# HOUSE BILL REPORT
# ESHB 1954

**As Passed House:**
June 27, 2013

**Title**: An act relating to transportation revenue.

**Brief Description**: Concerning transportation revenue.

**Sponsors**: House Committee on Transportation (originally sponsored by Representatives Clibborn, Moscoso, Fey, Ryu, Riccelli, Farrell, Liias, Pollet, Ormsby, Tarleton, Roberts, Wylie, Morris, Bergquist and Moeller).

**Brief History:**
**Committee Activity:**
Transportation: 4/19/13, 4/22/13 [DPS].
**Second Special Session**
**Floor Activity:**
Passed House: 6/27/13, 51-41.

**Brief Summary of Engrossed Substitute Bill**

- Increases the motor fuel taxes by 6.5 cents in the first year, and 4 cents in the next year.
- Increases the current off-road vehicle, snowmobile, and marine motor fuel tax refunds by corresponding amounts over the same time frame.
- Distributes the increased fuel tax revenue to the new Connecting Washington Account, the Puget Sound Ferry Operations Account, the Puget Sound Capital Construction Account, and the cities and counties.
- Repeals the handling loss deduction from the motor vehicle fuel tax.
- Distributes the increases in various fees that were raised during the 2012 legislative session, and also provides for a distribution to transit authorities.
- Creates a freight project fee equal to 15 percent of the current gross weight fee to be used for freight projects.
- Increases the current gross weight fees and passenger weight fees by $15, $25, $35, and $33 depending on if the vehicle weighs less than 4,000; 6,000; 8,000; or 10,000 pounds.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

- Imposes service fees for various transactions.
- Modifies the definition of an electric vehicle.
- Authorizes the State Finance Committee to issue up to $650 million in toll revenue bonds to help finance the Columbia River Crossing (CRC) project on Interstate 5.
- Resets the authority for the Washington State Transportation Commission to set, adjust, and review toll rates for tolls on the CRC.
- Provides a variety of local revenue options.

## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report**: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Clibborn, Chair; Fey, Vice Chair; Liias, Vice Chair; Moscoso, Vice Chair; Bergquist, Farrell, Fitzgibbon, Habib, Moeller, Morris, Riccelli, Ryu, Sells, Takko, Tarleton and Upthegrove.

**Minority Report**: Do not pass. Signed by 14 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Angel, Hayes, Johnson, Klippert, Kochmar, Kretz, Kristiansen, O'Ban, Rodne, Shea and Zeiger.

**Staff**: David Munnecke (786-7315).

**Background**:

<u>Licensing and Fees</u>.
Generally, all motor vehicles used on public highways must be registered with the Department of Licensing (DOL) annually. Most vehicles, including passenger cars, are subject to a $30 license tab fee; a weight fee of $10, $20, or $30 based on the weight of the vehicle; and other fees totaling $3.75.

In lieu of passenger vehicle fees, trucks, buses, and for-hire vehicles are subject to a license fee by weight. The weight fee ranges from $38 for a 4,000 pound vehicle to $3,400 for a 105,500 pound vehicle.

Vehicles that are powered by natural gas or propane pay an annual license fee in lieu of a fuel tax. The annual license fee is calculated using a formula that includes, among other factors, a fee based on weight and the current rate of fuel taxes. The current annual license fee is $145.63.

<u>18th Amendment</u>.
The 18th Amendment to the Washington Constitution requires that the state's motor vehicle fuel taxes, which are currently 37.5 cents per gallon, vehicle licensing fees, and all other state revenue intended to be used for highway purposes be deposited into the Motor Vehicle Fund (MVF). Monies in that fund may only be spent for highway purposes, which are defined to

include expenditures on construction, preservation, maintenance, operation, and administration of highways and ferries. Other transportation funding is not restricted by the 18th Amendment. Often referred to as "multimodal" or "flexible" funding, these monies may be spent for any transportation purposes.

Transfers for Nonhighway Purposes.
Transfers are made from the MVF to the Off-Road Vehicle (ORV) and Nonhighway Vehicle Account, the Marine Fuel Tax Refund Account, and the Snowmobile Account for motor vehicle fuel taxes paid by nonhighway users. Each of these transfers is made based on fuel taxes of 23 cents per gallon.

