes may be used for a broad range of transportation purposes, including road construction, mass transit, high capacity transportation, and high occupancy vehicle (HOV) systems. In addition to the local option taxes described in this section, local governments can use several other revenue sources to fund transportation, including distributions of the state motor fuel tax (gas tax), federal funds, bonds, state grants, and local general funds. Further information on revenue sources for local jurisdictions can be found in the *Local/Regional Jurisdictions* section of this manual on page 339.

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REVENUE SOURCE: **Border Area Motor Vehicle Fuel and Special Fuel Tax**

RCW: [RCW 82.47.020](#) (Authorized in 1991)

WHO'S ELIGIBLE

Cities and towns within 10 miles of an international border crossing or transportation benefit districts (TBDs) that contain an international border crossing.

WHERE ENACTED

Sumas, Blaine, Nooksack and Point Roberts Transportation Benefit Districts (TBDs) have enacted this tax.

PURPOSE

For street maintenance and construction in areas along the Canadian border that are experiencing extraordinary traffic levels and impacts due to Canadian motorists.

PROVISIONS

Jurisdictions are authorized to impose a tax of up to one cent. Voter approval is required. Revenue may be used only for street construction and maintenance. Tax applies to both motor vehicle fuel and special fuel.

REVENUE

In years 2004 through 2015, four cities reported border area fuel taxes to WSDOT in their annual financial reports of transportation revenues and expenditures. Total border area vehicle fuel taxes reported were \$441,143 in calendar year 2014 and \$349,383 in 2015.

Each of the four cities imposes a current rate of 1¢/gallon.

BOARDER AREA MOTOR VEHICLE FUEL TAX				
	Blaine	Nooksack	Pt. Roberts	Sumas
2015	197,796	15,658	80,498	55,431
2014	251,118	14,654	96,208	79,163
2013	249,540	13,396	96,674	77,863
2012	227,568	14,248	96,157	60,261
2011	185,213	13,658	79,297	43,134
2010	122,446	14,157	54,938	26,642
2009	88,627	14,161	35,894	19,181
2008	102,514	13,879	51,245	20,598
2007	99,831	14,641	42,208	21,004
2006	101,408	4,499	41,668	20,075
2005	107,604	14,589	43,689	15,411
2004	99,191	14,951	35,278	14,049

Source: WSDOT City & County Annual Financial Merge Database

REVENUE SOURCE: **City Street Utility Charge (Declared invalid November 1995)**

RCW: [RCW 82.80.050](#) (Authorized in 1990)

WHO'S ELIGIBLE Cities

WHERE ENACTED

The city street utility charge was declared invalid by the Washington State Supreme Court in November 1995.

The Court found in [Covell v. City of Seattle](#) that the street utility tax was not a valid fee, but a tax on property that violated (1) the State Constitution's tax uniformity clause, which requires that the rate of tax be a uniform percentage of value for all real property, and (2) the one percent levy limitation, which requires voter approval for property taxes that exceed 1% of property value.

Prior to November 1995, the following cities had enacted this charge: Grandview, Kent, Mabton, Marcus, Medical Lake, Richland, Seattle, Snoqualmie, Soap Lake, Union Gap, Wenatchee, and Wilkeson.

PURPOSE

Street utilities were authorized to be established to own, maintain, operate, and preserve any prescribed portion of the streets of a city or town. Street utilities may include street lighting, traffic control devices, sidewalks, curbs, gutters, parking facilities, and drainage facilities. Street utility revenue could only be used for transportation purposes.

SELECTED PROVISIONS of 1990 ACT

- City levy only
- Rate capped at equivalent of \$2 per employee per month for businesses and \$2 per housing unit per month as defined in [RCW 35.95.040](#).
- Rates must be uniform within each class of service (business and residential) and both classes must be assessed the charge.
- Other features:
 - Revenue limited to 50% of maintenance and operations budget
 - Tax exempt entities do not pay
 - Full credit given against street utility charge for any commuter or employer tax based on number of employees collected for transportation purposes.
- Not subject to a vote of the people or to exclusive referendum procedure; subject to local laws regarding referenda.

REVENUE

Cities that imposed the city street utility charge during 1995 and reported the revenue on city street forms submitted to the Department of Transportation:

Grandview	\$75,096
Mabton	\$5,598
Marcus	\$1,419
Medical Lake	\$26,212
Richland	\$423,074
Seattle	\$10,273,672
Snoqualmie	\$24,416
Soap Lake	\$18,140
Union Gap	\$94,240

REVENUE SOURCE: **Commercial Parking Tax**

RCW: [RCW 82.80.030](#) (Authorized in 1990)

WHO'S ELIGIBLE County (unincorporated area), city, RTID

WHERE ENACTED

Currently 9 cities impose this tax: Bainbridge Island, Bremerton, Burien, Des Moines, Milton, Mukilteo, Port Angeles, SeaTac, Seattle, Sumner, and Tukwila have implemented this tax.

PURPOSE

For general transportation purposes, including construction and operation of state highways, county roads, and city streets; public transportation; high capacity transportation; transportation planning and design; and other transportation-related activities.

PROVISIONS

- No rate set; rate setting parameters provided.
- Tax may either be on the commercial parking business, based on gross proceeds or number of stalls, or on the customer (similar to an admissions tax).
- Tax exempt carpools, vehicles with handicapped decals, and government vehicles are exempt from the tax.
- Subject to planning provisions.
- Subject to exclusive referendum procedure. (See [Background Information](#), page 153).

REVENUE

Jurisdictions that imposed the commercial parking tax during 2014 and 2015 and reported to the Department of Transportation annual in their local government transportation financial statistics report.

Commercial Parking Collections by City

	2014	2015
Bainbridge Island	\$ 753,167	\$ 808,943
Bremerton	\$ 547,288	\$ 626,078
Burien	\$ 189,159	\$ 219,453
Des Moines	\$ 21,130	\$ 32,968
Milton	\$ 621	\$ 349
Mukilteo	\$ 33,215	\$ 42,446
Port Angeles	\$ 23,014	\$ 31,430
Sea Tac	\$ 6,690,651	\$ 7,018,369
Seattle	\$ 35,677,486	\$ 41,179,529
Sumner	\$ 26,751	\$ 33,097
Tukwila	\$ 143,535	\$ 193,486

Source: WSDOT City & County Annual Financial Merge Database

REVENUE SOURCE:

**Local Option Taxes for High Capacity Transportation
(MVET, Rental Car, Employee, Sales Tax)**

RCW:

[RCW 81.104.140](#) through [RCW 81.104.170](#) (Authorized in 1990)

WHO'S ELIGIBLE

Regional transit authorities (RTA) in King, Pierce, and Snohomish counties; transit agencies in Thurston, Clark, Kitsap, Spokane, and Yakima counties; and high capacity transportation corridor areas (established pursuant to [RCW 81.104.200](#)).

WHERE ENACTED

RTA in King, Pierce, and Snohomish counties first enacted high capacity transportation (HCT) taxes in November 1996.

PURPOSE

For planning, constructing, and operating high capacity transportation (HCT), commuter rail, and feeder transportation systems. Voter approval required for all of these local option taxes.

