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 Jurisdictions section of this manual. Several of the option taxes available to local governments for transportation were established as part of the 1990 transportation revenue package.

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

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 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
Three cities imposed the border area motor vehicle fuel and special fuel tax during 2007 and reported the revenue on city street forms submitted to the Department of Transportation. Whatcom County reported for Point Roberts TBD.

<table>
<thead>
<tr>
<th>City</th>
<th>Current Rate</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blaine</td>
<td>1¢/gallon</td>
<td>$98,831</td>
</tr>
<tr>
<td>Nooksack</td>
<td>1¢/gallon</td>
<td>$14,641</td>
</tr>
<tr>
<td>Point Roberts, TBD</td>
<td>1¢/gallon</td>
<td>$41,668</td>
</tr>
<tr>
<td>Sumas</td>
<td>1¢/gallon</td>
<td>$21,004</td>
</tr>
</tbody>
</table>
REVENUE SOURCE: City Street Utility Charge (Declared invalid November 1995)

RCW: 82.80.050 (Authorized in 1990)

WHO’S ELIGIBLE
Cities

WHERE ENACTED

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

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

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

PURPOSE

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

PROVISIONS

- City levy only.
- Rate capped at equivalent of $2 per employee per month for businesses and $2 per housing unit per month as defined in RCW 35.95.040.
- Rates must be uniform within each class of service (business and residential) and both classes must be assessed the charge.
- Other features:
  - Revenue limited to 50% of maintenance and operations budget
  - Tax exempt entities do not pay
  - Full credit given against street utility charge for any commuter or employer tax based on number of employees collected for transportation purposes.
- Not subject to a vote of the people or to exclusive referendum procedure; subject to local laws regarding referenda.
- Subject to planning provisions. (See Planning Requirements for 1990 Local Option Taxes)
REVENUE

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

- Grandview: $75,096
- Mabton: $5,598
- Marcus: $1,419
- Medical Lake: $26,212
- Richland: $423,074
- Seattle: $10,273,672
- Snoqualmie: $24,416
- Soap Lake: $18,140
- Union Gap: $94,240
REVENUE SOURCE: **Commercial Parking Tax**  
RCW: 82.80.030 (Authorized in 1990)

**WHO'S ELIGIBLE**  
County (unincorporated area) or city

WHERE ENACTED  
The cities of SeaTac, Bainbridge Island, Bremerton, Mukilteo, 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. (See *Planning Requirements for 1990 Local Option Taxes*)
- Subject to exclusive referendum procedure. (See *Background Information*).

**REVENUE**  
Jurisdictions that imposed the commercial parking tax during 2007 and reported the revenue on city street or county road forms submitted to the Department of Transportation or the Local Government Reporting System of the Office of the State Auditor:

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>SeaTac</td>
<td>$5,278,931</td>
</tr>
<tr>
<td>Bainbridge Island</td>
<td>$508,772</td>
</tr>
<tr>
<td>Bremerton</td>
<td>$293,874</td>
</tr>
<tr>
<td>Mukilteo</td>
<td>$57,355</td>
</tr>
<tr>
<td>Tukwila</td>
<td>$152,701</td>
</tr>
</tbody>
</table>
REVENUE SOURCE:  
Local Option Taxes for High Capacity Transportation  
(MVET, Employee, Sales Tax)

RCW:  
81.104.140 through 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.

WHERE ENACTED
RTA in King, Pierce, and Snohomish counties enacted a high capacity transportation (HCT) tax in November 1996.

PURPOSE
For planning, constructing, and operating high capacity transportation (HCT), commuter rail, and feeder transportation systems. Voter approval required.

PROVISIONS
- Motor Vehicle Excise Tax (81.104.160)*
  - Up to 0.8% of vehicle value
  - Trucks over 6,000 pounds are exempt.
  - MVET revenue for high occupancy vehicle (HOV) programs and HCT cannot exceed amount generated by 0.8% MVET.
  - Can only be levied if all local agencies that are parties to an interlocal agreement are imposing the tax at the same rate.
  - For rental vehicles on which sales and use tax is collected in lieu of MVET, additional sales tax may be collected up to a maximum rate of 2.172%.
- Employer Tax (81.104.150)
  - Up to $2 per employee per month.
  - Not allowed if HOV employer tax in effect.
- Sales and Use Tax (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:
    - Because commuter rail uses existing rail lines, it is included with HOV programs as a near-term capacity improvement
    - It could also be used to address long-term HCT system needs.