Columbia River Crossing.
The Interstate 5 (I-5) Bridge crosses the Columbia River and connects Vancouver, Washington, and Portland, Oregon, with two identical bridge structures. One bridge structure carries traffic northbound to Vancouver, and the other bridge structure carries traffic southbound to Portland. The northbound bridge was built in 1917, and the southbound bridge was built in 1958. The Columbia River Crossing (CRC) project, as described in the record of decision, includes the replacement of the I-5 bridges, the extension of light rail to Vancouver, the improvement of closely spaced interchanges, and the enhancement of the pedestrian and bicycle paths. The estimated project costs range from $3.1 billion to $3.5 billion.

In 2012 the Legislature authorized the tolling of the existing and replacement I-5 Columbia River bridges. The Legislature also designated the CRC project as an eligible toll facility, defined the parameters of the project area, and capped the cost of the project at $3.413 billion. A new account, the CRC Project Account, was set up to receive revenues connected to the project. In addition, the Washington State Transportation Commission was authorized to enter into agreements with the Oregon State Transportation Commission regarding the mutual or joint setting, adjustment, and review of toll rates.

Debt.
Washington issues general obligation (GO) bonds to finance projects authorized in the capital and transportation budgets. The GO bonds pledge the full faith and credit and taxing power of the state towards payment of debt service. Legislation authorizing the issuance of the GO bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

The state may also issue revenue bonds to finance projects authorized in the capital and transportation budgets. Revenue bonds are backed not by the full faith and credit and taxing power of the state, but rather solely by the revenue or revenues to be used for debt service and consequently, when sold, typically receive higher interest rates. Legislation authorizing the issuance of revenue bonds requires a simple majority vote in both bodies of the Legislature.

Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the appropriate capital account and deposits them into the bond retirement funds. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for the issuance of all state bonds.

The Transportation Infrastructure Finance and Innovation Act (TIFIA) program provides federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. The TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets. On October 25, 2012, the Washington State Department of Transportation (WSDOT) signed an agreement to receive $300 million in TIFIA credit assistance for the State Route (SR) 520 floating bridge and landings replacement project. The authority to receive the loan is considered covered by the bond authority authorized by the Legislature for the facility.

<u>Motor Vehicle Excise Tax</u>.
A motor vehicle excise tax (MVET) is a tax paid on the value of a motor vehicle. For the purpose of determining any locally imposed MVET, the value of a vehicle other than a truck or trailer is 85 percent of the manufacturer's base suggested retail price (MSRP) of the vehicle when first offered for sale as a new vehicle, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in the depreciation schedules. For the purpose of determining any locally imposed MVET, the value of a truck or trailer is the latest purchase price of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in the depreciation schedules based on year of service of the vehicle since last sale. The latest purchase year is considered the first year of service.

<u>Transportation Benefit District</u>.
A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district. When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction. A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate district formation.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to $100 on vehicle license renewals, $20 of which may be imposed without voter approval;

- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Washington State Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval through a majority vote of the governing body:
- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to $20 in local annual vehicle fees if the TBD includes all the territory within the boundaries of the jurisdiction(s) establishing the TBD. When imposing this fee, if the TBD is countywide the revenues must be distributed to each city within the county by interlocal agreement.

<u>Public Transportation Benefit Area</u>.
A public transportation benefit area (PTBA) is a special-purpose district authorized to provide public transportation service within all or a portion of a county or counties. Generally speaking, "public transportation service" means the transportation of packages, passengers, and their incidental baggage by means other than by chartered bus or sight-seeing bus, together with the terminals and parking facilities necessary for passenger and vehicular access to and from such systems. It also means passenger-only ferry service for those PTBAs eligible to provide passenger-only ferry service. A PTBA may collect fares for service and, with approval of the majority of the voters within the area, impose up to a 0.9 percent sales and use tax within the area.

A PTBA is created through a conference process attended by elected representatives selected by the legislative body of each city within the boundaries of the PTBA as well as the county legislative authority or authorities. Within 60 days of establishment, the county legislative body or bodies provide for the selection of a governing body of not more than nine elected officials (or, in the case of a multi-county PTBA, not more than 15 members) selected by and serving at the pleasure of the governments of the cities and counties in the PTBA. Cities within the PTBA that are excluded from direct membership on the authority are permitted to designate a member of the PTBA who is entitled to represent the interests of those cities.