PROVISIONS

- Motor Vehicle Excise Tax ([RCW 81.104.160](#))
 - **Authority repealed by Initiative 776.**
 - In *Pierce County v. State* 159 Wn2d 16 (2006) the Washington State Supreme Court held that Initiative 776 impermissibly impaired the contractual obligations between Sound Transit and its bondholders in violation of the state constitution's contract clause. As a result, Sound Transit was permitted to continue to levy the motor vehicle excise tax for so long as the bonds remain outstanding.
- Rental Car Tax ([RCW 81.104.160](#))
 - For rental vehicles on which sales and use tax is collected, additional tax may be collected up to a maximum rate of 2.172%
- Employer Tax ([RCW 81.104.150](#))
 - Up to \$2 per employee per month.
 - Not allowed if HOV employer tax in effect.
- Sales and Use Tax ([RCW 81.104.170](#))
 - Up to 1% of purchase price on taxable items.
 - Limited to 0.9% in counties that have imposed 0.1% sales tax for criminal justice and in regional transit authorities in which any member county has imposed the 0.1% criminal justice tax.
- General Provisions
 - Tax revenues may be pledged for bonds.
 - Local agencies may contract with Department of Revenue or other entities to collect taxes.
 - Commuter rail is an authorized use of both HOV and HCT funds.
 - RTIDs, with the approval of the RTA within its boundaries, may impose HCT taxes only to the extent that the maximum amount of taxes have not yet been imposed.
- Additional HCT tax options authorized for Sound Transit only (must be voter approved)
 - Sales and use tax – up to 0.5% (for a total of 1.4%)
 - Property tax levy of up to \$0.25 per \$1000 of assessed value ([RCW 81.104.175](#))
 - Motor vehicle excise tax – up to 0.8%
Additional authorization for an MVET up to 0.8% of the value of the vehicle, exempting trucks more than 6,000 pounds, farm vehicles, and commercial trailers. Until bonds issued against the original MVET are repaid, the vehicle depreciation schedule remains the same as that currently in use. Once

those bonds are repaid, the schedule switches to the one in effect at the time the MVET is approved by the voters ([RCW 82.44.035](#)).

- If an RTA imposes any of these additional taxes, it is prohibited from receiving state grant funding except for transit coordination grants.

REVENUE

Only Sound Transit imposes high capacity transportation taxes. Actual revenues collected by the Regional Transit Authority during 2009 through 2015 as reported by Sound Transit: The forecasted values are from Sound Transit's 2016 budget and revenue forecast.

High Capacity Transportation Taxes (dollars in millions)

Calendar Year	MVET 0.3%	Sales Tax 0.9%	Rental Car Tax
2009	\$ 64.5	\$ 393.9	\$ 2.8
2010	\$ 66.5	\$ 500.6	\$ 2.5
2011	\$ 65.4	\$ 525.4	\$ 2.5
2012	\$ 66.2	\$ 545.5	\$ 2.0
2013	\$ 68.6	\$ 586.4	\$ 2.8
2014	\$ 73.6	\$ 632.2	\$ 3.1
2015	\$ 78.8	\$ 687.1	\$ 3.3
2016	\$ 82.5	\$ 716.6	\$ 3.3
2017	\$ 85.0	\$ 746.2	\$ 3.4

Potential Revenues for other authorized taxes and Eligible Jurisdictions

Amounts which could be collected if HCT Taxes were imposed			
Revenue Estimates (\$ millions), Calendar Year 2015			
Transit Agency	\$2 per Employee per Month	0.9% Sales Tax	MVET
Sound Transit	\$ 44.05	See RTA (Sound Transit) actuals above	
King County	\$ 30.58	Included in Sound Transit	
Pierce County	\$ 6.85	Included in Sound Transit	
Snohomish County	\$ 6.61	Included in Sound Transit	
Spokane County	\$ 5.03	\$ 80.10	Authority repealed by Initiative 776
Clark County	\$ 3.47	\$ 60.72	
Kitsap County	\$ 2.03	\$ 35.37	
Thurston County	\$ 2.55	\$ 41.99	
Yakima County	\$ 2.61	\$ 34.43	

Sales tax revenue estimates are based on the actual revenue base for 2015

Employer tax estimates do not include any deduction for credits to employers that have ride-sharing programs.

*Amounts reflect the total of potential revenue from King, Pierce and Snohomish counties. Sound Transit may not impose the employee tax if any county within its boundaries is imposing the tax.

For other revenue assumptions, see [Background Information](#), page 153.

REVENUE SOURCE:

Local Option Taxes for High Occupancy Vehicle (HOV) Systems (MVET, Rental Car Sales and Use, Employer)

RCW:

[RCW 81.100.030](#), [RCW 81.100.060](#) (Authorized in 1990)

WHO'S ELIGIBLE

Regional Transportation Investment Districts (RTIDs) and King, Pierce, and Snohomish counties

WHERE ENACTED

No entity has enacted a high occupancy vehicle (HOV) tax.

PURPOSE

For high occupancy vehicle (HOV) lane development, mitigation of environmental impacts of HOV development, support of employer programs to reduce single-occupant commuting, and commuter rail programs. Requires voter approval.

PROVISIONS

- MVET, Retail Car Rental Tax ([RCW 81.100.060](#))
 - MVET, or “surcharge,” on value of vehicle of up to 0.3% in the case of a county or 0.8% in the case of a Regional Transportation Investment District.
 - Up to 13.64% on the sales and use tax paid on retail car rentals within the county or RTID.
 - Trucks over 6,000 pounds and farm vehicles are exempt.
 - An eligible county or an RTID may impose the MVET and the car rental tax only to the extent that it has not been imposed by an eligible county or an RTID.
 - If the employer tax is also imposed, the total proceeds from the combination of sources may not exceed the maximum amount which could be collected from the MVET/car rental tax.
 - Must use new state defined depreciation schedule ([RCW 82.44.035](#))
- Employer Tax ([RCW 81.100.030](#))
 - Up to \$2 per employee per month, measured by full-time equivalent employees.
 - May include public and private employers, including state agencies.
 - Credits employers who are participating in ride-share programs.
 - If the MVET/car rental tax also imposed, the total tax from the Employer Tax and the MVET/car rental tax may not exceed the maximum which could be collected from the MVET/car rental tax.
- General Provisions
 - Commuter rail is an authorized use of both HOV and HCT funds. Because commuter rail uses existing rail lines, it is included with HOV programs as a near-term capacity improvement. It also may be a component for addressing long-term HCT system needs.
 - Requires that counties imposing tax must adopt specific goals and policies related to congestion reduction, ride-sharing, planning, and cooperation with the state.

REVENUE

Employer tax estimates do not include any deduction for credits to employers that have ride-sharing programs.

Amounts which could be collected if HOV Taxes were imposed			
Revenue Estimates (\$ millions), Calendar Year 2015			
County	0.3% MVET	\$2 per Employee per month	Max. HOV Collections
King	\$ -	\$ 30.58	\$ 30.58
Pierce	\$ -	\$ 6.85	\$ 6.85
Snohomish	\$ -	\$ 6.61	\$ 6.61

For other revenue assumptions, see [Background Information](#), page 153.

REVENUE SOURCE: Local Option Taxes: Ferry Services

RCW: Chapter [36.54](#) and [36.57A RCW](#)

WHO'S ELIGIBLE

County Ferry Districts may be established to provide passenger only ferry service in all or a portion of a county ([RCW 36.54.110](#)).

A Public Transportation Benefit Area (PTBA) having a boundary on the Puget Sound may provide passenger-only ferry (POF) service ([RCW 36.57A.200](#)).

A PTBA bordering the western side of the Puget Sound, with a population greater than 200,000 and containing at least one state ferry terminal (currently only Kitsap Transit), may also establish one or more passenger-only ferry districts ([RCW 36.57A.222](#)).

Counties, under their general authority and using general revenues, may construct and operate ferries ([RCW 36.54.010](#)).

