
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 389.

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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 two cents per gallon in 2022, and this maximum rate can be increased by up to the increase in the implicit price deflator in subsequent years. 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 200 through 2012, 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.

BORDER AREA MOTOR VEHICLE FUEL TAX				
	Blaine	Nooksack	Pt. Roberts	Sumas
2021	20,929	12,923	4,557	9,280
2020	53,962	14,946	26,826	26,683
2019	170,777	16,924	77,715	65,188
2018	168,506	17,915	82,575	49,008
2017	168,506	17,915	65,313	49,008
2016	168,335	15,718	68,373	50,112
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

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.
- 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.

Commercial Parking Tax Collections by City					
	2017	2018	2019	2020	2021
Bainbridge Island	919,373	997,403	990,053	310,351	331,270
Bremerton	650,837	706,149	881,679	645,139	831,783
Burien	244,548	235,481	231,612	89,951	172,403
DesMoines	52,308	30,439			
Mukilteo	70,740	58,458	58,806	59,090	50,853
Port Angeles	39,142	44,776	44,905	5,201	2,628
Ruston				13,045	60,026
Sea Tac	9,324,537	10,297,959	16,779,815	6,744,998	8,075,589
Seattle	43,004,761	42,978,233	49,231,599	19,353,615	28,553,758
Sumner	51,285	59,151	65,508	64,382	55,422
Tukwila	214,493	220,086	363,101	199,524	488,144

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.
 - The establishment of an enhanced service zone allows for the collection of a motor vehicle excise tax of up to an additional 1.5% of the value of a motor vehicle located in the enhanced service zone.
- 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.
- Commercial Parking Tax (SSB 5528, section 3)
 - The establishment of an enhanced service zone allows for the collection of a commercial parking 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 (in thousands)				
Calendar Year	MVET, 0.3%	Sales Tax, 0.9%	Rental Car Tax	Property Tax
2022	\$73.58	\$1,545.50	\$3.79	\$163.09
2021	\$363.24	\$1,537.26	\$3.22	\$158.81
2020	\$372.15	\$1,356.30	\$1.97	\$153.36
2019	\$337.50	\$1,401.15	\$3.78	\$150.10
2018	\$345.11	\$1,320.13	\$3.78	\$145.54
2017	\$336.89	\$1,026.58	\$3.55	\$139.44
2016	\$259.44	\$745.96	\$3.50	\$0.00
2015	\$85.03	\$687.14	\$3.25	\$0.00
2014	\$78.80	\$632.17	\$3.05	\$0.00

Source: Sound Transit

Potential Revenues for other authorized taxes and Eligible Jurisdictions

Amounts which could be collected if HCT Taxes were imposed				
Revenue Estimates (\$ millions), Calendar Year 2021				
Transit Agency	\$2 per Employee per Month	0.9% Sales Tax	MVET	
Sound Transit	\$ 3.94	See RTA (Sound Transit) actuals above		
King County	\$ 2.76	Included in Sound Transit		Authority repealed by Initiative 776
Pierce County	\$ 0.63	Included in Sound Transit		
Snohomish County	\$ 0.55	Included in Sound Transit		
Spokane County	\$ 0.46	\$ 68.22		
Clark County	\$ 0.33	\$ 76.87		
Kitsap County	\$ 0.18	\$ 55.53		
Thurston County	\$ 0.23	\$ 38.17		
Yakima County	\$ 0.22	\$ 25.11		

Sales tax revenue estimates are based on the actual revenue base for 2022

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 page 164 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.

King County Water Taxi Revenues for CY 2012-2017 by Revenue Source (\$ millions)						
Revenue	2015	2016	2017	2018	2019	2020
Passenger Fare Revenue	\$ 1,982,612	\$ 2,477,371	\$ 2,620,614	\$ 3,189,332	\$ 3,381,600	\$ 534,182
Property Taxes	\$ 1,185,235	\$ 1,185,567	\$ 5,768,502	\$ 2,670,856	\$ 3,352,597	\$ 5,200,900
Federal and State Grants	\$ 4,418,960	\$ 1,917,632	\$ 4,735,558	\$ 1,066,332	\$ 955,141	\$ 1,030,590
Other Income	\$ 46,796	\$ 63,435	\$ 93,032	\$ 130,512	\$ 672,245	\$ 498,585
Total	\$ 7,633,603	\$ 5,644,005	\$13,217,706	\$ 7,057,032	\$ 8,361,583	\$ 7,264,257

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 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
- Up to an additional 0.1%, without 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, or the governing board in the case of the 0.1%.