**Summary of Engrossed Substitute Bill**:

<u>State Taxes and Fees</u>.
The motor vehicle fuel tax and the special fuel tax are each increased by 10.5 cents per gallon as follows:
- 6.5 cents per gallon effective August 1, 2013; and
- 4 cents per gallon effective July 1, 2014.

The increased fuel tax revenue is distributed in the following manner:
- 5 percent to the Puget Sound Ferry Operations Account;
- 7.5 percent to the Puget Sound Capital Construction Account;
- 5 percent to the cities through the established distribution process;
- 5 percent to the counties through the established distribution process; and
- 77.5 percent to the newly created Connecting Washington Account.

The calculation of transfers made from the MVF to the ORV and Nonhighway Vehicle Account, the Marine Fuel Tax Refund Account, and the Snowmobile Account for motor vehicle fuel taxes paid by nonhighway users is increased with each increase in motor fuel taxes to a total 33 cents per gallon, and then increased to 48 cents per gallon beginning July 1, 2029.

The handling loss deduction from the motor vehicle fuel tax is repealed.

The distribution of the following fees that were raised during the 2012 legislative session is established in statute for 10 years:

- original issue license plate fee;
- original issue motorcycle license plate fee;
- motorcycle replacement license plate fee;
- abstract of driver's record fee;
- driver's license, instruction permit, and identicard fees;
- vehicle dealer original license fee;
- vehicle dealer license renewal;
- licensing examination fee; and
- hearing request fee.

A freight project fee equal to 15 percent of the current gross weight fee is established for vehicles with a gross weight of more than 10,000 pounds, and required to be used for freight projects. The gross weight fees and passenger weight fees are increased by $15, $25, $35, and $33 depending on if the vehicle weighs less than 4,000; 6,000; 8,000; or 10,000 pounds.

A service fee of $5 for every vehicle registration renewal and $12 for every certificate of title transaction conducted by a county auditor or other agent and the DOL is imposed, with the proceeds deposited in the Capital Vessel Replacement Account.

The DOL is required to collect service fees on reports of sale transitional ownership records and various other services where service fees are currently collected by subagents. The enhanced driver's license and enhanced identicard fee are increased to $54 (or $9 per year if the period of the driver's license or identicard is other than six years).

The Pedestrian, Bicycle, and Safe Routes to School Account is created in the State Treasury. Funds in the account may be spent only after appropriation and may be used only for pedestrian, bicycle, and safe routes to school projects. The State Treasurer is directed to transfer $2 million from the Multimodal Transportation Account and $650,000 from the MVF into the Pedestrian, Bicycle, and Safe Routes to School Account each quarter beginning in September 2015. The distribution of a portion of the driver's license renewal fee is redirected so that it is deposited in the Pedestrian, Bicycle, and Safe Routes to School Account rather than the Highway Safety Fund.

The definition of an electric vehicle is modified, and the annual $100 registration renewal fee on electric vehicles is required to be used for the Washington Electric Vehicle Infrastructure Bank (WEVIB). Once electric vehicles subject to this fee reach 0.5 percent of the state’s total light duty passenger vehicle fleet, all fee proceeds will be deposited into the MVF and distributed as required under current law, with the state receiving 70 percent, and counties and cities 15 percent each.

The State Finance Committee is authorized to issue $650 million in toll revenue bonds to finance the CRC project; no authority is provided for the issuance of general obligation bonds. The proceeds of the bond sales must be deposited to the CRC Project Account and used for the location, design, right-of-way, and construction of the CRC project. The proceeds may be used to repay the MVF for moneys that had been advanced from the MVF for the purposes of the project.

The authority of the Washington State Transportation Commission to set, adjust, and review toll rates for the CRC is reestablished.

The WEVIB is created. The WEVIB must provide financial assistance for publicly accessible direct current fast-charging stations (20 minutes to charge to 80 percent) as well as for Level 1 (16 to 24 hour charge time) or Level 2 (three to six hour charge time) stations. The WSDOT is required to consult with the Washington State Department of Commerce, and gather input from industry stakeholders in developing policies and priorities for electric vehicle infrastructure locations. Prior to dispersing any funds, the WSDOT must submit a business plan to the House and Senate Transportation Committees and the Governor's office. Annual progress reports are also required, and the WEVIB expires in 10 years.