* Disposition of MVET collections pending court decision.
REVENUE

High capacity transportation taxes imposed by the Regional Transit Authority during 2007 as reported by the Department of Revenue and Sound Transit:

<table>
<thead>
<tr>
<th></th>
<th>MVET</th>
<th>Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Transit Authority (Sound Transit)</td>
<td>$72.3M</td>
<td>$267.8M</td>
</tr>
</tbody>
</table>

REVENUE ESTIMATE (For Calendar Year 2009)

<table>
<thead>
<tr>
<th></th>
<th>$2 per 0.8% MVET Employee per Month</th>
<th>1% Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sound Transit (RTA)</td>
<td>$78.4M</td>
<td>$298.6M</td>
</tr>
<tr>
<td>King</td>
<td>$29.6M</td>
<td>$493.0M</td>
</tr>
<tr>
<td>Pierce</td>
<td>$6.8M</td>
<td>$84.6M</td>
</tr>
<tr>
<td>Snohomish</td>
<td>$5.9M</td>
<td>$105.6M</td>
</tr>
<tr>
<td>Spokane</td>
<td>$5.4M</td>
<td>$40.5M</td>
</tr>
<tr>
<td>Clark</td>
<td>$3.3M</td>
<td>$28.9M</td>
</tr>
<tr>
<td>Kitsap</td>
<td>$2.1M</td>
<td>$32.6M</td>
</tr>
<tr>
<td>Thurston</td>
<td>$2.4M</td>
<td>$26.2M</td>
</tr>
<tr>
<td>Yakima</td>
<td>$2.0M</td>
<td>$6.4M</td>
</tr>
</tbody>
</table>

RTA revenue estimate reflects a 0.3% MVET and 0.4% sales tax.

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

MVET and sales tax revenue estimates are for entire counties. Except for King County where the transit district is countywide, projections of HCT taxes should be reduced to reflect the taxing district (transit system) being less than countywide.

For other revenue assumptions, see *Background Information*. 

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REVENUE SOURCE:  Local Option Taxes for High Occupancy Vehicle (HOV) Systems (MVET, Employee)

RCW:  81.100.030, 81.100.060 (Authorized in 1990)

WHO'S ELIGIBLE
King, Pierce, and Snohomish counties.

WHERE ENACTED
No county 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. Authorized for King, Pierce, and Snohomish counties, with voter approval.

PROVISIONS
- Motor Vehicle Excise Tax (RCW 81.100.060)
  - Local MVET of up to 0.3% in the case of a county or 0.8% in the case of a regional transportation investment district.
  - Same additional local rate may be applied to sales and use tax on rental vehicles in lieu of MVET (see State Taxes and Fees for more information).
  - Trucks over 6,000 pounds are exempt.
  - Total of MVET revenue from HOV and High Capacity Transportation (HCT) local option taxes cannot exceed amount generated by 0.8% MVET (maximum local MVET for HCT).
- Employer Tax (RCW 81.100.030)
  - Up to $2 per employee per month.
  - May include public and private employers, including state agencies.
  - Credits employers who are participating in ride-share programs.
- General Provisions
  - If both employer tax and local MVET are imposed, total cannot exceed amount that would be generated by 13.64% local MVET.
  - Permits HOV funds to be pledged for repayment of bonds until year 2000, and with voter approval, to be used for commuter rail.
  - 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.

REVENUE ESTIMATE (For Calendar Year 2009)

<table>
<thead>
<tr>
<th></th>
<th>0.3% MVET Surtax</th>
<th>$2 per Employee per Month</th>
<th>Maximum HOV Collections</th>
</tr>
</thead>
<tbody>
<tr>
<td>King</td>
<td>$29.6M</td>
<td>$29.6M</td>
<td>$29.6M</td>
</tr>
<tr>
<td>Pierce</td>
<td>$6.8M</td>
<td>$6.8M</td>
<td>$6.8M</td>
</tr>
<tr>
<td>Snohomish</td>
<td>$5.9M</td>
<td>$5.9M</td>
<td>$5.9M</td>
</tr>
</tbody>
</table>

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

For other revenue assumptions, see Background Information.
REVENUE SOURCE:  
Local Option Taxes for Ferry Services—County Ferry Districts and PTBAs

RCW:  
Chapter 36.54 and 36.57A

WHO'S ELIGIBLE

County Ferry Districts can be established in all or a portion of a county. See Resource Manual Section: Agencies and Jurisdictions—Local/Regional for County Ferry District and Transit Agencies.

