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# 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 363.

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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 2017, 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 \$302,538 in calendar year 2016 and \$300,742 in 2017.

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

<b>BORDER AREA MOTOR VEHICLE FUEL TAX</b>				
	<b>Blaine</b>	<b>Nooksack</b>	<b>Pt. Roberts</b>	<b>Sumas</b>
<b>2017</b>	168,506	17,915	65,313	49,008
<b>2016</b>	168,335	15,718	68,373	50,112
<b>2015</b>	197,796	15,658	80,498	55,431
<b>2014</b>	251,118	14,654	96,208	79,163
<b>2013</b>	249,540	13,396	96,674	77,863
<b>2012</b>	227,568	14,248	96,157	60,261
<b>2011</b>	185,213	13,658	79,297	43,134
<b>2010</b>	122,446	14,157	54,938	26,642
<b>2009</b>	88,627	14,161	35,894	19,181
<b>2008</b>	102,514	13,879	51,245	20,598
<b>2007</b>	99,831	14,641	42,208	21,004
<b>2006</b>	101,408	4,499	41,668	20,075
<b>2005</b>	107,604	14,589	43,689	15,411
<b>2004</b>	99,191	14,951	35,278	14,049

Source: WSDOT City & County Annual Financial Merge Database

Border Area Motor Vehicle Fuel Taxes are based on WSDOT's annual survey of local government's transportation revenues and expenditures

**REVENUE SOURCE:** **Commercial Parking Tax**

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

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

**WHERE ENACTED**

Currently 10 cities impose this tax: Bainbridge Island, Bremerton, Burien, Des Moines, 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.
1. Subject to exclusive referendum procedure ([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.

**REVENUE**

Jurisdictions that imposed the commercial parking tax during 2016 and 2017 report to the Department of Transportation annually in their local government transportation financial statistics report.

<b>Commercial Parking Tax Collections by City</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Bainbridge Island	753,167	808,943	908,419	919,373
Bremerton	547,288	626,078	695,664	650,837
Burien	189,159	219,453	247,377	244,548
DesMoines	21,130	32,968	21,771	52,308
Mukilteo	33,215	42,446	53,555	70,740
Port Angeles	23,014	31,430	36,167	39,142
Sea Tac	6,690,651	7,018,369	7,234,583	9,324,537
Seattle	35,677,486	41,179,529	40,274,566	43,004,761
Sumner	26,751	33,097	45,595	51,285
Tukwila	143,535	193,486	214,331	214,493

Source: WSDOT City & County Annual Financial Merge Database: Commercial Parking Taxes are based on WSDOT's annual survey of local government's transportation revenues and expenditures

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 (Connecting Washington Act)
  - 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

### **Sound Transit High Capacity Transportation Taxes (dollars in millions)**

Actual revenues collected by the RTA for 2012 through 2017. Forecasted values for 2018 are from Sound Transit's 2018 budget and revenue forecast.

Calendar Year	MVET 0.3%	Sales Tax 0.9%	Rental Car Tax	Property Tax
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	\$ 85.0	\$ 746.0	\$ 3.5	
2017	\$ 259.5	\$ 1,026.6	\$ 3.6	\$ 139.4
2018	\$ 326.4	\$ 1,293.3	\$ 3.7	\$ 143.7

Source: Sound Transit

### **Potential Revenues for other authorized taxes and Eligible Jurisdictions**

<b>Amounts which could be collected if HCT Taxes were imposed</b>			
<b>Revenue Estimates (\$ millions), Calendar Year 2017</b>			
<b>Transit Agency</b>	<b>\$2 per Employee per Month</b>	<b>0.9% Sales Tax</b>	<b>MVET</b>
Sound Transit	\$ 39.96	See RTA (Sound Transit) actuals above	
King County	\$ 27.97	Included in Sound Transit	
Pierce County	\$ 6.25	Included in Sound Transit	
Snohomish County	\$ 5.74	Included in Sound Transit	
Spokane County	\$ 4.90	\$ 88.74	Authority repealed by Initiative 776
Clark County	\$ 3.22	\$ 68.85	
Kitsap County	\$ 1.81	\$ 40.02	
Thurston County	\$ 2.32	\$ 47.67	
Yakima County	\$ 1.72	\$ 36.10	

#### Revenue Assumptions:

**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 2017. Revenue projections are for countywide tax. 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, Snohomish, Spokane, Clark, Kitsap, Thurston and Yakima counties. Sound Transit may not impose the employee tax if any county within its boundaries is imposing the tax.