WHERE ENACTED

King County established a ferry district on April 30, 2007. The King County Ferry District is an independent special purpose government overseen by King County Council members as the Ferry District Board of Supervisors which governs the district.

In the November 8 2016 election, voters in the Kitsap Transit service area approved a 0.3% sales and use tax to support cross-sound fast ferry service.

PURPOSE

To expand transportation options for county residents by enabling operation of passenger-only ferry service to various parts of the county.

FINANCE PROVISIONS – COUNTY FERRY DISTRICTS

Ad valorem tax ([36.54.130](#))

- Not to exceed seventy-five cents per \$1,000 assessed value except in King County where the limit is seven and one-half cents per \$1,000 assessed value. Can be imposed by county legislative authority, without voter approval.
- Annual imposition

Excess Property Tax Levy ([36.54.140](#))

- May be authorized for one year
- Voter approval required

**FINANCE PROVISIONS – PUBLIC TRANSPORTATION BENEFIT AREAS ON PUGET SOUND--
PASSENGER-ONLY FERRY SERVICE (RCW [36.57A.210](#))**

Motor Vehicle Excise Tax ([82.80.130](#))

- Up to 0.4% on renewals, voter approved
- On vehicles licensed for 6000 pounds or less
- Cannot be imposed where a Regional Transit Authority has been established
- Must use new state defined depreciation schedule ([82.44.035](#))

Sales and Use Tax ([82.14.440](#))

- Up to 0.4%, voter approved
- Cannot be imposed where a Regional Transit Authority has been established

Other Revenue Sources

- Ferry tolls for passengers and packages, and parking tolls where applicable
- Leasing and advertising fees

FINANCE PROVISIONS – PASSENGER-ONLY FERRY SERVICE DISTRICTS WITHIN PUBLIC TRANSPORTATION BENEFIT AREAS ON WESTERN PUGET SOUND WITH A POPULATION GREATER THAN 200,000 (RCW 36.57A.222)

Sales and Use Tax ([RCW 82.14.445](#))

- Up to 0.3%, voter approved
- In addition to all other taxes

Parking Tax ([RCW 82.80.035](#))

- Voter approved

Other Revenue Sources

- Tolls for passengers, packages, and parking (where applicable)
- Leasing and advertising fees

REVENUE

King County Ferry District has a variety of funding sources including ferry fares, advertising, property taxes, state forecast timber sales and state and federal grants. The 2015 revenue by source is based on King County Ferry District’s 2016 Annual Operating and Capital Budget.

King County Ferry District Actual Revenues Besides Passenger Fare Revenue for CY 2011-2015 Revenue by Source (\$ millions)					
Revenue	2011	2012	2013	2014	2015
Passenger Fare Revenue	\$ 1,100,484	\$ 1,420,638	\$ 1,625,208	\$ 1,764,299	\$ 1,982,612
Property Taxes	\$ 1,163,111	\$ 1,175,265	\$ 1,176,665	\$ 1,185,328	\$ 1,185,235
Federal and State Grants	\$ 1,647,571	\$ 3,332,721	\$ 1,506,702	\$ 8,718,283	\$ 4,439,100
Other Income	\$ 148,998	\$ 95,587	\$ 6,448	\$ 85,779	\$ 26,656
Total	\$ 4,060,164	\$ 6,024,211	\$ 4,315,023	\$ 11,753,689	\$ 7,633,603

REVENUE SOURCE: Local Option Taxes: Regional Transportation Investment Districts (RTIDs)

RCW: Chapter [36.120 RCW](#) (Authorized in 2002)

WHO'S ELIGIBLE

Regional Transportation Investment Districts can be established in King, Pierce and Snohomish counties. Prior to December 1, 2007, an RTID must include at least two adjacent counties. After December 1, 2007, an RTID can include one or two or more contiguous counties.

WHERE ENACTED:

No RTIDs have been formed. On November 6, 2007, the voters of Snohomish, King and Pierce Counties voted on Proposition 1, which included RTID Blueprint for Progress and Sound Transit Phase 2 plans. The measure was defeated.

PURPOSE

Principally to finance capital construction of highways of statewide significance in the district.

PROVISIONS

All voter approved; all expire after projects completed and debt retired:

Sales and Use Tax ([36.120.050\(1\)\(a\)](#) and [82.14.430](#))

- Additional sales and use tax of up to 0.1%,

Vehicle License Fee ([36.120.050\(1\)\(b\)](#) and [82.80.100](#))

- Upon renewal, up to \$100 annual fee

Motor Vehicle Excise Tax ([36.120.050\(1\)\(d\)](#) and [81.100.060](#))

- Up to 0.8% on value of vehicle and not more than 13.64% on sales tax paid on retail car rentals
- Must use new state defined vehicle valuation schedule ([82.44.035](#))

Employer Tax ([RCW 81.100.030](#))

- Up to \$2/ month per full-time equivalent employee
- If the MVET/car rental car also imposed, the total tax from the Employer Tax and the MVET/car rental tax may not exceed the maximum which could be collected from the MVET/car rental tax.

Parking Tax ([36.120.050\(1\)\(c\)](#) and [82.80.030](#))

- On commercial parking businesses
- Based on gross proceeds or the number of vehicle stalls

Tolls ([36.120.050\(1\)\(g\)](#))

- Routes to be tolled must be identified in investment plan.
- If tolling proposed on a state route, tolls must be authorized by the Legislature.
- Tolls administered by WSDOT unless otherwise provided for in law.
- Tolls must be reviewed and approved by Transportation Commission.

Local Option Fuel Tax ([36.120.050\(1\)\(e\)](#) and [82.80.120](#))

- Equal to 10% of statewide fuel tax (3.75 cents per gallons based on 37.5 cent statewide gas tax).
- Districts can only levy tax if boundaries are coextensive with member county boundaries.
- Restricted to 18th amendment purposes.
- Tax may not be levied by both a member county and an RTID

REVENUE SOURCE: **Local Option Taxes: Transportation Benefit Districts**

RCW: Chapter [36.73 RCW](#) (Authorized in 1987)

WHO'S ELIGIBLE

Transportation Benefit Districts can be established city-wide and up to multi-counties. Since December 1, 2007, TBDs may be established in all counties.

For more information, see the Transportation Benefit District page on the MRSC website:

<http://www.mrsc.org/subjects/governance/spd/tbd.aspx>

PURPOSE

To finance construction of, and operate, improvements to roadways, high capacity transportation systems, public transit systems, and other transportation management programs. Authorized local taxes are listed in [RCW 36.73.040](#).

