

I-976: Limits on Motor Vehicle Taxes and Fees Measure

AB 5607 | September 17, 2019



Initiative to the Legislature

I-976 was filed in March of 2018 as an initiative to the legislature. The Legislature was allowed three options:

1. Take no action and the initiative will be placed on the November ballot;
2. Propose an alternative and the alternative and the original initiative will be placed on the November ballot; or,
3. Pass the initiative as written into law.

The 2019 legislative session ended without action being taken the initiative was placed on the November 2019 ballot as a stand-alone measure.



Initiative Measure No. 976

Description: This measure would repeal, reduce, or remove authority to impose certain vehicle taxes and fees; limit annual motor-vehicle-license fees to \$30, except voter-approved charges; and base vehicle taxes on Kelley Blue Book value. Should this measure be enacted into law? Yes No



State & Local Funding Impacts

- Repeal the authority for Transportation Benefit Districts (TBDs)
- Repeal the authority for Regional Transit Authorities (Sound Transit) to impose motor vehicle excise taxes (MVET);
- Repeal the authority for Public Transportation Benefit Areas to impose an MVET for passenger ferry service and for Sound Transit;
- Limit all other vehicle license and registration fees to \$30;
- Base vehicle taxes on Kelley Blue Book value, and,
- Repeal the 0.3% tax on motor vehicle retail sales.



State Multimodal Account Impacts

The State's Multimodal Transportation Account funds all modes of transportation projects, including public transportation, rail and bicycle/pedestrian projects. The potential revenue impact to the Account is **\$1.48 billion between 2020 and 2025**.

\$134 million in potential cuts to **Metro services** between 2020 and 2025, including RapidRide expansion projects, bus layover facilities, access to transit, speed, and reliability improvements, paratransit programs, vanpool services, and transit-oriented development projects.

\$20 billion in **Sound Transit funding** is at risk for voter-approved light rail expansion, bus rapid transit, and commuter rail that will create new connections in King, Pierce, and Snohomish counties through 2041.



Mercer Island Impacts

Mercer Island's Transportation Benefit District was created in 2014 and authorized a new and renewing vehicle license fee of \$20 to fund the preservation and maintenance of the City's transportation infrastructure.

In 2018, the City collected \$375,880 in vehicle license fees for the City's Street Fund.



Mercer Island Impacts (con't)

The City also receives \$34,000 in fees each year from the State's Multimodal Transportation Account, which is dedicated to pedestrian and bicycle facility maintenance and construction projects.

If passed, I-976 would result in loss of approximately \$400,000 in annual revenues for the City's Street Fund.



Taking a Position

RCW 42.17A.555 allows the Council to vote to support or oppose a ballot proposition if:

- a) notice of the meeting includes the title and number of the ballot proposition; and
- b) the Council and public are afforded equal opportunity to express an opposing view.



Next Steps

If Council desires to take an official position on I-976, direct staff to:

1. Draft a resolution stating the Council's support or/opposition to the initiative.
2. Schedule a public hearing on October 7 to provided equal opportunity those with an opposing view to express their opinion.