WHERE ESTABLISHED

None at this time

PURPOSE

To finance acquisition of ferry facilities and provide for operation of ferries.

FINANCE PROVISIONS -- COUNTY FERRY DISTRICTS (Ch 36.54 RCW)

Ad valorem tax (36.54.130)
- Not to exceed seventy-five cents per $1,000 assessed value
- Can be imposed by county legislative authority
- Annual imposition

Excess Property Tax Levy (36.54.140)
- Annual imposition
- Voter approval required

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

Motor Vehicle Excise Tax (82.80.130)
- Up to 0.4% on renewals
- On vehicles licensed for 6000 pounds or less
- Voter approved

Sales and Use Tax (82.14.440)
- Up to 0.4%
- Cannot be imposed where a Regional Transit Authority has been established
- Voter approved

Other Revenue Sources
- Ferry tolls for passengers and packages, and parking tolls where applicable
- Leasing and advertising fees
REVENUE SOURCE: Local Option Taxes: Regional Transportation Investment Districts (RTIDs)

RCW: Chapter 36.120

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. See Resource Manual Section: Agencies and Jurisdictions—Local/Regional for RTID discussion

WHERE ESTABLISHED:
The RTID planning committee has been developing a plan for a three county RTID. The RTID’s Regional Transportation Investment Plan is required to be on the November 2007 general election ballot. That proposal is mandated to be on the ballot, in conjunction with a Sound Transit Phase II proposal, and both must pass for either to be approved.

PURPOSE:
Principally to finance capital construction of highways of statewide significance in the district. (See Resource Manual Section: Agencies and Jurisdictions—Local/Regional for RTID discussion and project particulars).

FINANCE PROVISIONS (RCW 36.120.050) All voter approved:

- Sales and Use Tax (36.120.050(1)(a) and 82.14.430)
  - Up to 0.1%,

- Vehicle License Fee (36.120.050(1)(b) and 82.80.100)
  - Up to $100 annual fee

- Motor Vehicle Excise Tax (36.120.050(1)(d) and 81.100.060)
  - Up to 0.8%,
  - Must use new state defined depreciation schedule (82.44.035)

- Parking Tax (36.120.050(1)(c) and 82.80.030)
  - On commercial businesses

- Tolls (36.120.050(1)(g))
  - Routes to be tolled must be identified in investment plan.
  - Tolls administered by WSDOT unless otherwise provided for in law.
  - Tolls must be approved by Transportation Commission and the Commission is the tolling authority.

- Local Option Fuel Tax (36.120.050(1)(e) and 82.80.120)
  - Equal to 10% of statewide fuel tax (3.4 cents per gallon based on 34 cent statewide gas tax).
  - County may levy tax used for district or a district may levy the 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 county and an RTID.
REVENUE SOURCE: Local Option Taxes: Transportation Benefit Districts

RCW: Chapter 36.73

WHO'S ELIGIBLE

Transportation Benefit Districts which can be established city-wide up to multi-county. Presently, TBD's may be established in all counties except in King, Pierce and Snohomish Counties. After December 1, 2007, a TBD can also be established in those counties. See Resource Manual Section: Agencies and Jurisdictions—Local/Regional for TBD discussion.

WHERE ESTABLISHED

Point Roberts TBD in Whatcom County and Liberty Lake TBD in Spokane County.

PURPOSE

To finance construction of, and operate, improvements to roadways, high capacity transportation systems, public transit systems, and other transportation management programs.

FINANCE PROVISIONS (Ch 36.73 RCW and RCW 36.73.040)

Sales and Use Tax (82.14.0455)
- Up to 0.2%, with voter approval
- Tax may not be in effect longer than 10 years unless reauthorized by voters

Motor Vehicle License Renewal Fee (82.80.140)
- Up to $100 annual fee, with voter approval
- Vehicles of 6000 lbs or less

Excess Property Tax Levies (36.73.060)
- One year, voter approved
- Multi-year for GO bonds

Tolls (36.73.040(2)(d))
- Tolls on facilities including state routes and local roads
- Tolls on state routes must be administered by WSDOT
- All tolls must be approved by Transportation Commission

Other Revenue Sources
- Late-comer fees (36.73.140)
- Development fees (36.73.040(2)(c) and 36.73.120)
- LID formation (36.73.080)
Local Option Motor Vehicle and Special Fuel Tax for Counties

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

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 (3.75 cents per gallon based on 37.5-cent statewide gas tax with the full implementation of a 9.5-cent tax rate increase included in 2005 Transportation legislation).
- 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.
- Subject to planning provisions. (See Planning Requirements for 1990 Local Option Taxes.)