PROVISIONS

Sales and Use Tax ([RCW 82.14.0455](#))

- Up to 0.2%, with voter approval
- If dedicated to repayment of debt, the tax may be imposed for more than ten years.
- Otherwise, tax must be reauthorized by voters after ten years

Vehicle Fee ([RCW 36.73.065](#) and [RCW 82.80.140](#))

- Up to \$20 per vehicle fee without voter approval
- Up to \$40 may be imposed without voter approval if the \$20 fee has been in effect for at least 24 months,
- Up to \$50 may be imposed without voter approval if the \$40 fee has been in effect for at least 24 months (subject to potential referendum)
- Up to \$100 annual renewal fee, with voter approval
- Vehicle fees for passenger only ferry improvements, regardless of amount, must be approved by the voters
- Vehicles of 6000 pounds or less
- Certain vehicles are exempt: farm vehicles, campers, personal and commercial trailers, off-road vehicles, government and private school vehicles

Excess Property Tax Levies ([RCW 36.73.060](#))

- One year, voter approved, super majority required
- Multi-year for GO bonds

Tolls ([RCW 36.73.040](#))

- Tolls on facilities including state routes and local roads
- Tolls on state routes must first be authorized by the Legislature and be administered by WSDOT
- All tolls must be approved by Transportation Commission ([RCW 47.56.820](#) and [850](#))

Other Revenue Sources

- Impact fees (commercial development only) ([RCW 36.73.040\(3\)\(c\)](#) and [RCW 36.73.120](#))
- LID formation ([RCW 36.73.080](#))
- Late-comer fees ([RCW 36.73.140](#))
- Border Area Motor Fuel and Special Fuel Tax ([RCW 82.47.020](#)), expenditure restricted to TBDs with an international border crossing with its boundaries and to highway purposes

WHERE ENACTED

Transportation Benefit Districts	Effective	Sales Tax Rate	2015 Revenue*
TBD With Sales Tax Rates			
City of Aberdeen	2013	0.13%	\$ 543,813
City of Airway Heights	2014	0.20%	\$ 367,993
City of Arlington	2013	0.20%	\$ 872,395
City of Bellingham	2011	0.20%	\$ 4,905,512
City of Castle Rock	2013	0.20%	\$ 52,623
City of Centralia	2014	0.20%	\$ 1,197,135
City of Dayton	2014	0.20%	\$ 22,167
City of Ellensburg	2015	0.20%	\$ 253,036
City of Elmer City	2015	0.20%	\$ 844
City of Ferndale	2012	0.20%	\$ 409,812
City of Friday Harbor	2014	0.20%	\$ 166,162
City of Leavenworth	2011	0.20%	\$ 280,152
City of Lynden	2013	0.20%	\$ 546,314
City of Marysville	2014	0.20%	\$ 1,984,965
City of Mattawa	2015	0.20%	\$ 51,510
City of Monroe	2015	0.20%	\$ 786,778
City of North Bend	2012	0.20%	\$ 476,286
City of Othello	2016	0.20%	\$ 683,931
City of Seattle	2010	0.10%	\$ 13,420,396
City of Sequim	2010	0.20%	\$ 596,621
City of Shelton	2015	0.20%	\$ 371,120
City of Snohomish	2012	0.20%	\$ 845,280
City of Stanwood	2013	0.20%	\$ 287,375
City of Tacoma	2015	0.10%	\$ 3,914,300
City of Tumwater	2014	0.20%	\$ 83,843
City of Twisp	2016	0.20%	\$ 44,033
City of Waitsburg	2012	0.10%	\$ 7,926
City of Walla Walla	2012	0.20%	\$ 1,135,799

* some of the 2015 revenue amounts are estimates.

Transportation Benefit Districts	Effective	Reg. Tax Amt	2015 Revenue*
TBD With Local Vehicle Registration Fees			
City of Anacortes	2014	\$20	\$ 309,474
City of Bainbridge Island	2013	\$20	\$ 400,686
City of Battle Ground	2014	\$20	\$ 238,471
City of Black Diamond	2015	\$20	\$ 26,512
City of Bremerton	2012	\$20	\$ 496,188
City of Buckley	2014	\$20	\$ 85,417
City of Burien No. 1	2011	\$10	\$ 374,572
City of Carbonado	2013	\$20	\$ 13,009
City of Clarkston	2015	\$20	\$ 65,059
City of Covington	2014	\$20	\$ -
City of Des Moines	2009	\$20	\$ 623,245
City of Dupont	2013	\$20	\$ 93,991
City of East Wenatchee	2013	\$20	\$ 241,283
City of Eatonville	2013	\$20	\$ 51,104
City of Edgewood	2014	\$20	\$ 160,994
City of Edmonds	2009	\$20	\$ 696,813
City of Electric City	2013	\$20	\$ 10,237
City of Enumclaw	2014	\$20	\$ 232,690
City of Everett	2015	\$20	\$ 1,447,700
City of Grandview	2012	\$20	\$ 164,043
City of Granite Falls	2015	\$20	\$ 36,076
City of Kalama	2013	\$20	\$ 44,233
City of Kelso	2013	\$20	\$ 171,171
City of Kenmore	2013	\$20	\$ 342,936
City of Kittitas	2012	\$20	\$ 7,960
City of Lake Forest Park	2009	\$40	\$ 218,057
City of Lakewood	2015	\$20	\$ 766,133
City of Lynnwood	2011	\$20	\$ 556,761
City of Mabton	2011	\$20	\$ 27,839
City of Maple Valley	2013	\$20	\$ 370,616
City of Mercer Island	2014	\$20	\$ 369,607
City of Mountlake Terrace	2012	\$20	\$ 327,499
City of Normandy Park	2013	\$20	\$ 41,105
City of Olympia	2009	\$20	\$ 764,955
City of Orting	2012	\$20	\$ 130,363
City of Prosser	2009	\$20	\$ 91,516
City of Roy	2015	\$20	\$ 14,177
City of Royal City	2012	\$20	\$ 16,909

* some of the 2015 revenue amounts are estimates.

Transportation Benefit Districts	Effective	Reg. Tax Amt	2015 Revenue*
TBD With Local Vehicle Registration Fees			
City of Seattle	2011	\$80	\$ 30,703,044
City of Sedro Woolley	2014	\$20	\$ 185,486
City of Shoreline	2010	\$20	\$ 829,220
City of Snoqualmie	2011	\$20	\$ 176,324
City of Soap Lake	2013	\$20	\$ 21,661
City of Spokane	2011	\$20	\$ 2,791,845
City of Tacoma	2013	\$20	\$ 2,766,037
City of Toppenish	2012	\$20	\$ 136,442
City of University Place	2014	\$20	\$ 395,783
City of Vancouver	2015	\$20	\$ 26,908
City of Wapato	2013	\$20	\$ 71,042
City of Wenatchee	2012	\$20	\$ 537,194
City of Wilkeson	2015	\$20	\$ 6,118
City of Zillah	2012	\$20	\$ 45,045
* some of the 2015 revenue amounts are estimates.			

REVENUE SOURCE: **Local Option Motor Vehicle and Special Fuel Tax for Counties**

RCW: [RCW 82.80.010](#) (Authorized in 1990)

WHO'S ELIGIBLE

Countywide (including incorporated areas).

WHERE ENACTED

No county has enacted this tax.

PURPOSE

For "highway purposes" as defined by the 18th Amendment, including the construction, maintenance, and operation of city streets, county roads, and state highways; operation of ferries; and related activities.

PROVISIONS

- Equal to 10% of statewide motor vehicle fuel tax and special fuel tax (4.94 cents per gallon based on 4.94 cent statewide gas tax).
- Countywide imposition (no city levy).
- Revenues distributed back to county and cities contained within the county, levying the tax on a weighted per capita basis (1.5 for population in unincorporated areas; 1.0 for population in incorporated areas).
- Voter approval required.
- May not impose the tax if already imposed for RTID purposes.
- Same exceptions and rights of refund as other motor fuel taxes.
- Subject to planning provisions ([RCW 82.80.070](#)).

REVENUE ESTIMATES IF ENACTED (see next page)

Data note: Fuel tax collections at the county level are estimated from the county's share as a percentage of total state fuel gallons taxed at 4.94 cents per gallon. State total is based upon actual fuel gallons consumed for FY 2016 and uses the November 2016 forecast for FY 2017 and 2018. The county's share is based upon the latest population estimates provided by the Office of Financial Management as of April 1, 2016. These estimates do not have non highway use or tribal fuel tax refunds and transfers, or administrative expenses subtracted out.