**SALES TAX**—Revenue projected for CY 2018 is based on 2017 actuals, and assuming projected sales tax growth from the forecast by the Washington State Office of the Forecast Council. Estimates are for a calendar year time period.

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% surcharge on the 5.9% state sales and use tax paid on retail car rentals within the county or RTID. (State rental car tax is codified at [RCW 82.08.020\(2\)](#).)
  - 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

See previous page for potential revenues for HCT taxes.

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. It is now referred to as the King County Water Taxi.

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

Revenue Estimating for Property Taxes: The state Department of Revenue's [Property Tax Statistics](#) include information useful for running levy estimates. The table for Assessed Value of Selected Districts by County (Table 15) provides information for estimating excess and regular levy estimates. For taxable value subject to regular property tax levies, use "county general value." For taxable value subject to excess property tax levies, use "school districts value."

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 Water Taxi has a variety of funding sources including ferry fares, advertising, property taxes, state forecast timber sales and state and federal grants.

Revenue	2012	2013	2014	2015	2016	2017
Passenger Fare Revenue	\$ 1,420,638	\$ 1,625,208	\$ 1,764,299	\$ 1,982,612	\$ 2,477,371	\$ 2,620,614
Property Taxes	\$ 1,175,265	\$ 1,176,665	\$ 1,185,328	\$ 1,185,235	\$ 1,185,567	\$ 5,768,502
Federal and State Grants	\$ 3,332,721	\$ 1,506,702	\$ 8,718,283	\$ 4,418,960	\$ 1,917,632	\$ 4,735,558
Other Income	\$ 95,587	\$ 6,448	\$ 85,779	\$ 46,796	\$ 63,435	\$ 93,032
<b>Total</b>	<b>\$ 6,024,211</b>	<b>\$ 4,315,023</b>	<b>\$ 11,753,689</b>	<b>\$ 7,633,603</b>	<b>\$ 5,644,005</b>	<b>\$13,217,706</b>

Source: King County Water Taxi Annual Operating Revenues and Expenditures.

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 18<sup>th</sup> 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
- Referendum procedure for councilmanic Motor Vehicle License fee over \$40 ([RCW 36.73.065\(6\)](#))

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

- One year, voter approved, super majority required
- Multi-year for GO bonds
- Revenue Estimating for Property Taxes: The state Department of Revenue's [Property Tax Statistics](#) include information useful for running levy estimates. The table for Assessed Value of Selected Districts by County (Table 15) provides information for estimating excess and regular levy estimates. For taxable value subject to excess property tax levies, use "school districts value."

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 with Sales Taxes By Calendar Year Established by December 2017

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Aberdeen</b>	533,746	543,813	530,040	562,527
<b>Airway Heights</b>	218,110	367,993	393,090	460,735
<b>Arlington</b>	599,293	872,395	953,596	1,033,533
<b>Bellingham</b>	4,700,864	4,903,512	5,169,348	5,473,547
<b>Castle Rock</b>	87,724	84,944	87,652	92,112
<b>Centralia</b>	-	-	410,960	688,293
<b>Clarkston</b>	-	-	301,225	523,649
<b>Dayton</b>	-	22,167	66,992	73,873
<b>Ellensburg</b>	-	-	81,260	1,147,279
<b>Enumclaw</b>	-	-	170,479	333,143
<b>Ferndale</b>	392,106	409,812	419,457	468,385
<b>Friday Harbor</b>	-	166,162	269,935	288,085
<b>Leavenworth</b>	262,492	280,152	313,250	384,530
<b>Lynden</b>	452,237	546,314	502,411	631,858
<b>Lynnwood</b>	-	-	-	1,493,201
<b>Marysville</b>	146,380	1,984,965	2,108,967	2,250,113
<b>Mattawa</b>	-	-	4,504	60,808
<b>Monroe</b>	-	786,778	1,058,999	1,220,039
<b>Mount Vernon</b>	-	-	-	1,000,128
<b>North Bend</b>	452,606	476,286	489,126	521,530
<b>Othello</b>	-	-	24,866	356,976
<b>Seattle</b>	-	13,420,396	24,429,098	25,879,458
<b>Shelton</b>	-	-	274,878	494,805
<b>Snohomish</b>	770,851	845,280	917,898	982,208
<b>Stanwood</b>	259,856	287,375	347,631	333,641
<b>Tacoma</b>	-	-	2,973,062	5,608,297
<b>Tumwater</b>	-	83,843	1,310,539	1,513,578
<b>Twisp</b>	-	-	-	45,987
<b>Waitsburg</b>	7,554	7,926	7,343	8,082
<b>Walla Walla</b>	1,048,584	1,135,799	1,249,533	1,236,517
<b>Total</b>	<b>9,932,403</b>	<b>27,225,910</b>	<b>44,866,139</b>	<b>55,166,919</b>