REVENUE ESTIMATE (For Calendar Year 2009)
For revenue estimates by county, see Local Option Fuel Tax.
REVENUE SOURCE:  

Motor Vehicle License Fee* (Repealed by Initiative 776)**

RCW:  
82.80.020 (Authorized in 1990)

WHO'S ELIGIBLE  
Countywide (including incorporated areas).

WHERE ENACTED  
A $15 fee had been authorized in Douglas, King, Pierce, and Snohomish counties.

PURPOSE  
For general transportation purposes, including 18th Amendment "highway purposes"; public transportation; high capacity transportation; transportation planning and design; and other transportation-related activities.

PROVISIONS  
- Imposed at county level, or for a qualifying city or town located in a county that has not imposed a $15 fee.
- Applies to incorporated and unincorporated areas.
- City or town may impose the fee only if authorized by a majority of voters.
- Up to $15 maximum per vehicle registered in county.
- The 1998 law extends applicability to trucks weighing 6,000 pounds or less (unladen).
- Exempts all trucks above 6,000 pounds (unladen), buses, for-hire vehicles, commercial trailers, and converter gears.
- Allows county to exempt senior citizens with incomes below level set by county and persons with physical disabilities.
- Revenues distributed 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).
- Subject to planning provisions. (See Planning Requirements for 1990 Local Option Taxes).
- Subject to exclusive referendum procedure. (See Background Information).

REVENUE  
Counties that imposed the motor vehicle license fee during 2002 as reported by the Department of Licensing:

- Douglas County: $352,888
- King County: $17,404,484
- Pierce County: $6,993,526
- Snohomish County: $6,453,459

* Language contained in Initiative 776, passed by the voters in November 2002, repealed the motor vehicle license fee. Money collected during 2003 was refunded in October 2004.

** For more information on Initiative 776, see the Transportation Budget section.
REVENUE SOURCE: Property Tax Road Levy

RCW: 36.82.040

WHO'S ELIGIBLE
Counties (unincorporated areas).

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
Budgeted property tax road levy revenue for 2007 as reported by the County Road Administration Board:

$406.1 million (prior to diversions)

$377.0 million (net for roads after diversions)
REVENUE SOURCE: Transit Taxes

RCW: 35.95.040, 82.14.045

WHO’S ELIGIBLE
Transit districts.

WHERE ENACTED
27 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
  - Rate may be applied against value of products, gross proceeds, or gross income of business
  - 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)
  - 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

- Motor Vehicle Excise Tax—local portion (35.58.273)
  - 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.

Public Transportation Benefit Areas (PTBA’s) located in Puget Sound have additional tax authority to fund passenger-only ferry activities. (RCW 36.57A.210). See Local Taxes - Local Option Taxes for Local Ferry Services for details.

REVENUE
Transit tax revenue (excluding the Regional Transit Authority) during 2008 as reported by the Department of Revenue:

   Local Collections: $773.9 million

REVENUE ESTIMATE (For Calendar Year 2007)
For revenue estimates, see Local Tax for Transit.
Supporting Information
Local Option Fuel Tax
Revenue Estimate (For Calendar Year 2009)
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>County</th>
<th>Local Option Fuel Tax $ (3.75 cents/gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>389</td>
</tr>
<tr>
<td>Asotin</td>
<td>475</td>
</tr>
<tr>
<td>Benton</td>
<td>3,444</td>
</tr>
<tr>
<td>Chelan</td>
<td>1,592</td>
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<tr>
<td>Clallam</td>
<td>1,449</td>
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<td>Clark</td>
<td>9,088</td>
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<tr>
<td>Columbia</td>
<td>86</td>
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<tr>
<td>Cowlitz</td>
<td>2,246</td>
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<tr>
<td>Douglas</td>
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<td>Ferry</td>
<td>174</td>
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<tr>
<td>Franklin</td>
<td>1,249</td>
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<td>Grant</td>
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<td>Kittitas</td>
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<td>Lewis</td>
<td>1,632</td>
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<td>Lincoln</td>
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<tr>
<td>Mason</td>
<td>1,223</td>
</tr>
<tr>
<td>Okanogan</td>
<td>919</td>
</tr>
<tr>
<td>Pacific</td>
<td>456</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>285</td>
</tr>
<tr>
<td>Pierce</td>
<td>16,779</td>
</tr>
<tr>
<td>San Juan</td>
<td>361</td>
</tr>
<tr>
<td>Skagit</td>
<td>2,588</td>
</tr>
<tr>
<td>Skamania</td>
<td>234</td>
</tr>
<tr>
<td>Snohomish</td>
<td>15,272</td>
</tr>
<tr>
<td>Spokane</td>
<td>9,848</td>
</tr>
<tr>
<td>Stevens</td>
<td>971</td>
</tr>
<tr>
<td>Thurston</td>
<td>5,379</td>
</tr>
<tr>
<td>Wahkiakum</td>
<td>88</td>
</tr>
<tr>
<td>Walla Walla</td>
<td>1,272</td>
</tr>
<tr>
<td>Whatcom</td>
<td>4,119</td>
</tr>
<tr>
<td>Whitman</td>
<td>889</td>
</tr>
<tr>
<td>Yakima</td>
<td>5,046</td>
</tr>
<tr>
<td><strong>State Total</strong></td>
<td><strong>140,650</strong></td>
</tr>
</tbody>
</table>

Note: Fuel tax collections at the county level are estimated from the county's share as a percentage of total state fuel gallons taxed at 3.75 cents per gallon. State total is based upon November 2006 motor vehicle revenue forecast. The county's share is based upon current population estimates and forecasts provided by the Office of Financial Management. These estimates do not have nonhighway use refunds and transfers, or administrative expenses subtracted out.
## Local Tax for Transit
### Revenue Estimate (For Calendar Year 2009)

<table>
<thead>
<tr>
<th>Transit District</th>
<th>Local Transit Tax</th>
<th>Estimated Local Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asotin County Transit</td>
<td>Sales 0.20%</td>
<td>$455,754</td>
</tr>
<tr>
<td>Ben Franklin Transit</td>
<td>Sales 0.60%</td>
<td>$23,341,860</td>
</tr>
<tr>
<td>Link Transit (Chelan/Douglas)</td>
<td>Sales 0.40%</td>
<td>$8,189,537</td>
</tr>
<tr>
<td>Clallam Transit System</td>
<td>Sales 0.60%</td>
<td>$6,657,515</td>
</tr>
<tr>
<td>C-TRAN (Clark)</td>
<td>Sales 0.50%</td>
<td>$25,811,935</td>
</tr>
<tr>
<td>Columbia County Public Transportation</td>
<td>Sales 0.40%</td>
<td>$186,469</td>
</tr>
<tr>
<td>Community Urban Bus System (Cowlitz)</td>
<td>Sales 0.10%</td>
<td>$1,112,676</td>
</tr>
<tr>
<td>Grant Transit Authority</td>
<td>Sales 0.20%</td>
<td>$3,339,361</td>
</tr>
<tr>
<td>Grays Harbor Transportation Authority</td>
<td>Sales 0.60%</td>
<td>$6,353,212</td>
</tr>
<tr>
<td>Island Transit</td>
<td>Sales 0.60%</td>
<td>$5,526,234</td>
</tr>
<tr>
<td>Jefferson Transit Authority</td>
<td>Sales 0.60%</td>
<td>$2,464,162</td>
</tr>
<tr>
<td>Metro Transit (King)</td>
<td>Sales 0.90%</td>
<td>$455,584,655</td>
</tr>
<tr>
<td>Kitsap Transit</td>
<td>Sales 0.80%</td>
<td>$29,908,141</td>
</tr>
<tr>
<td>Twin Transit (Lewis)</td>
<td>Sales 0.20%</td>
<td>$1,677,342</td>
</tr>
<tr>
<td>Mason Transportation Authority</td>
<td>Sales 0.60%</td>
<td>$3,600,829</td>
</tr>
<tr>
<td>Pacific Transit System</td>
<td>Sales 0.30%</td>
<td>$816,715</td>
</tr>
<tr>
<td>Pierce Transit</td>
<td>Sales 0.60%</td>
<td>$75,784,627</td>
</tr>
<tr>
<td>Skagit Transit</td>
<td>Sales 0.20%</td>
<td>$4,965,522</td>
</tr>
<tr>
<td>Everett Transit System</td>
<td>Sales 0.60%</td>
<td>$21,262,180</td>
</tr>
<tr>
<td>Community Transit (Snohomish)</td>
<td>Sales 0.90%</td>
<td>$94,605,618</td>
</tr>
<tr>
<td>Spokane Transit Authority</td>
<td>Sales 0.60%</td>
<td>$46,309,231</td>
</tr>
<tr>
<td>Intercity Transit (Thurston)</td>
<td>Sales 0.60%</td>
<td>$23,661,220</td>
</tr>
<tr>
<td>Valley Transit (Walla Walla)</td>
<td>Sales 0.30%</td>
<td>$2,135,322</td>
</tr>
<tr>
<td>Whatcom Transportation Authority</td>
<td>Sales 0.60%</td>
<td>$20,337,459</td>
</tr>
<tr>
<td>Pullman Transit</td>
<td>Utility 0.30%</td>
<td>$1,094,153</td>
</tr>
<tr>
<td>Selah (Yakima)</td>
<td>Sales 0.30%</td>
<td>$310,990</td>
</tr>
<tr>
<td>Union Gap (Yakima)</td>
<td>Sales 0.20%</td>
<td>$870,920</td>
</tr>
<tr>
<td>Yakima Transit</td>
<td>Sales 0.30%</td>
<td>$5,154,437</td>
</tr>
</tbody>
</table>
## Summary of 1990 Local Option Taxes (Chart)