Potential Local Option Fuel Tax Revenue

Estimates for Fiscal Year 2016 (Dollars in Thousands)

County	FY 2016
Adams	362,832
Asotin	411,434
Benton	3,525,318
Chelan	1,402,538
Clallam	1,358,049
Clark	8,445,885
Columbia	76,454
Cowlitz	1,949,309
Douglas	747,534
Ferry	144,123
Franklin	1,629,098
Garfield	42,246
Grant	1,755,836
Grays Harbor	1,366,647
Island	1,506,658
Jefferson	577,241
King	38,373,051
Kitsap	4,826,540
Kittitas	797,632
Klickitat	392,554
Lewis	1,433,008
Lincoln	200,389
Mason	1,162,706
Okanogan	782,490
Pacific	396,479
Pend Oreille	247,496
Pierce	15,517,458
San Juan	302,453
Skagit	2,254,753
Skamania	213,661
Snohomish	14,161,839
Spokane	9,127,993
Stevens	823,054
Thurston	4,998,703
Wahkiakum	74,398
Walla Walla	1,133,732
Whatcom	3,921,611
Whitman	883,246
Yakima	4,672,697
Total	131,999,145

REVENUE SOURCE: **Property Tax Road Levy**

RCW: [RCW 36.82.040](#)

WHO'S ELIGIBLE

Counties.

WHERE ENACTED

Every county in Washington collects a property tax road levy.

PURPOSE

For construction, preservation, and maintenance of county roads, bridges, and wharves necessary for providing vehicle ferry service, and for other proper county road purposes.

PROVISIONS

- May not exceed \$2.25 per thousand dollars of assessed valuation.
- Proceeds are deposited in county road fund.
- Any portion of the county property tax road levy may be diverted by the county legislative authority to any other county-provided service (RCW [36.33.220](#)); however, such diversion may make the county ineligible for state road grants through the Rural Arterial Program of the County Road Administration Board (RCW [36.79.140](#)).

REVENUE

Property tax road levy revenue (\$) used for transportation purposes for 2010 – 2015 as reported in FHWA 536 Local Highway Finance Report:

County Property Tax Road Levy	
2010	409,802,294
2011	438,244,404
2012	576,463,939
2013	576,714,271
2014	594,150,827
2015	612,748,926

REVENUE SOURCE: **Transit Taxes**

RCW: [RCW 35.95.040](#), [RCW 82.14.045](#)

WHO'S ELIGIBLE

Municipal corporations for transit purposes: Public Transit Benefit Areas ([Chapter 36.57A RCW](#)), County-assumed Metropolitan Municipal Corporations, i.e. Metro ([Chapter 36.56 RCW](#)), Cities ([RCW 35.58.2721](#)), City Monorail Authorities ([Chapter 35.95A RCW](#)), County Transportation Authorities ([Chapter 36.57 RCW](#)), and Unincorporated Transportation Benefit Areas ([RCW 36.57.110](#)). Sound Transit has separate taxing authority as a Regional Transit Authority – its authorities are described under [Local Option Taxes for High Capacity Transportation](#) on pages 137-138.

WHERE ENACTED: 28 transit districts have a sales tax or utility tax in place.

PURPOSE

For operation, maintenance, and capital needs of transit districts. Voter approval is required for the B&O, household/utility, and sales and use taxes described below.

PROVISIONS

- Business and Occupation Tax ([RCW 35.95.040](#))
 - Rate to be determined by transit district
 - May be used concurrently with household/utility tax for transit
 - May not be used concurrently with sales and use tax for transit
 - Voter approval required
- Household/Utility Excise Tax ([RCW 35.95.040](#))
 - Up to one dollar per month per housing unit
 - May be used concurrently with B&O tax for transit
 - May not be used concurrently with sales and use tax for transit
 - Voter approval required
- Sales and Use Tax ([RCW 82.14.045 \(1\) and \(2\)](#))
 - Additional sales and use tax, up to a maximum of 0.9%
 - Exemptions and provisions of statewide sales and use tax apply
 - May not be used concurrently with B&O tax for transit or household/utility tax for transit
 - Voter approval required
- Additional Sales and Use Tax Authority ([RCW 82.14.045\(3\)](#))
 - Snohomish County Community Transit Only
 - Additional sales and use tax, up to a maximum of 0.3%
 - Voter approval required
- Regular property tax ([RCW 84.52.140](#))
 - A county with a population of one million five hundred thousand or more (King County) may impose an up to seven and one-half cents per \$1,000 of assessed valuation
 - the first one cent must be used for transit service in the SR 520 corridor and the remainder for transit-related expenditures
- Motor Vehicle Excise Tax—local portion ([RCW 35.58.273](#)) (**Repealed**)
 - Up to 0.725% of the value of vehicles in the transit district
 - **Chapter 6, Regular Session, Laws of 2002 repealed the local motor vehicle excise tax, retroactively to January 1, 2000.**
- Congestion Reduction Charge ([RCW 82.80.055](#)) (Expired December 31, 2014)
 - King County Metro authorized to impose with a two-thirds majority of Council or voter approval
 - Up to \$20 vehicle license fee

Public Transportation Benefit Areas (PTBA's) located in Puget Sound have additional tax authority to fund passenger-only ferry activities. ([RCW 36.57A.210](#)).

Local Tax for Transit

Revenue Estimates (For Calendar Years 2014 – 2016)

Transit System	Local Tax Type	Current Sales and Use Tax Rate	2014 Actual Local Sales Tax	2015 Actual Local Sales Tax	2016 Estimated Local Sales Tax
Asotin County Transit	Sales	0.2%	623,457	640,295	694,080
Ben Franklin Transit	Sales	0.6%	27,398,217	30,528,631	33,093,036
Link Transit	Sales	0.4%	9,601,341	10,482,790	11,363,344
Clallam Transit System	Sales	0.6%	6,155,998	6,710,819	7,274,528
C-TRAN	Sales	0.7%	38,577,607	43,342,293	46,983,046
Columbia County Public Transportation	Sales	0.4%	1,959,226	352,523	382,135
Community Urban Bus System	Sales	0.3%	3,203,320	3,338,804	3,619,264
Grant Transit Authority	Sales	0.2%	3,855,732	4,005,841	4,342,332
Grays Harbor Transportation Authority	Sales	0.7%	6,177,789	6,821,193	7,394,173
Island Transit	Sales	0.9%	7,450,430	8,135,371	8,818,742
Jefferson Transit Authority	Sales	0.9%	3,620,677	3,949,275	4,281,014
Metro Transit	Sales	0.9%	467,109,000	511,399,290	554,356,831
Kitsap Transit	Sales	0.8%	29,130,778	31,373,676	34,009,064
Twin Transit	Sales	0.2%	1,508,478	1,536,795	1,665,886
Mason Transportation Authority	Sales	0.6%	3,456,982	3,785,158	4,103,112
Okanogan County PTBA	Sales	0.4%	1,550,351	2,424,331	2,627,975
Pacific Transit System	Sales	0.3%	791,169	803,935	871,465
Pierce Transit	Sales	0.6%	65,376,033	70,148,721	76,041,214
Skagit Transit	Sales	0.4%	9,495,112	10,156,731	11,009,897
Everett Transit System	Sales	0.6%	17,101,592	18,291,041	19,827,488
Community Transit	Sales	0.9%	78,951,863	83,358,802	90,360,941
Spokane Transit Authority	Sales	0.6%	47,855,528	50,080,209	54,286,947
Intercity Transit	Sales	0.8%	30,455,372	33,189,152	35,977,041
Valley Transit	Sales	0.6%	4,438,610	4,741,072	5,139,322
Whatcom Transportation Authority	Sales	0.6%	21,671,652	22,602,556	24,501,170
Pullman Transit	Utility	0.3%	1,933,084	1,235,108	1,338,857
Selah	Sales	0.3%	445,071	389,597	422,323
Union Gap	Sales	0.2%	930,000	1,016,908	1,102,328
Yakima Transit	Sales	0.3%	5,407,861	5,564,645	6,032,075
			896,232,330	970,405,563	1,051,919,631
Sound Transit	Sales (portions of King, Pierce & Snohomish)	* 0.9%	632,174,582	687,141,265	716,589,447
Sound Transit	MVET	0.3%	73,581,481	78,803,221	82,464,013
			1,601,988,393	1,736,350,049	1,850,973,091

* Voters in the Sound Transit service area approved an additional 0.5 percent sales tax in November 2016. The additional tax increases the rate to 1.4 percent beginning April 2017.