Source: Department of Revenue Local Sales Tax Reports

Transportation Benefit Districts with Vehicle Registration Fees By Calendar Year Since December 2017

	2014	2015	2016	2017
Anacortes TBD	-	229,185	318,463	338,184
Auburn TBD	-	-	-	79
Bainbridge Island TBD	391,684	394,167	406,162	422,671
Battle Ground TBD	-	109,256	257,123	275,873
Black Diamond	-	-	71,320	105,455
Bremerton TBD	444,132	480,665	510,642	549,768
Bridgeport TBD	-	-	-	18,216
Buckley TBD	69,359	85,001	86,704	94,350
Burien TBD	343,923	367,068	380,863	659,726
Carbonado TBD	11,425	12,969	13,246	14,672
Clarkston TBD	-	64,607	26,528	-
Covington TBD	-	-	120,740	321,243
Des Moines TBD	429,838	459,419	845,716	915,859
DuPont TBD	84,567	92,428	96,842	100,081
East Wenatchee TBD	218,374	237,283	243,857	249,480
Eatonville TBD	47,520	50,391	51,955	53,915
Edgewood TBD	69,003	158,327	162,558	195,685
Edmonds TBD	673,675	689,599	705,187	698,283
Electric City TBD	9,583	10,058	10,989	15,068
Elmer City TBD	-	-	317	6,791
Enumclaw TBD	70,330	227,819	234,967	245,956
Everett TBD	-	1,157,944	1,497,423	1,503,968
Fife TBD	-	-	2,574	154,717
Grandview TBD	154,816	160,915	168,241	179,744
Granite Falls TBD	-	297	68,330	73,715
Kalama TBD	38,293	41,837	46,193	48,332
Kelso TBD	161,490	168,518	174,280	190,223
Kenmore TBD	323,400	336,978	350,737	352,287
Kittitas TBD	5,329	3,049	14,078	22,473
Lake Forest Park TBD	209,134	215,107	286,407	429,158
Lakewood TBD	-	539,199	784,628	823,632
Longview	-	-	-	216,651
Lynnwood TBD	522,288	548,511	571,070	1,078,200
Mabton TBD	25,423	25,641	30,413	35,561
Maple Valley TBD	345,219	364,241	375,685	388,674
Mercer Island TBD	-	220,651	371,689	374,736
Moses Lake	-	-	-	78,526
Mountlake Terrace TBD	307,930	325,321	329,672	331,353
Normandy Park TBD	-	-	96,446	115,007
Olympia TBD	712,161	747,161	798,143	1,645,088
Orting TBD	119,255	128,957	132,264	135,100
Port Orchard TBD	-	-	277	199,584
Prosser TBD	89,298	89,516	93,476	98,564
Richland TBD	-	-	-	18,394
Roy TBD	79	13,147	14,533	16,078
Royal City	11,939	12,256	21,542	34,115
Seattle TBD	7,624,900	20,879,780	31,427,344	31,881,784
Sedro-Woolley TBD	-	82,289	196,456	208,633
Shoreline TBD	788,395	818,017	835,649	830,209
Snoqualmie TBD	162,190	173,273	181,142	191,956
Soap Lake TBD	18,315	21,463	21,958	23,602
Spokane TBD	2,657,229	2,734,190	2,838,507	2,966,210
Tacoma TBD	2,592,958	2,778,863	2,874,675	2,928,052
Toppenish TBD	119,810	132,700	136,481	148,163
University Place TBD	163,726	394,713	402,330	480,909
Vancouver TBD	-	-	1,446,189	2,425,156
Wapato TBD	64,350	69,854	71,557	75,992
Wenatchee TBD	499,475	528,264	551,343	616,156
Wilkeson TBD	40	5,940	6,059	12,553
Zillah TBD	41,956	44,471	44,768	52,807
<b>Total</b>	<b>20,622,813</b>	<b>37,431,308</b>	<b>51,806,736</b>	<b>56,667,419</b>