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 2018-2021

	2018	2019	2020	2021
Aberdeen TBD	590,344	711,512	888,786	1,041,390
Airway Heights TBD	499,706	553,685	546,375	637,512
Anacortis	-	705,319	1,122,864	1,294,914
Arlington TBD	1,142,782	1,383,513	1,496,220	1,970,256
Bellingham TBD	5,898,842	6,121,740	5,983,493	7,018,779
Blaine TBD	355,527	465,603	392,817	377,757
Castle Rock TBD	102,724	114,357	124,857	150,290
Centralia TBD	806,462	997,649	783,621	919,017
Chehalis TBD	1,154,400	1,153,653	1,196,187	1,365,827
Clarkston TBD	546,887	589,401	630,058	691,998
Connell TBD	43,397	68,165	77,408	95,184
Dayton TBD	76,636	76,924	77,986	89,807
Duvall TBD	-	-	174,874	392,899
Ellensburg TBD	1,123,849	1,199,186	1,192,711	1,358,736
Enumclaw TBD	372,972	394,298	421,129	468,913
Ephrata	-	313,254	421,516	527,482
Ferndale TBD	520,886	571,096	640,137	797,413
Friday Harbor TBD	305,574	330,562	283,922	376,972
George TBD	-	-	20,081	40,226
Gig Harbor TBD	-	-	1,042,963	1,955,146
Grand Coulee TBD	25,628	73,563	78,519	87,059
Lacey TBD	2,863,397	3,104,662	3,207,501	3,607,562
Leavenworth TBD	437,373	436,872	420,625	590,226
Long Beach TBD	96,207	171,799	153,805	201,401
Lynden TBD	629,201	642,879	665,121	784,274
Lynnwood TBD	2,674,197	2,757,305	2,482,879	3,109,834
Marysville TBD	2,430,772	2,813,907	3,042,586	3,575,636
Mattawa TBD	58,547	59,569	57,607	71,587
Monroe TBD	1,229,117	1,287,809	1,292,822	1,498,449
Moses Lake TBD	945,027	1,676,783	1,745,115	2,192,138
Mount Vernon TBD	1,768,530	1,819,932	1,858,559	2,080,166
Mukilteo TBD	189,566	336,017	355,514	369,193
North Bend TBD	594,005	674,840	623,222	745,976
Oak Harbor	-	-	608,190	1,134,481
Ocean Shores	-	247,216	315,583	411,208
Othello TBD	369,299	372,681	467,930	483,592
Port Angeles TBD	693,601	833,420	899,409	1,008,986
Ridgefield	-	-	-	-
Seattle TBD	28,660,677	30,323,833	27,558,875	33,332,432
Sequim TBD	796,505	844,194	837,052	993,918
Shelton TBD	551,166	685,810	651,203	687,474
Shoreline TBD	-	1,559,156	2,668,455	2,803,698
Snohomish City TBD	1,004,357	1,056,662	1,117,639	1,242,327
Stanwood TBD	363,467	478,192	561,210	550,753
Sunnyside TBD	-	-	-	699,203
Tacoma TBD	5,963,463	6,109,972	5,777,992	6,689,519
Tumwater TBD	1,676,202	1,884,231	2,192,944	2,541,890
Twisp TBD	61,315	67,325	73,853	94,492
Waitsburg TBD	12,395	9,540	11,141	13,511
Walla Walla City TBD	1,416,353	1,445,228	1,452,314	1,770,560
Total	69,051,351	77,523,312	78,695,667	94,942,066

Source: Department of Revenue Local Sales Tax Reports

Transportation Benefit Districts with Vehicle Registration Fees By Calendar Year 2018-2021