Background Information

1. Border Area Motor Vehicle Fuel Taxes and Commercial Parking Taxes are based on WSDOT's annual survey of local government's transportation revenues and expenditures.
2. Referendum Procedure for councilmanic Motor Vehicle License fee over \$40 ([RCW 36.73.065\(6\)](#)) and Commercial Parking Tax (per [RCW 82.80.090](#))
 - Petition to repeal vehicle license fee or commercial parking tax must be filed within seven days of passage or the ordinance imposing the tax.
 - Petitioner has 30 days after ballot title written to obtain signatures of not less than 15% of registered voters.
3. Revenue Assumptions for HOV and HCT Taxes
 - MVET
 - Uses latest actuals from Sound Transit through 2015
 - EMPLOYER TAX
 - County employment estimates are based on Employment Security Department actual monthly average employees covered by the Washington Employment Security Act for calendar year 2015.
 - Revenue projections are for countywide tax.
 - SALES TAX
 - Revenue projected for CY 2016 is based on 2015 actuals, and assuming projected sales tax growth from the forecast by the Washington State Office of the Forecast Council in September 2016 forecast.
 - The following transit districts had sales tax rate increases between 2013 and 2014.

➤ Grays Harbor County	(increase 0.1%)	Effective 4/1/2014
➤ Okanogan County	(increase 0.4%)	Effective 4/1/2014
 - Estimates are for a calendar year time period.

History of Local Option Taxes

1890

At statehood, authorized "seven mills" on each dollar of assessed property (0.7 of a penny on the dollar) if the road poll tax is insufficient for road maintenance.

1937

Recodification of Remington Revised Statutes includes the general property tax road levy. Language very similar to 2014 [RCW 36.82.040](#): County Commissioners shall make a uniform tax levy, revenue deposited into county road fund, for county road purposes. Rate set at "ten mills on the dollar," or a penny on the dollar, on all taxable property in the county.

1965

SSB167 (C 111 ex. s., L 1965) authorized Business and Occupation tax and Utility tax for municipally owned, leased, operated transportation systems. (Bill generally sought to address insolvency of municipal transportation systems.)

1969

EHB 641 (C 255, ex. s. L 1969) authorized municipalities to impose a Motor Vehicle Excise Tax (MVET) up to 1% of fair market value of vehicles in the municipality to be credited against the state MVET imposed under RCW 82.44.020. (RCW 35.58.273)

1971

EHB 248 (C 25 ex.s. L 1971): Property tax road levy allowed to be used for any county service.
ESB 691 (C 296 ex.s. L 1971): Original local sales tax authority (0.3%) for public transportation purposes. Cities, counties, metros authorized to impose in lieu of B&O and utility tax.

1973

HB 186 (C195 ex.s. L 1973): Property tax road levy rate changed to \$2.25 per \$1000 dollars of assessed value.

1975

ESSB 2280 (C 270 ex.s., L 1975) created Public Transportation Benefit Areas. Required voter approval of B&O and utility taxes for county transportation authorities and PTBAs. Also modified the utility tax language to eliminate the reference to public utility services.

1980

HB 1427 (C 163 L 1980): Allowed Metro to impose a sales tax of up to 0.6% for public transportation purposes.

1983

ESHB 235 (C 49 1st ex.s. L 1983): Only counties which have spent all county road funds on road purposes may receive rural arterial trust account funds.

1984

SB 3834 (C 112 L 1984) extended 0.6% sales tax to all transit agencies.

1987

EHB 396 (C 327 L 1987) authorized the creation of Transportation Benefit Districts (TBDs) by counties for any area within a county, and by cities for any area within a city. Purpose: capital funding for city streets, county road, or state highway improvements. Authorized to levy excess property taxes, form LIDs, impose impact fees on residential and commercial construction including late comer fees, and incur debt.

1990

SSB 6358 (C 42, L 1990) enacted a five cent state gas tax increase for highway purposes and restructured the motor vehicle excise tax. For local option taxes, the bill created:

- Counties: Local option fuel tax at 10 percent of state rate, subject to voter approval;
- Counties: Vehicle license/registration fees up to \$15, subject to referendum;
- Counties and cities: Commercial parking tax, subject to referendum;
- Cities: Street utility charge, proceeds limited to 50 percent of annual maintenance and operations budget for streets.

SHB 1825 (C 43, L 1990): Establishment of nonhighway funding programs, including first enactment of High Capacity Transportation (HCT) and High Occupancy Vehicle (HOV) local option taxes.

For HCT Systems, subject to voter approval:

- Employer tax: up to \$2 per head
- Special MVET, up to 0.8% on value of vehicle; if MVET also imposed for HOV purposes, overall rate may not exceed 0.8%
- Sales and use tax: up to 1% of retail sale price of the article; separate legislation (C 1 2nd ex. sess., L 1990) limited the maximum rate to 0.9% in counties imposing a criminal justice local sales tax.

For HOV Systems, subject to voter approval:

- Employer tax of up to \$2 per employee may be imposed by certain counties having within boundaries planned or existing HOV lanes
- Local surcharge of not more than 15% on the state MVET may be imposed by certain counties

1991

SHB 1342 (C 173, L 1991): Border Area fuel tax authorized for cities and towns within 10 miles of an international border and TBDs containing an international border. Tax rate: up to one cent. Voter approval required.

1992

ESHB 2610 (C 101 L 1992): Regional Transportation Authorities authorized, given High Capacity Transportation local taxing authorities (employer tax, MVET, sales and use).

ESHB 2964 (C 194 L 1992) established a sales tax on rental car contracts in lieu of MVET (applied to state and local MVETs). Rates to be set to provide the same amount of revenue as the MVET.

1995

Street utility charge invalidated: In *Covell v City of Seattle*, the Washington State Supreme Court found the street utility charge was not a valid fee but rather a tax on property that violated the state Constitution's uniformity clause.

1998

Referendum 49 (C 321 L 1998) restructured the MVET in numerous ways. For the HOV surcharge on the state MVET, the maximum rate was changed from 15% to 13.64% to reflect consolidation of the state's rate at 2.2%. For HCT, the rental car tax in lieu of MVET was limited to 2.172%. Created an exception to the prohibition against using transit sales taxes as MVET match for cities operating a municipal transit system and larger than 60,000 population.

2000

Initiative 695 approved by voters in November 1999.
2ESSB 6856 (C 4 L 2000) raised sales tax cap to 0.9%.
In March of 2000, I-695 was ruled unconstitutional.

SB 6865 (C 1 1st Sp. Session, L 2000) established a flat \$30 license fee and repealed the state MVET. Due to the revenue sharing arrangement with transit agencies and local governments, revenue losses impact local transportation revenue.