Source: Department of Licensing Local Vehicle Registration Fees Reports

**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)**

Revenue assumptions: 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 projected fuel gallons consumed for FY 2020-2023 and uses the November 2018 TRFC forecast. The county's share is based upon the latest population estimates provided by the Office of Financial Management as of April 1, 2018. 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 Years 2020-2023 (\$)

County	FY 2020	FY 2021	FY 2022	FY 2023
Adams	185,580	187,279	188,910	190,298
Asotin	219,156	221,162	223,088	224,727
Benton	1,771,611	1,787,831	1,803,400	1,816,653
Chelan	757,308	764,241	770,897	776,561
Clallam	676,129	682,319	688,261	693,319
Clark	4,595,510	4,637,584	4,677,971	4,712,346
Columbia	39,555	39,917	40,264	40,560
Cowlitz	1,212,272	1,223,370	1,234,024	1,243,092
Douglas	420,619	424,470	428,167	431,313
Ferry	89,175	89,992	90,776	91,443
Franklin	843,004	850,722	858,131	864,436
Garfield	24,751	24,978	25,195	25,381
Grant	903,780	912,055	919,997	926,758
Grays Harbor	711,563	718,078	724,331	729,654
Island	862,925	870,825	878,409	884,864
Jefferson	338,647	341,748	344,724	347,257
King	18,805,996	18,978,173	19,143,445	19,284,119
Kitsap	2,777,251	2,802,678	2,827,085	2,847,859
Kittitas	420,687	424,539	428,236	431,383
Klickitat	227,397	229,479	231,478	233,179
Lewis	834,770	842,413	849,749	855,994
Lincoln	106,462	107,436	108,372	109,168
Mason	671,628	677,777	683,680	688,704
Okanogan	432,501	436,461	440,262	443,497
Pacific	211,285	213,220	215,076	216,657
Pend Oreille	143,652	144,967	146,230	147,304
Pierce	8,610,316	8,689,147	8,764,816	8,829,224
San Juan	190,604	192,349	194,024	195,450
Skagit	1,379,577	1,392,208	1,404,332	1,414,651
Skamania	116,798	117,867	118,894	119,767
Snohomish	7,563,525	7,632,773	7,699,243	7,755,820
Spokane	4,861,567	4,906,077	4,948,802	4,985,168
Stevens	559,838	564,964	569,884	574,071
Thurston	2,858,725	2,884,898	2,910,021	2,931,405
Wahkiakum	42,806	43,198	43,574	43,894
Walla Walla	616,164	621,805	627,220	631,829
Whatcom	2,146,182	2,165,831	2,184,692	2,200,747
Whitman	478,643	483,025	487,231	490,812
Yakima	2,475,582	2,498,248	2,520,004	2,538,522
<b>Total</b>	<b>70,183,540</b>	<b>70,826,102</b>	<b>71,442,893</b>	<b>71,967,887</b>

Source: WSDOT calculations based on statewide fuel consumption forecast from November 2018 TRFC forecast with county shares based on each county's population share of total

**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**

<b>County Property Tax Road Levy</b>	
<b>2014</b>	451,026,699
<b>2015</b>	472,145,855
<b>2016</b>	542,302,169
<b>2017</b>	504,309,717

Source: FHWA 536 Local Highway Finance Report.

Revenue Estimating for Property Taxes: The state Department of Revenue's [Property Tax Statistics](#) include information useful for running levy estimates. The table for Assessed Value of Selected Districts by County (Table 15) provides information for estimating excess and regular levy estimates. For taxable value subject to regular property tax levies, use "county general value." For taxable value subject to excess property tax levies, use "school districts value."

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 142-143.