	2018	2019	2020	2021
Des Moines TBD	918,908	932,359	955,163	1,010,405
Edmonds TBD	700,144	697,100	695,581	732,224
Lake Forest Park TBD	429,261	430,920	426,594	449,222
Olympia TBD	1,708,397	1,699,774	1,655,540	1,743,683
Prosser TBD	97,396	98,559	122,715	130,235
Shoreline TBD	833,768	1,100,597	1,638,385	1,737,862
Burien TBD	767,493	772,677	773,587	821,327
Snoqualmie TBD	196,317	202,655	200,633	421,752
Seattle TBD	31,939,313	31,829,860	31,599,794	22,302,676
Lynnwood TBD	1,131,036	1,153,130	1,157,300	1,219,964
Spokane TBD	2,985,293	3,059,832	3,173,156	3,444,284
Mabton TBD	35,442	35,086	37,085	40,333
Grandview TBD	179,308	183,704	187,182	196,388
Bremerton TBD	568,514	574,081	582,655	614,978
Zillah TBD	52,925	53,024	54,094	58,153
Mountlake Terrace TBD	331,214	329,368	328,799	348,084
Wenatchee TBD	621,601	625,626	625,502	671,359
Royal City	31,759	28,730	34,848	36,907
Kittitas TBD	22,433	23,107	23,344	25,621
Toppenish TBD	146,975	149,193	153,859	159,925
Orting TBD	135,155	139,326	98,753	1,386
Eatonville TBD	55,282	60,440	57,618	58,549
Wapato TBD	76,705	77,695	81,596	88,090
Electric City TBD	15,503	18,137	19,285	20,889
Tacoma TBD	2,941,814	2,969,812	3,029,549	3,239,581
Kenmore TBD	355,950	357,814	356,780	374,877
Maple Valley TBD	396,348	406,831	418,966	446,886
Bainbridge Island TBD	431,184	430,193	606,603	670,893
Kelso TBD	195,050	199,445	203,881	209,266
East Wenatchee TBD	249,282	256,392	254,806	266,525
DuPont TBD	97,419	94,680	96,098	102,874
Kalama TBD	50,411	87,285	104,128	37,937
Carbonado TBD	14,751	15,563	15,345	15,286
Soap Lake TBD	24,611	28,532	30,947	32,859
Buckley TBD	96,548	101,000	101,317	108,068
Edgewood TBD	197,594	206,994	209,228	3,663
Enumclaw TBD	245,421	246,026	243,251	258,925
University Place TBD	479,810	574,766	847,911	835,724
Roy TBD	17,563	16,969	17,800	18,612
Wilkeson TBD	12,593	12,256	11,563	12,058
Everett TBD	1,499,439	1,530,759	1,553,617	1,661,840
Anacortes TBD	345,569	253,775	2,614	20
Lakewood TBD	821,928	828,802	851,591	902,992
Battle Ground TBD	279,932	287,951	301,204	171,608
Sedro-Woolley TBD	208,712	209,187	212,989	224,591
Mercer Island TBD	375,880	372,539	365,515	390,761
Granite Falls TBD	74,369	80,428	84,566	90,644
Normandy Park TBD	115,620	114,800	113,474	119,909
City of Black Diamond	104,663	104,148	105,950	117,850
Vancouver TBD	2,555,945	5,057,785	5,258,081	5,495,483
Covington TBD	333,777	347,498	349,628	374,996
Moses Lake	188,615	3,148	-	-
Elmer City TBD	6,415	6,079	5,821	5,900
TBD - Port Orchard	224,057	228,182	236,293	254,905
Fife TBD	161,434	167,449	166,756	176,019
Auburn TBD	-	59	-	-
Bridgeport TBD	41,323	46,451	44,273	47,104
Longview TBD	537,273	617,859	616,691	643,467
Richland TBD	495,183	989,192	999,143	1,076,658
Yakma TBD			1,634,313	1,725,411
George TBD			10,435	218
Washougal TBD			248,926	267,241
Ridgefield TBD			132,898	161,390
Total	58,156,623	61,525,626	64,526,018	56,877,336

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	364,958	359,816	344,879	322,441
Asotin	407,884	402,137	385,443	360,366
Benton	3,655,018	3,603,519	3,453,921	3,229,209
Chelan	1,420,349	1,400,337	1,342,203	1,254,879
Clallam	1,376,699	1,357,302	1,300,954	1,216,314
Clark	8,847,752	8,723,088	8,360,953	7,816,990
Columbia	75,346	74,285	71,201	66,568
Cowlitz	1,973,311	1,945,507	1,864,741	1,743,421
Douglas	775,559	764,632	732,888	685,207
Ferry	141,818	139,819	134,015	125,296
Franklin	1,714,852	1,690,690	1,620,502	1,515,072
Garfield	40,209	39,642	37,997	35,525
Grant	1,788,387	1,763,189	1,689,991	1,580,040
Grays Harbor	1,343,192	1,324,267	1,269,290	1,186,710
Island	1,536,267	1,514,621	1,451,742	1,357,292
Jefferson	577,775	569,635	545,987	510,465
King	40,322,927	39,754,780	38,104,381	35,625,313
Kitsap	4,892,073	4,823,144	4,622,914	4,322,148
Kittitas	843,480	831,595	797,072	745,214
Klickitat	406,254	400,530	383,902	358,925
Lewis	1,439,548	1,419,265	1,360,345	1,271,841
Lincoln	198,508	195,711	187,587	175,382
Mason	1,176,923	1,160,340	1,112,169	1,039,812
Okanogan	773,929	763,025	731,348	683,767
Pacific	391,945	386,423	370,381	346,284
Pend Oreille	248,860	245,354	235,168	219,868
Pierce	16,088,962	15,862,270	15,203,756	14,214,601
San Juan	310,622	306,246	293,532	274,435
Skagit	2,340,081	2,307,109	2,211,331	2,067,462
Skamania	218,432	215,354	206,414	192,984
Snohomish	14,828,361	14,619,431	14,012,513	13,100,860
Spokane	9,332,250	9,200,759	8,818,795	8,245,045
Stevens	825,368	813,738	779,956	729,212
Thurston	5,176,433	5,103,497	4,891,628	4,573,379
Wahkiakum	75,890	74,820	71,714	67,048
Walla Walla	1,126,571	1,110,698	1,064,588	995,326
Whatcom	4,080,652	4,023,156	3,856,137	3,605,257
Whitman	907,959	895,166	858,003	802,182
Yakima	4,635,787	4,570,469	4,380,729	4,095,719
Total	136,681,194	134,755,367	129,161,066	120,757,859

Source: WSDOT calculations based on statewide fuel consumption forecast from November 2022 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

County Property Tax Road Levy	
2021	542,046,610
2020	520,304,450
2019	504,945,020
2018	522,246,795
2017	504,309,717
2016	542,302,169
2015	472,145,855
2014	451,026,699

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 163-165.