2001

SHB 1596 (C 89 L 2001) allowed public transportation providers limited to persons with special needs to use the sales tax authority.

2002

Regional Transportation Investment Districts authorized by E2SSB 6140 (C 56 L 2002)
RTIDs authorized to impose with voter approval:

- Regional sales and use tax of up to 0.5%;
- Local option vehicle license fee of up to \$100 per vehicle registered in the RTID;
- Commercial parking tax, under authority enacted in 1990;
- Local MVET under HOV and HCT taxing authority (bill eliminated language tying the HOV MVET to the state MVET and establishes a stand-alone MVET rate for an RTID and county HOV program); retains max rate of 13.64% on the sales and use tax paid on retail car rentals;
- Employer excise tax under HOV taxing authority;
- Tolls (approvals by Commission and Legislature added in 2006 and 2008);
- Uses limited to capital projects.

Authorized a joint ballot with an RTA to impose any remaining HCT taxes.

2003

Initiative 776 (C 1 L 2003) approved by voters in November 2002. Repealed local MVET for HCT purposes (and thus indirect RTID authority) and repealed county vehicle license fees.

ESSB 5247 (C 350 L 2003) added county-wide local option fuel tax (10% of state fuel tax) to RTID tax options, voter approval required. A county may not impose the local option fuel tax if levying as part of an RTID.

SHB 2033 (C 194 L 2003) applied sub-area equity to RTIDs.

SB 5769 (C 372 L 2003) authorized bonding authority for RTIDs.

ESHB 1853 (C 83 L 2003) generally sought to increase ability of counties and PTBAs to offer passenger-only ferry (POF) service. County Ferry Districts authorized for counties with a million or more population with a boundary on the Puget Sound. Revenue sources include property tax of 75 cents per \$1000 assessed value, voter approval not required. A district may impose an excess property levy for a one-year period with super-majority approval of voters. PTBAs also given authority to operate POF service. Revenue sources (both voter approved) include 0.4% MVET and 0.4% sales and use tax.

2005

SSB 5177 (C 336 L 2005) rewrote TBD statutes. Changes included:

- Definition of “improvement” broadened to include operations, maintenance, preservation, and public transit;
- sales and use tax up to 0.2%, 10 year limit;
- vehicle fee at renewal up to \$100;
- tolls;
- voter approval of TBD taxes and fees required;
- Other changes—impact fees on residential development to exclude those with fewer than 20 residences, TBDs may only form a LID by petition method.

2006

ESHB 2871 (C 311 L 2006): 0.8% MVET for RTIDs. RTID uses broadened to allow operations, maintenance, and preservation of tolled facilities and operating expenses for traffic mitigation during construction. Max sales tax for RTIDs reduced to 0.1%. Required RTID and Sound Transit to submit ballot propositions to voters in 2007, each contingent upon the others passage.

ESSB 6787 (C 332 L 2006) allowed all counties to form Ferry Districts. Struck some, but not all, language limiting the use of Ferry District funds to passenger only ferry service (RCW 36.54.120 continues to limit powers to POF service.)

SSB 6247 (C 318 L 2006) enacted a revised vehicle valuation schedule for future MVETs.

2007

ESHB 1858 (C 329 L 2007) allowed TBDs to impose the first \$20 of a vehicle license fee without voter approval, if approved by a majority of the TBD board. Limits impact fees to commercial development only, exempts impact fees from voter approval.

SHB 1396 (C 509 L 2007) required a joint ballot for RTID and Sound Transit at the 2007 general election.

E2SSB 5862 (C 223 Laws 2007): Ferry District revenue uses broadened to include improvements to vessels and docks and shuttle services; districts allowed to incur debt.

2009

SB 5540 (C 289 L 2009): High Capacity Transportation Corridor Areas created and given authority for HCT taxes: employer tax, sales & use tax, rental car tax.

2SSB 5433 (C551 L 2009): a King County Ferry District may only impose a property tax of 7.5 cents per \$1000 of assessed valuation. King County also authorized to impose an additional regular property tax levy of 7.5 cents per \$1000 assessed valuation for transit-related expenditures. The first cent must be for expanding transit capacity on SR 520.

2010

SSB 1591 (C 105 L 2010) allowed TBD sales tax to be imposed for longer than 10 years if dedicated to repayment of bonds.

2011

ESSB 5457 (C 373 L 2011) King County Metro authorized to impose a Congestion Reduction Charge of up to \$20 per vehicle registration renewal. Until June 30, 2014, requires approval by voters or a two-thirds majority of the County Council. After June 30, 2014, may only be imposed with voter approval. Section expired December 31, 2014.

2012

ESB 6215 established an optional transportation benefit district rebate program for low-income individuals. A rebate program may refund up to 40 percent of the fee, tax, toll paid by a low-income individual (at or below 45 percent of district median household income adjusted for household size).

2015

2ESSB 5987 (C 44 L 2015, 3rd Special Session): The Local Transportation Revenue portion of the 2015 Transportation Finance bill included four changes.

For Transportation Benefit Districts, additional authorities:

- Up to \$40 of the vehicle fee may be imposed without voter approval if the \$20 councilmanic vehicle fee has been in effect for at least 24 months,
- Up to \$50 of the vehicle fee may be imposed without voter approval if the \$40 councilmanic vehicle fee has been in effect for at least 24 months (subject to potential referendum),

For a certain PTBA (Snohomish County Community Transit), Additional Sales Tax authority of 0.3%, voter approval required.

For a certain PTBA (Kitsap Transit), authority to create a Passenger Only Ferry District, with the following local tax options:

- Sales and Use Tax of up to 0.3%, voter approved, in addition to all other taxes
- Parking Tax, voter approved
- Tolls for passengers, packages, and parking (where applicable)
- Leasing and advertising fees

For Sound Transit 3, additional high capacity transportation tax options authorized in 2015 (must be voter approved):

- Sales and use tax – up to 0.5% (for a total of 1.4%)
- Property tax levy of up to \$0.25 per \$1000 of assessed value
- Motor vehicle excise tax – up to 0.8%
Additional authorization for an MVET up to 0.8% of the value of the vehicle, exempting trucks more than 6,000 pounds, farm vehicles, and commercial trailers. Until bonds issued against the original MVET are repaid, the vehicle depreciation schedule remains the same as that currently in use. Once those bonds are repaid, the schedule switches to the one in effect at the time the MVET is approved by the voters.
- If an RTA imposes any of these additional taxes, it is prohibited from receiving state grant funding except for transit coordination grants.