Transportation Funding Legislation – 1990 Session

<table>
<thead>
<tr>
<th>TAX</th>
<th>PURPOSE</th>
<th>RATE</th>
<th>JURISDICTION</th>
<th>VOTER APPROVAL</th>
<th>EXEMPTIONS</th>
<th>OTHER PROVISIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Tax</td>
<td>Highway Purposes (Per 18th Amend)</td>
<td>10% of State Rate</td>
<td>County (Uninc &amp; Inc)</td>
<td>Required</td>
<td>Same as statewide fuel tax</td>
<td>Must be applied to both motor and special fuel</td>
</tr>
<tr>
<td>Vehicle License Fee**</td>
<td>General Transportation</td>
<td>Up to $15</td>
<td>County (Uninc &amp; Inc)</td>
<td>Not required: referendum process specified</td>
<td>County may exempt persons over 60 or with disabilities</td>
<td>County must delay effective date at least 6 months from date of enactment for DOL implementation</td>
</tr>
<tr>
<td>Commercial Parking Tax</td>
<td>General Transportation</td>
<td>No fixed rate</td>
<td>City or County (Uninc)</td>
<td>Not required: referendum process specified</td>
<td></td>
<td>May provide exemptions for tax-exempt carpools, vehicles with handicap decals, and government vehicles</td>
</tr>
<tr>
<td>Street Utility Charge *</td>
<td>Street Maintenance and Operations</td>
<td>Up to $2/employee/mo</td>
<td>City</td>
<td>Not required: referendum process specified</td>
<td>Entities exempt from property/leasehold tax</td>
<td>Credit to businesses paying employer/commuter taxes for transp: revenue limited to 50% of M&amp;O budget</td>
</tr>
<tr>
<td>Employer Tax</td>
<td>High Occupancy Vehicle Lanes</td>
<td>Up to $2/employee/mo</td>
<td>King, Pierce, Snohomish counties</td>
<td>Required</td>
<td></td>
<td>Total of HOV taxes cannot exceed revenue from 15% MVET alone: precludes HCT employer tax</td>
</tr>
<tr>
<td>Motor Vehicle Excise Tax (MVET)</td>
<td>High Occupancy Vehicle Lanes</td>
<td>Up to 15% of MVET base rate (2.0%)</td>
<td>King, Pierce, Snohomish counties</td>
<td>Required</td>
<td>Trucks over 6,000 lbs. Unladen weight</td>
<td>Total of HOV taxes cannot exceed revenue from 15% MVET alone</td>
</tr>
<tr>
<td>Employer Tax</td>
<td>High Capacity Transportation Systems</td>
<td>Up to $2/employee/mo</td>
<td>RTAs: Pierce, King, Snohomish, Transit agencies, Clark, Spokane, Yakima, Kitsap, Thurston</td>
<td>Required</td>
<td></td>
<td>Not allowed if HOV employer tax in effect Note: RTA is acronym for Regional Transit Authority</td>
</tr>
<tr>
<td>Motor Vehicle Excise Tax</td>
<td>High Capacity Transportation Systems</td>
<td>Up to 0.8% of vehicle value</td>
<td>Same as above</td>
<td>Required</td>
<td>Trucks over 6,000 lbs. Unladen weight</td>
<td>MVET for HOV and HCT cannot exceed 0.8% MVET rate (when used for HCT, must be at same rate for eligible adjacent counties)</td>
</tr>
<tr>
<td>Sales &amp; Use Tax</td>
<td>High Capacity Transportation Systems</td>
<td>Up to 1% of purchase price of taxable items</td>
<td>Same as above</td>
<td>Required</td>
<td>Same as statewide sales tax</td>
<td>Tax limited to 0.9% if 0.1% local option sales tax for criminal justice is in effect</td>
</tr>
</tbody>
</table>