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 and Thurston County Intercity Transit
  - 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)

<b>Transit System</b>	<b>County</b>	<b>Local Tax Type</b>	<b>2016 Actual Local Sales Tax</b>	<b>2017 Actual Local Sales Tax</b>	<b>2018 Estimated Local Sales Tax</b>
Asotin County Transit	Asotin	Sales	679,756	707,524	742,900
Ben Franklin Transit	Benton/Franklin	Sales	32,295,441	34,238,691	35,950,626
Link Transit	Chelan/Douglas	Sales	11,989,174	11,695,523	12,280,299
Clallam Transit System	Clallam	Sales	7,193,321	7,526,301	7,902,616
Sequim	Clallam	Sales	635,642	695,083	729,837
C-TRAN	Clark	Sales	46,978,663	50,485,221	53,009,482
Columbia County Public Transportation	Columbia	Sales	297,081	293,516	308,192
Community Urban Bus System	Cowlitz	Sales	3,672,373	3,737,541	3,924,418
Garfield Transit	Garfield	Sales		49,405	51,875
Grant Transit Authority	Grant	Sales	3,899,318	4,060,932	4,263,979
Grays Harbor Transportation Authority	Grays Harbor	Sales	7,028,724	7,591,882	7,971,476
Island Transit	Island	Sales	9,390,651	10,476,276	11,000,090
Jefferson Transit Authority	Jefferson	Sales	4,508,413	4,646,263	4,878,576
Metro Transit	King	Sales	559,803,982	578,872,941	607,816,588
Kitsap Transit	Kitsap	Sales	34,231,454	36,223,134	38,034,291
Twin Transit	Lewis	Sales	1,644,880	1,768,083	1,856,487
Mason Transportation Authority	Mason	Sales	4,002,805	4,213,310	4,423,976
Okanogan County PTBA	Okanogan	Sales	2,453,623	2,544,438	2,671,660
Pacific Transit System	Pacific	Sales	807,898	886,133	930,440
Pierce Transit	Pierce	Sales	74,873,690	80,111,122	84,116,678
Skagit Transit	Skagit	Sales	10,879,960	11,685,021	12,269,272
Everett Transit System	Snohomish	Sales	18,971,096	19,164,097	20,122,302
Community Transit	Snohomish	Sales	108,962,998	129,246,225	135,708,536
Spokane Transit Authority	Spokane	Sales	53,397,334	63,320,276	67,614,674
Intercity Transit	Thurston	Sales	36,295,754	38,369,309	40,287,774
Valley Transit	Walla Walla	Sales	4,948,540	5,052,270	5,304,884
Whatcom Transportation Authority	Whatcom	Sales	23,509,828	25,644,098	26,926,303
Pullman Transit	Whitman	Utility	1,161,527	1,165,500	1,223,775
Selah	Yakima	Sales	396,737	432,658	454,291
Union Gap	Yakima	Sales	1,114,665	1,152,281	1,209,895
Yakima Transit	Yakima	Sales	5,741,976	5,855,717	6,148,503
			<b>1,071,767,303</b>	<b>1,141,910,771</b>	<b>1,200,134,694</b>
Sound Transit	King	Sales (portions of King, Pierce & Snohomish )	745,955	1,026,577	1,293,321
Sound Transit	King	MVET	85,028	259,436	326,430
Sound Transit	King	Rental Car Tax	3,501	3,548	3,691
Sound Transit	King	Property Tax	0	139,442	143,657
			<b>1,072,598,286</b>	<b>1,143,196,784</b>	<b>1,201,754,445</b>

Source: TRFC November 2018 Forecast

Revenue assumptions: Sales tax revenue projected for calendar year 2018 is based on 2017 actuals, and assuming projected sales tax growth from the forecast by the Washington State Office of the Forecast Council. 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 1<sup>st</sup> 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 2<sup>nd</sup> 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 1<sup>st</sup> 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, 3<sup>rd</sup> 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.

## 2018

ESB 5288 (C 53, L 2018) enacted additional population criteria to allow a certain PTBA (Thurston County Intercity Transit) to impose an Additional Sales Tax authority of 0.3%, voter approval required.