Summary Chart of Local Option Taxes for Transportation

TAX	PURPOSE	RATE	JURISDICTION	EXEMPTIONS	OTHER PROVISIONS
Cities and / or Counties					
Fuel Tax	Highway Purposes (Per 18th Amendment)	10% of State Rate, public vote	County (Incorporated and Unincorporated)	Same as statewide fuel tax--applied to both motor and special fuel	Distributed to county and cities within the county on per capita basis: 1.5 for population in unincorporated area and 1.0 for city populations.
Commercial Parking Tax	General Transportation	No fixed rate--councilmanic/referendum process specified	City or County (Unincorporated), RTID		May provide exemptions for tax-exempt carpools, vehicles with handicap decals, and government vehicles.
Border Area Fuel Tax	Street construction & maintenance	Up to one cent per gallon, public vote	Cities or TBDs within 10 miles of international border crossing		For areas impacted by Canadian border crossings.
Property Tax Road Levy	County Road Purposes	Up to \$2.25 / \$1,000 assessed value	All counties		Levy can be diverted for other purposes, but doing so makes the county ineligible for CRAB road grants.
Employer Tax	High Occupancy Vehicle Program	Up to \$2/employee/month, public vote	King, Pierce, Snohomish counties	Participation in commute reduction programs.	Total of HOV taxes cannot exceed revenue from MVET alone. Precludes HCT employer tax.
Motor Vehicle Excise Tax (MVET) Retail Car Rental Tax	High Occupancy Vehicle Program	0.3% on value of vehicle 13.64% on sales & use tax paid on retail car rentals	King, Pierce, Snohomish counties	Trucks over 6,000 lbs. Unladen weight	Total of HOV taxes cannot exceed revenue from MVET/rental car tax alone.
County Ferry District Property Tax	Passenger-only ferry service	Ad valorem, up to seventy-five cents per \$1,000, councilmanic; except in King County where the limit is 7.5 cents per \$10,000 assessed value (RCW 36.54.130)	County Ferry Districts		Excess property tax levy, public vote
Repealed/Discontinued City and County Taxes/Fees					
Street Utility Charge Found unconstitutional by Washington State Supreme Court	Street Maintenance and Operations	Up to \$2/employee/month Up to \$2/household/month Councilmanic	City	Entities exempt from property/leasehold tax	Tax ruled unconstitutional: not a tax but a fee; found to violate uniformity clause and one percent levy limitation.

TAX	PURPOSE	RATE	JURISDICTION	EXEMPTIONS	OTHER PROVISIONS
Vehicle License Fee <i>(See Repealed Taxes, Page 237)</i> Repealed by Initiative 776	General Transportation	Up to \$15 Councilmanic	County	County may exempt persons over 60 or with disabilities	Repealed by Initiative 776
Transportation Benefit Districts (TBDs); size can range from portion of a city to multi-county					
Sales and Use Tax	Transportation activities	Up to 0.2%, public vote	TBDs	Same as state sales tax.	No longer than 10 years unless reauthorized by vote, except if revenues are pledged for bonds
Vehicle Fee	Transportation activities	Up to \$100, public vote Up to \$20, councilmanic. \$40 councilmanic, if \$20 fee has been in effect for 24 mos. \$50 councilmanic, if \$40 fee has been in effect for 24 mos.	TBDs	Vehicles over 6,000 lbs are exempt Motor vehicle fees for passenger only ferry improvements always subject to public vote	Combined fees in overlapping districts may not exceed the single statutorily authorized rate (aka "no stacking") Vehicle fee of more than \$40 subject to referendum procedures
Excess Property Tax Levies	Transportation activities	No fixed rate, public vote (super-majority)	TBDs		One year levy, and multi-year levy to support GO bonds
Tolls on state routes, city streets, county roads	Transportation activities	No stated rate	TBDs		Tolls on State Routes authorized by Legislature; other tolls approved by Transportation Commission
Border Area Fuel Tax	Highway purposes (18th amendment)	Increments of a tenth of a cent, may not exceed one cent per gallon, public vote	TBDs with international border in boundaries		
Impact fees (commercial development only) including late-comer fees and LID formation	Transportation activities	No prescribed rate. No public vote for impact fees.	TBDs		Controlled by overarching requirements for each process.
Regional Transportation Investment Districts (RTID) (King, Pierce and Snohomish Counties only--Single or Multiple adjoining counties)					
Sales and Use Tax	Capital improvements to Highways of Statewide Significance & up to 10% of funds for other roads	Public vote: Up to 0.1 %	RTID	Same as state sales tax	All RTID taxes, fees, tolls expire after projects completed & debt retired. Specific planning & fiscal requirements.
Vehicle License/Registration Fee	Same	Public vote: Up to \$100 on renewals	RTID		

TAX	PURPOSE	RATE	JURISDICTION	EXEMPTIONS	OTHER PROVISIONS
Motor Vehicle Excise Tax and surtax on car rental sales and use tax (HOV system tax authority)	Same	Public vote: Up to 0.8% MVET; up to 13.64% on rental car sales tax	RTID		Total of HOV taxes cannot exceed revenue from MVET alone.
Employer tax (HOV system tax authority)	Same	Public vote: Up to \$2/month per FTE	RTID		Total of HOV taxes cannot exceed revenue from MVET alone.
Local Option Fuel Tax, county-wide	Same	Public vote: 10 % of state rate	RTID		May not be imposed by RTID and county
Commercial Parking tax	Same	Public vote	RTID		
Tolls	Same	Public vote	RTID		Tolls on State Routes authorized by Legislature; other tolls approved by Transportation Commission
Public Transit Systems					
Sales and Use Tax	Public Transit	Up to 0.9%, public vote Additional 0.3%, public vote, Community Transit only	Cities, Counties and Special Purpose Transit Districts		Cannot be imposed if jurisdiction is within another jurisdiction that is collecting tax.
B & O Tax &/or Household Tax	Public Transit	Set by transit district, public vote	City, Counties and Special Purpose Transit Districts		Neither may be used concurrently with sales tax
Property Tax	Public Transit	Up to 7.5 cents per \$1,000, Councilmanic	County over 1.5 M persons		First one cent must be for bus capacity along SR 520 corridor.
Congestion Reduction Charge	Public Transit	Up to \$20 per vehicle	County that has assumed the authority of a metropolitan municipal corporation	Vehicle renewals only	Expires December 31, 2014.
Passenger-Only Ferry Service Taxes: MVET, Sales tax	Passenger Only Ferry Services	Up to 0.4% MVET, on renewal, public vote Up to 0.4% Sales tax, public vote	Public Transportation Benefit Areas abutting Puget Sound & not within RTA boundaries	Vehicles over 6,000 lbs	
Passenger Only Ferry Districts formed by Kitsap Transit	Passenger Only Ferry Services	Up to 0.3% sales tax, public vote Parking tax, tolls, leasing, advertising fees	PTBA bordering western side of Sound, over 200K pop'n, with one or more state ferry terminals		May issue GO bonds

High Capacity Transportation					
Employer Tax	High Capacity Transportation Systems	Up to \$2/employee/mo	RTA (ST): Pierce, King, Snohomish Transit agencies in Clark, Spokane, Yakima, Kitsap, & Thurston HCTCAs: Transit agencies Spokane and Clark counties		Not allowed if HOV employer tax in effect
Motor Vehicle Excise Tax Repealed by Initiative 776. ST permitted to continue to impose to meet debt obligations, see Pierce County v. State 159 Wn2d 16 (2006)	High Capacity Transportation Systems	Up to 0.8% of vehicle value ST3: additional 0.8% MVET, voter approved	Same as above for original 0.8%. Additional 0.8% only available to Sound Transit.	Vehicles over 6,000 lbs	Until bonds issued against the original MVET are repaid, the vehicle depreciation schedule remains the same as that currently in use. Once those bonds are repaid, the schedule switches to the one in effect at the time the ST3 MVET is approved by the voters (RCW 82.44.035).
Property tax	High Capacity Transportation Systems	Up to \$0.25 per \$1000 of assessed value	Only Sound Transit		After bonds retired, any property taxes pledged to repayment must be reduced to meet O&M needs or terminated.
Rental car sales tax	High Capacity Transportation Systems	Up to 2.172%	Same as above		Originally, in lieu of MVET.
Sales & Use Tax	High Capacity Transportation Systems	Up to 1% of purchase price of taxable items ST3: Additional 0.5% Voter approved	Same as above, for base sales tax. Additional 0.5% sales tax only available to Sound Transit.	Same as statewide sales tax	Tax limited to 0.9% if 0.1% local option sales tax for criminal justice is in effect