

Washington Initiative 976 Fact Sheet

What is Initiative 976? Washington Initiative 976, the *Limits on Motor Vehicle Taxes and Fees Measure*, is an Initiative to the Legislature that was filed for consideration in 2019. The Legislature took no action on the initiative so it will be presented to voters on the ballot in the November 2019 general election.

How Would I-976 Affect Local Transportation Systems in Washington? Under current law, Washington cities have authority to establish transportation benefit districts (TBDs), which can collect vehicle fees, and sales and use tax, to fund transportation systems. To date, 62 cities, including the City of Vancouver, have formed TBDs that use vehicle license fees to help pay for transportation programs and projects. Statewide, TBD vehicle license fees raised \$58.2 million to fund local projects in 2018. If I-976 is passed, the authority to impose vehicle license fees would be repealed, and these annual revenues would be eliminated.

What Else Does I-976 Propose? In addition to repealing existing city Transportation Benefit District (TBD) vehicle license fees, I-976 would do the following:

- Lower motor vehicle and light-duty truck weight fees (car tab fees) to \$30
- Eliminate the 0.3 percent sales tax on vehicle purchases
- Lower electric vehicle, snowmobile, and commercial trailer fees
- Base vehicle taxes on the Kelley Blue Book value
- Modify and reduce Sound Transit motor vehicle excise tax provisions

How Would It Affect Vancouver Transportation Programs and Projects? Initiative approval would eliminate the \$4.80 million that Vancouver receives each year in direct transportation funding from TBD vehicle license fees. Over six years (2020-25), this would equal a loss of more than \$28.8 million in unadjusted estimated revenue. Estimated impacts include:

- Reduced funds for Transportation Improvement Program (TIP) projects, such as SE 1st Street, NE 137th Avenue, NE 18th Street and NW 32nd Avenue extension improvements.
- Reduced funds for local match needed to obtain state/federal grants for transportation improvements
- Twenty-five percent (25%) reduction in citywide Pavement Management Program
- Loss of funds now used for smaller-scale pedestrian, mobility, and bicycle improvement projects
- Fifty percent (50%) reduction in asset replacement, such as used for outdated traffic signal systems
- Thirty-seven percent (37%) funding reduction for the Neighborhood Traffic Calming/Safety Program

Please Note: Vancouver City Council opposes I-976. See resolution Aug. 5, 2019: <https://bit.ly/2kjNIH9>

Overall City of Vancouver Street Funding Strategy: The City adopted a multi-approach Street Funding Strategy in 2015, following extensive public input and recommendations of a Street Funding Commission. The \$40 fee paid when a vehicle license is renewed represents the largest part of that effort to improve pavement conditions, substandard roads, and ADA accessibility, multi-modal mobility and neighborhood safety. By law, money raised by the TBD fees can only be used for transportation. Paid in Vancouver, they stay in Vancouver. Approval of I-976 would eliminate these funds, resulting in a cut in total Street Funding Strategy revenues by more than 50 percent (50%).

Street Funding Strategy Revenues for 2019

•TBD Vehicle License Fee	\$4.80 Million
•Utility Tax	\$1.85 Million
•Business License Surcharge	\$0.88 Million
•State Gas Tax	\$0.50 Million
•Debt Service Reduction	\$1.40 Million
	\$9.43 million Total

Vancouver Transportation Benefit District - 2019 Work Plan: Below is how local TBD vehicle license fees are being used to improve local transportation in 2019. These TBD funds would end if I-976 is approved.

•SE 1st Street Transportation Improvement Project	\$1.00 Million
•Transportation Improvement Project Grant Match	\$2.00 Million
•Pavement Management Program	\$1.00 Million
•Multimodal Safety & Accessibility	\$0.50 Million
•Traffic Signal and Lighting	\$0.20 Million
•Neighborhood Traffic Calming w/NTSA	\$0.10 Million

How Would It Affect State Transportation Programs and Projects? If I-976 passes, many state accounts associated with transportation funding would be cut, including those that support Washington State Highway Patrol enforcement; rural roads and bridges; highway construction and maintenance; grants for local projects to reduce congestion; and multimodal projects. Per the fiscal impact statement for I-976, prepared by the state Office of Financial Management, approval of I-976 would result in a revenue loss to the state of \$1.9 billion and a loss to local governments of \$2.3 billion over the next six years following implementation. Implementation is estimated to cost about \$2.8 million in the 2019-21 biennium. (See <https://ofm.wa.gov/sites/default/files/public/budget/ballot/2019/I-976-fiscal-impact-statement.pdf>)

Where Can I Learn More about Vancouver's Street Funding Strategy? Information about Vancouver's Transportation Benefit District is available at www.cityofvancouver.us/TBD, along with annual reports to the community for 2016, 2017 and 2018, showing yearly revenues and outcomes. More about the Street Funding Strategy is available at www.cityofvancouver.us/betterstreets. To view the City's Transportation Improvement Program (TIP), visit www.cityofvancouver.us/TIP. This six-year program, adopted annually, is a roadmap for how Street Funding dollars are used to support pavement management, asset replacement, multimodal safety, accessibility, neighborhood traffic calming, and provide leverage needed to aid grant-funded projects.



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