



Initiative 976 headed to voters

Potential impacts to state and local transportation funding

What is Initiative 976?



Initiative 976 (I-976) is an initiative to the Legislature that was filed for consideration in the 2019 legislative session. The Legislature did not act on the initiative; therefore, I-976 will be presented to voters during the next general election in November 2019. I-976 is often described as the “\$30 car tab initiative,” but it also proposes significant changes to many other aspects of the state’s transportation system, including repeal of the authority for city Transportation Benefit Districts (TBDs) to impose fees.

What does the initiative propose?

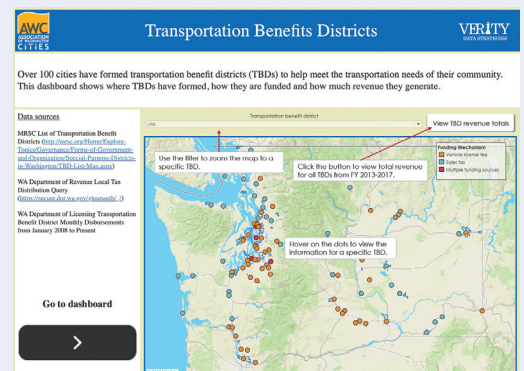
I-976 is an expansive proposal that would significantly change how the state’s transportation system generates revenue. If passed, the initiative would do the following:

- Limit motor vehicle license fees (car tab fees) to \$30 per year;
- Repeal or reduce certain motor vehicle weight fees;
- Repeal the authority for TBDs to impose vehicle fees;
- Reduce electric vehicle fees to \$30 per year;
- Repeal the 0.3% tax on motor vehicle retail sales;
- Require local motor vehicle excise taxes (MVETs) to be calculated using the Kelley Blue Book base value of the vehicle;
- Conditionally repeal the Sound Transit 0.8% MVET; and
- Require the retirement or refinancing of Sound Transit-related bonds.

How would city TBDs and local projects be impacted?

If passed, the immediate impact to cities would be a repeal of the authority for city transportation benefit districts (TBDs) to impose a car tab fee. Under current law, cities have the authority to establish TBDs for the purposes of acquiring, constructing, providing, and funding transportation improvements. To date, more than 100 cities have formed TBDs to fund local transportation projects, with 62 TBDs receiving revenue from vehicle license fees. Fifty-five of the 62 TBDs use vehicle license fees as their sole funding source. In fiscal year 2018, vehicle license fees raised \$58.2 million in revenue to fund local projects.

To understand how I-976 would impact your city and others across the state, check AWC’s webpage on I-976 which includes a webinar, fiscal analysis, and other resources.



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Additional information

How would state transportation funding be impacted?

If the initiative passes, it would cut revenues to Sound Transit and state accounts used to fund the state transportation budget.

These state accounts provide funding for the Washington State Department of Transportation; state and local highway construction, maintenance, ferries, and support services; multimodal grant programs for public transit, rail improvements, and bicycle/pedestrian projects; activities of the Washington State Patrol; and more.

Over a six year period (2020-2025), the state estimates \$1.92 billion in lost revenue, Sound Transit estimates \$1.97 billion in lost revenue, and cities would directly lose \$350 million in lost TBD license fee revenue.

What can I do as a city elected official to respond to I-976?

Elected officials have many options for officially engaging with initiatives but should be aware of some prohibited actions. AWC has compiled an extensive list of allowed and prohibited actions for city elected officials. For further reference, please review the PDC Guidelines for Local Government Agencies in Election Campaigns which can be found at AWC's I-976 webpage.

What is AWC's role on initiatives during election season?

AWC does not take positions for or against ballot initiatives. AWC's role is to provide our members with educational materials that can be shared with elected officials, staff, and local communities.

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