Connecting Washington: The 2015 Transportation Funding Package

Overview
The multifaceted Connecting Washington transportation package includes over $16 billion in resources and investments across a 16-year time frame.

<table>
<thead>
<tr>
<th>RESOURCES (16 Year Totals, in $ billions)</th>
<th>INVESTMENTS (16 Year Totals, in $ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel tax increase of 11.9¢/gal</td>
<td>State highway improvements</td>
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<tr>
<td></td>
<td>$6.18</td>
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<tr>
<td></td>
<td>38%</td>
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<tr>
<td>Passenger vehicle weight fee increases</td>
<td>State highway preservation</td>
</tr>
<tr>
<td></td>
<td>$1.96</td>
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<tr>
<td></td>
<td>12%</td>
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<tr>
<td>Heavy truck weight fee increases</td>
<td>Multimodal projects</td>
</tr>
<tr>
<td></td>
<td>$0.85</td>
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<tr>
<td></td>
<td>5%</td>
</tr>
<tr>
<td>Reallocating existing funding</td>
<td>Local projects</td>
</tr>
<tr>
<td></td>
<td>$1.73</td>
</tr>
<tr>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>General Fund transfer</td>
<td>State ferry projects &amp; operation</td>
</tr>
<tr>
<td></td>
<td>$0.52</td>
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<tr>
<td></td>
<td>3%</td>
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<tr>
<td>Bonds</td>
<td>Debt service</td>
</tr>
<tr>
<td></td>
<td>$4.76</td>
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<tr>
<td></td>
<td>29%</td>
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<tr>
<td>Other</td>
<td>Other</td>
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<tr>
<td></td>
<td>$0.29</td>
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<tr>
<td></td>
<td>2%</td>
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<tr>
<td><strong>Resource Totals:</strong> $16.12</td>
<td><strong>Investment Totals:</strong> $16.09</td>
</tr>
</tbody>
</table>

Investments
The 2015 Connecting Washington package includes investments across a number of modes and functional aspects of the transportation system.

- **Roads.** $8.4 billion is provided for new improvements and $1.4 billion for maintenance, preservation, operation, and facilities. Some of the major improvements include:
  - Puget Sound Gateway (SR 167 & 509, via I-5, freight corridor) ...$1.9 B
  - SR 520 West End (corridor completion, between I-5 and floating bridge).................................$1.6 B
  - North Spokane Corridor (US 395 corridor completion)......................$0.9 B
  - I-5 at Joint Base Lewis-McChord (congestion relief)...........................$0.5 B
  - I-405 corridor (Renton to Bellevue, express toll lanes & impacted interchanges)..........................$1.2 B
  - I-90 / Snoqualmie pass east corridor (safety and freight improvements)$0.4 B

- **Multimodal.** About $1.4 billion is provided for transit, bicycle, rail, and other multimodal projects.
  - Transit grants/projects .. $657 Million
  - Bicycle/Pedestrian/Safe Routes-to-schools grants/projects.........$220 M

For more information, please contact:
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• Complete streets program startup. $106 M

• Freight rail projects, preservation, & maintenance .............................................$174 M

• Off-road refunds .............................................$106 M

• Ferries. Funds are provided to preserve and improve ferry terminals and vessels and to assist with operating cost obligations.
  - Ferry terminal & other projects. $302 M

• Ferry operations.............................................$300 M

• Cities and counties.
  - Direct distributions (both road and flexible funds) ............................................$375 M

• Road projects & grants.................$494 M

• Other.
  - Fish culverts (to respond to a federal court order).............................................$300 M

• Incentives for non-traditional fuels (commercial and personal vehicles)..$55 M

  - State patrol operations ...........$220 M

Resources
The funding for the 2015 transportation package comes from several different sources over the 16 year period.

• Fuel tax (for highway-related purposes).
  - 16-year total: $6.2 billion.
  - An 11.9 ¢/gal tax increase phases in over two years (+7 ¢/gal, 8/1/15; + 4.9 ¢/gal, 7/1/16), resulting in a final tax rate of 49.4 ¢/gal.

• Passenger vehicle weight fees (for any transportation use).
  - 16-year total: $2.0 billion.
  - Fees for most passenger vehicles will increase on July 1, 2016 by either $15, $25, or $35, depending on vehicle weight, to a total of $25, $45, or $65, respectively.
  - An additional $10 fee is assessed, effective July 1, 2022.

• Heavy duty truck fee increases (for highway purposes benefitting freight).
  - 16-year total: $850 million.
  - A new freight fee is assessed on July 1, 2016, equal to 15% of the existing weight fee (the existing fee ranges from $38/yr to $3,400/yr).

• Other resources (for various purposes, but mostly highway-related).
  - 16-year total: $7.1 billion.
  - $2.3 billion of preauthorized revenues, including $518 M of general funds, are reallocated for the transportation package.
  - $4.8 billion in bonds are issued for project construction purposes.
Local Government Authorizations

In addition to state resources, the transportation package provides several new local revenue authorities.

- **Regional public transportation.** Sound Transit, the regional transit agency in the Puget Sound region, is given authority to ask voters to approve up to $15 billion in new revenues for a system expansion.
  
  - The agency may request voter approval of an additional 0.8% motor vehicle excise tax; and additional 0.5% sales and use tax; and a property tax of 25 cents/$1000 property value.
  - The system expansion would include a significantly expanded light-rail component.

- **Transportation benefit districts (TBDs).** The authority for TBDs to impose vehicle fees for transportation purposes is increased from $20 to $50 per vehicle. The increases do not require voter approval.

- **Other.**
  - Community Transit (Snohomish County) is authorized to request voters for a 0.3% sales and use tax increase.
  - Kitsap Transit (Kitsap County) is authorized to establish a passenger-only ferry district, funded in part by a 0.3% sales and use tax.

Tax Incentives

Tax incentives are provided for congestion relief and to reflect a changing fuel infrastructure environment.

- **Commute trip reduction.** An extension through June of 2024 is provided for the current program that supports businesses through business and occupation tax credits for commute trip reduction programs.

- **Electric and alternative fuel vehicles.** The sales tax exemption for electric, hybrid and alternative fuel vehicles is: reauthorized through 2019; expanded to include plug-in hybrids; limited to vehicles with a selling price of $35,000 or less.

- **Alternative fuel commercial vehicles.** Business and occupation tax and public utility tax credits are authorized for businesses/utilities that buy or convert certain alternatively-fueled commercial vehicles.

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