Washington Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy a public transportation system sales tax (special purpose local option tax) that requires the approval of a majority of qualified voters in an election, with increments of 0.1% up to 0.9%.

• Dedicate public land for use as streets and rights-of-way in cities and towns and fund improvements to state highways which will benefit county residents.

• Grant franchises to construct pipes, wires, and cattle guards on public roads as well as general franchises on county bridges.

• Create a transportation benefit district to improve travel time, air quality, and reduce transportation risk by imposing fees on vehicles, tolls on overused roads, and a fee for any transportation or infrastructural improvement the district might undertake.

• Acquire transportation authorities to provide public transportation to the county’s residents. The authority may charge reasonable fees for use of public transportation to refund revenue bonds issued to acquire public transportation systems, including railways.

• Create rail districts inside the county’s corporate boundaries and therein provide rail service by levying a tax in excess of the legal limit on property taxes.

• Establish ferry districts which can construct, maintain, and operate ferry services, levy taxes, contract debt, and establish a schedule of charges for the provision of ferry service.

Counties do not have authority to:

• Levy any noteworthy license taxes not already listed.

Mandated/Authorized Transportation Services:

• County commissions are granted the authority to lay out, construct, maintain, and vacate county roads located within the corporate boundaries.

• Counties may construct, operate, and maintain parking facilities convenient to the county courthouse or a city-county public building.

• Counties are authorized to acquire transportation authorities to provide public transportation to the county’s residents.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• 20% of all funds.

• County road fund

|  |  |  |  |
| --- | --- | --- | --- |
| property taxes and other taxes | state shared revenues & grants | fees, reimbursables, misc. revenue | federal shared revenues & grants |
| 44.7% | 26.9% | 13.8% | 11.6% |

• Motor vehicle fuel tax (MVFT) distributes 4.923 cent to counties in its 37.5 cents total fuel tax.

Counties Collect:

• Property tax – levy lid lift with voter approval;

• Levy up to $2.25 per $1,000 A.V.

• Transportation benefit districts (License tabs up to $20 ‐ council manic approval; License tabs up to $100 with voter approval; and Tolls, and other revenues).

• Local option gas tax up to 10% of state total.

• County ferry district – up to 75¢ per $1,000 A.V.( King County restricted to 7.5¢ per $1,000 A.V.).

## **Challenges in Funding and Financing Transportation Projects:**

• County roads have the highest fatality rate at 2.12 fatalities per 100 million vehicle miles.

• One‐fifth of 3300 county bridges are either structurally deficient or functionally obsolete.

• The county current expense revenue base is highly dependent upon property and sales taxes; these sources represent 87% of general fund revenue.

○ Property tax growth is limited annual increases of one percent, well below historic rates of inflation.

○ In some counties, sales tax revenues have declined because of poor economic conditions, annexations and incorporations, loss of sales tax equalization, or land acquisition by the state and federal government.

○ Moreover, the Growth Management Act has shifted tax and financial resources from counties to cities by directing growth and economic development to urban areas.

○ Counties collect only fifteen percent of basic and optional sales tax revenue in incorporated areas, yet retain responsibility for countywide services in those areas.

○ In addition, all counties lost critical revenues from the elimination of the Motor Vehicle Excise Tax, first by the voters, and subsequently by the Legislature. The replacement funding provided by the Legislature is nearly eliminated.

○ Current transportation revenues are not adequate to maintain a quality transportation system and make improvements needed to enhance safety, improve local freight mobility and relieve congestion.

## **Innovative Solutions to Funding and Financing Challenges:**

• Creates public transportation grant program to aid transit authorities with operations (expires 2015).