## Summary Chart of Local Option Taxes for Transportation

TAX	PURPOSE	RATE	JURISDICTION	EXEMPTIONS	OTHER PROVISIONS
<b>Cities and / or Counties</b>					
<a href="#">Fuel Tax</a>	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.
<a href="#">Commercial Parking Tax</a>	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.
<a href="#">Border Area Fuel Tax</a>	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.
<a href="#">Property Tax Road Levy</a>	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.
<a href="#">Employer Tax</a>	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.
<a href="#">Motor Vehicle Excise Tax (MVET)</a> <a href="#">Retail Car Rental Tax</a>	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.
<a href="#">County Ferry District Property Tax</a>	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
<b>Repealed/Discontinued City and County Taxes/Fees</b>					
<a href="#">Street Utility Charge</a> <b>Found unconstitutional by Washington State Supreme Court</b>	Street Maintenance and Operations	Up to \$2/employee/month Up to \$2/household/month Councilmanic	City	Entities exempt from property/leasehold tax	<b>Tax ruled unconstitutional:</b> 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 265)</i> <b>Repealed by Initiative 776</b>	General Transportation	Up to \$15 Councilmanic	County	County may exempt persons over 60 or with disabilities	<b>Repealed by Initiative 776</b>
<b>Transportation Benefit Districts (TBDs); size can range from portion of a city to multi-county</b>					
<a href="#">Sales and Use Tax</a>	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
<a href="#">Vehicle Fee</a>	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
<a href="#">Excess Property Tax Levies</a>	Transportation activities	No fixed rate, public vote (super-majority)	TBDs		One year levy, and multi-year levy to support GO bonds
<a href="#">Tolls on state routes, city streets, county roads</a>	Transportation activities	No stated rate	TBDs		Tolls on State Routes authorized by Legislature; other tolls approved by Transportation Commission
<a href="#">Border Area Fuel Tax</a>	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		
<a href="#">Impact fees (commercial development only) including late-comer fees and LID formation</a>	Transportation activities	No prescribed rate. No public vote for impact fees.	TBDs		Controlled by overarching requirements for each process.
<b>Regional Transportation Investment Districts (RTID) (King, Pierce and Snohomish Counties only--Single or Multiple adjoining counties)</b>					
<a href="#">Sales and Use Tax</a>	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	<b>All RTID taxes, fees, tolls expire after projects completed &amp; debt retired. Specific planning &amp; fiscal requirements.</b>
<a href="#">Vehicle License/Registration Fee</a>	Same	Public vote: Up to \$100 on renewals	RTID		

TAX	PURPOSE	RATE	JURISDICTION	EXEMPTIONS	OTHER PROVISIONS
<a href="#">Motor Vehicle Excise Tax and surtax on car rental sales and use tax (HOV system tax authority)</a>	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.
<a href="#">Employer tax (HOV system tax authority)</a>	Same	Public vote: Up to \$2/month per FTE	RTID		Total of HOV taxes cannot exceed revenue from MVET alone.
<a href="#">Local Option Fuel Tax, county-wide</a>	Same	Public vote: 10 % of state rate	RTID		May not be imposed by RTID and county
<a href="#">Commercial Parking tax</a>	Same	Public vote	RTID		
<a href="#">Tolls</a>	Same	Public vote	RTID		Tolls on State Routes authorized by Legislature; other tolls approved by Transportation Commission
<b>Public Transit Systems</b>					
<a href="#">Sales and Use Tax</a>	Public Transit	Up to 0.9%, public vote Additional 0.3%, public vote, Community Transit and Intercity Transit only	Cities, Counties and Special Purpose Transit Districts		Cannot be imposed if jurisdiction is within another jurisdiction that is collecting tax.
<a href="#">B &amp; O Tax &amp;/or Household Tax</a>	Public Transit	Set by transit district, public vote	City, Counties and Special Purpose Transit Districts		Neither may be used concurrently with sales tax
<a href="#">Property Tax</a>	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.
<a href="#">Congestion Reduction Charge</a>	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.
<a href="#">Passenger-Only Ferry Service Taxes: MVET, Sales tax</a>	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	
<a href="#">Passenger Only Ferry Districts formed by Kitsap Transit</a>	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					
<a href="#">Employer Tax</a>	High Capacity Transportation Systems	Up to \$2/employee/mo	<b>RTA (ST):</b> Pierce, King, Snohomish <b>Transit agencies in</b> Clark, Spokane, Yakima, Kitsap, & Thurston <b>HCTCAs:</b> Transit agencies Spokane and Clark counties		Not allowed if HOV employer tax in effect
<a href="#">Motor Vehicle Excise Tax</a> <b>Repealed by Initiative 776.</b> 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 ( <a href="#">RCW 82.44.035</a> ).
<a href="#">Property tax</a>	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.
<a href="#">Rental car sales tax</a>	High Capacity Transportation Systems	Up to 2.172%	Same as above		Originally, in lieu of MVET.
<a href="#">Sales &amp; Use Tax</a>	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