* Found unconstitutional by Washington State Supreme Court

** Repealed by Initiative 776
Planning Requirements for 1990 Local Option Taxes

**Fuel Tax, Vehicle License Fee, and Commercial Parking**

Jurisdictions imposing the local option fuel tax, vehicle license fee, or commercial parking tax for transportation purposes must comply with the following provisions (per RCW 82.80.070):

- Expenditures of revenues must be consistent with adopted local and regional transportation/land use comprehensive plans.
- Jurisdictions with more than 8,000 population must develop and adopt a transportation program.
- For new or expanded transportation projects, the priorities must be identified in the program.

**Local Option Taxes for High Occupancy Vehicle (HOV) Systems**

The following provisions pertain to the local option motor vehicle excise tax or the employer tax authorized to support HOV systems (per 81.100 RCW):

- To impose local option taxes for HOV lanes, counties must adopt goals to reduce the proportion of single-occupant vehicles during peak commuting periods.
- Goals must address level of congestion; transit, vanpools, and carpools; employment density and employer size; parking; and consistency with goals of the Regional Transportation Plan.
- If the employer tax is imposed, credits must be provided to businesses with programs that reduce the number of single-occupant vehicle trips.
- Counties must develop plans in conjunction with cities, metropolitan planning organizations, and transit districts.
- Counties imposing local option taxes must enter into interlocal agreements with the Washington State Department of Transportation (WSDOT) to allow WSDOT, transit agencies, and cities to coordinate programming and operational decisions affecting the HOV system.
Background Information

1. Referendum Procedure for Motor Vehicle License Fee and Commercial Parking Tax (per RCW 82.80.090)
   - Petition to repeal vehicle license fee or commercial parking tax must be filed within seven days of passage or the ordinance imposing the tax.
   - Petitioner has 30 days after ballot title written to obtain signatures of not less than 15% of registered voters.

2. Revenue Assumptions for HOV and HCT Taxes
   - MVET
     - Assumes larger trucks represent 13% of vehicle valuations
     - Estimates are for fiscal year
   - EMPLOYER TAX
     - County employment estimates are based on Employment Security Department projections of employees covered by the Washington Employment Security Act; estimates are consistent with the forecast of the Washington State Office of the Forecast Council.
     - Revenue projections are for countywide tax. Except for King County and Kitsap County, transit districts in other counties will yield less revenue than projected. The 2003 service areas of transit systems in Pierce, Snohomish, Spokane, Clark, Thurston, and Yakima Counties are listed below:

<table>
<thead>
<tr>
<th>Transit System</th>
<th>Revenue Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierce Transit</td>
<td>93%</td>
</tr>
<tr>
<td>Snohomish (Everett Transit &amp; Community Transit)</td>
<td>85%</td>
</tr>
<tr>
<td>Spokane Transit</td>
<td>87%</td>
</tr>
<tr>
<td>Clark (C-TRAN)</td>
<td>84%</td>
</tr>
<tr>
<td>Thurston (Intercity Transit)</td>
<td>62%</td>
</tr>
<tr>
<td>Yakima Transit</td>
<td>35%</td>
</tr>
</tbody>
</table>

   - SALES TAX
     - Revenue projected from 2007 actual, and assuming projected sales tax growth from the forecast by the Washington State Office of the Forecast Council.
     - Estimates are for calendar year.