

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.

RESOURCES (16 Year Totals, in \$ billions)			INVESTMENTS (16 Year Totals, in \$ billions)		
Fuel tax increase of 11.9 ¢/gal	\$ 6.18	38 %	State highway improvements	\$ 8.40	52 %
Passenger vehicle weight fee increases	\$ 1.96	12 %	State highway preservation	\$ 1.43	9 %
Heavy truck weight fee increases	\$ 0.85	5 %	Multimodal projects	\$ 1.36	8 %
Reallocating existing funding	\$ 1.73	11 %	Local projects	\$ 0.87	5 %
General Fund transfer	\$ 0.52	3 %	State ferry projects & operation	\$ 0.60	4 %
Bonds	\$ 4.76	29 %	Debt service	\$ 2.75	17 %
Other	\$ 0.29	2 %	Other	\$ 0.67	4 %
Resource Totals:	\$16.12		Investment Totals:	\$16.09	

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:
 Office of WA State Representative Judy Clibborn
 Email: judy.clibborn@leg.wa.gov
 Phone: (360) 786 - 7926

- 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
 - State patrol operations\$220 M
 - Incentives for non-traditional fuels (commercial and personal vehicles)..\$55 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.
- 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).
- 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.
- 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.

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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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