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 2020 – 2022)

Transit System	County	Local Tax Type	2020 Actual Local Sales Tax	2021 Actual Local Sales Tax	2022 Estimated Local Sales Tax
Asotin County Transit	Asotin	Sales	871,483	983,652	1,092,837
Ben Franklin Transit	Benton/Franklin	Sales	39,529,725	46,699,759	51,883,433
Link Transit	Chelan/Douglas	Sales	16,579,536	21,009,604	23,341,670
Clallam Transit System	Clallam	Sales	9,061,716	11,012,730	12,235,143
C-TRAN	Clark	Sales	62,602,603	76,043,041	84,483,819
Columbia County Public Transportation	Columbia	Sales	468,034	401,731	446,323
Community Urban Bus System	Cowlitz	Sales	4,439,067	5,115,968	5,683,841
Garfield Transit	Garfield	Sales	178,059	210,642	234,024
Grant Transit Authority	Grant	Sales	5,069,973	5,926,544	6,584,390
Grays Harbor Transportation Authority	Grays Harbor	Sales	9,127,546	11,388,221	12,652,313
Island Transit	Island	Sales	12,483,874	15,202,193	16,889,636
Jefferson Transit Authority	Jefferson	Sales	5,267,657	6,400,786	7,111,273
Metro Transit	King	Sales	639,261,305	733,290,644	814,685,906
Kitsap Transit	Kitsap	Sales	60,713,462	70,603,689	78,440,698
Twin Transit	Lewis	Sales	1,982,303	2,286,695	2,540,518
Mason Transportation Authority	Mason	Sales	5,800,531	6,792,926	7,546,940
Okanogan County PTBA	Okanogan	Sales	2,969,859	3,726,819	4,140,495
Pacific Transit System	Pacific	Sales	1,115,703	1,382,028	1,535,433
Pierce Transit	Pierce	Sales	89,365,288	104,461,102	116,056,284
Skagit Transit	Skagit	Sales	12,936,313	15,047,908	16,718,226
Everett Transit System	Snohomish	Sales	19,783,734	23,303,486	25,890,173
Community Transit	Snohomish	Sales	154,443,135	183,591,334	203,969,972
Spokane Transit Authority	Spokane	Sales	89,108,597	104,722,181	116,346,343
Intercity Transit	Thurston	Sales	69,717,449	81,012,645	90,005,049
Valley Transit	Walla Walla	Sales	6,259,369	7,622,311	8,468,387
Whatcom Transportation Authority	Whatcom	Sales	28,849,543	34,117,139	37,904,141
Pullman Transit	Whitman	Utility	1,176,651	1,242,092	1,379,964
Selah	Yakima	Sales	571,242	667,923	742,063
Union Gap	Yakima	Sales	1,078,120	1,341,880	1,490,828
Yakima Transit	Yakima	Sales	6,594,701	7,604,823	8,448,958
			1,357,406,575	1,583,212,497	1,758,949,084
Sound Transit	King	Sales (portions of King, Pierce & Snohomish)	1,356,299	1,537,264	1,545,496
Sound Transit	King	MVET	337,503	372,148	363,240
Sound Transit	King	Rental Car Tax	1,967	3,220	3,794
Sound Transit	King	Property Tax	153,362	158,812	163,091
			1,359,100,377	1,585,121,909	1,760,857,820

Source: TRFC November 2022 Forecast

Revenue assumptions: Sales tax revenue projected for calendar year 2022 is based on 2021 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 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.

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.

2022

ESSB 5974 (C 182, L 2022) increased the maximum border area motor vehicle/special fuel tax rate by 1 cent/gallon and allowed for a 0.1% councilmatic sales tax for transportation benefit districts.

SSB 5528 (C 285, L 2022) established enhanced service zones within a regional transit authority, which may impose an additional 1.5% MVET and a commercial parking tax.

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 two cent per gallon, public vote, can be adjusted for inflation	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. (See page 179.)	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 283)</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 Up to an additional 0.1%, without public vote	TBDs	Same as state sales tax.	No longer than 10 years unless reauthorized by vote or governing board in the case of 0.1%, 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 and Intercity 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