Local Revenue Options.
A TBD is allowed to impose a local annual vehicle fee of up to $40 upon a majority vote of the governing body, and flexibility in forming TBDs in areas with preexisting TBDs is added.

A county with a population of 1,000,000 or more may impose an MVET with the approval of the voters or upon a majority vote of the county council. The MVET may be up to 1.5 percent of the value of the vehicle and may be imposed on all the vehicles within the county, except for trucks with an unladen weight of 6,000 pounds or more, farm vehicles, and commercial trailers. Sixty percent of the net funds collected from the MVET must be used for the operation, maintenance, and capital needs of public transportation systems. Forty percent of the net funds from the MVET must be used for the operations and maintenance of local roads. These funds must be distributed on a pro rata basis to the county and incorporated cities and towns within the county based on the population of the unincorporated areas of the county and the population of cities and towns as a percentage of the total population of the county. A county imposing the MVET must contract, before the imposition of the MVET, with the DOL for the administration and collection of the MVET. The DOL is required to deduct an amount from the MVET collections to cover its administration and collection expenses.

A PTBA in a county with a population of 700,000 or more, that also contains a city with a population of 75,000 or more that operates a transit system, may impose a sales and use tax of up to 0.3 percent with the approval of the voters within the area.

Public transportation benefit areas are granted the authority to establish passenger-only ferry service districts as separate entities with independent taxing, spending, and bonding authority.

All transit agencies, except a Regional Transit Authority, may establish an enhanced public transportation zone (Zone) as a separate legal entity within the transit agencies' boundaries. A transit agency may put to the voters within a Zone a sales and use tax increase for the purpose of providing enhanced transit service solely within the Zone, and funds collected from the tax may not supplant existing revenue expended in the Zone. A sales and use tax imposed on a Zone, when combined with the establishing transit agency's existing sales and use taxing authority, may not exceed the existing limit of 0.9 percent.

When establishing the boundaries of a Zone, the establishing agency must consult with the Department of Revenue on sales tax collection methods, and boundaries must follow election precinct lines if possible. A Zone may cover only a portion of an area within a transit agency's boundaries, including portions of a city or town, and may not include more than 49 percent of the population of the transit agency's area.

The establishing transit agency must adopt an ordinance that finds that the Zone warrants consistent and sustainable transportation service levels of passenger capacity, speed, and service frequency to serve persons within the Zone that would otherwise be substantially disadvantaged if the Zone were not created. A baseline level of service must be established prior to creation of the Zone, and service within the Zone must increase in proportion to the additional revenue collected. A sales and use tax imposed on a Zone expires after three years, and may not be reimposed.

**Appropriation**: None.

**Fiscal Note**: Available. New fiscal note requested on June 27, 2013.

**Effective Date**: The bill contains an emergency clause and takes effect immediately, except for section 107 and 112, which contain an emergency clause and take effect August 1, 2013, sections 105 and 201 through 209, which take effect July 1, 2015, section 307, which takes effect April 1, 2014, sections 308 and 309, which take effect January 1, 2014, section 310, which takes effect February 1, 2014, and section 509, which takes effect 90 after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony**:

(In support) This is a unique opportunity, and there will never be a better opportunity to pass a revenue package. Business, labor, and environmentalists have all come together to create momentum for this package, which would improve the transportation system throughout the state while also creating 84,000 jobs over the course of 12 years. The package is funded only by gas taxes and weight fees, rather than other revenue sources that were contentious, and is balanced in its use of cash and bonds to pay for projects. This package helps keep Washington competitive by improving corridors, especially freight corridors, throughout the state, such as the Gateway project, the North-South Freeway, Interstate 405 (I-405), the CRC project, and Interstate 90. There is also an emphasis on local projects and programs and the environment, in terms of both stormwater treatment and fish culverts. Finally, there is an emphasis on partnerships with locals, the Transportation Improvement Board (TIB), the

County Road Administration Board (CRAB), and the Freight Mobility Strategic Investment Board (FMSIB).

There is a groundswell of support for projects for transit, bicycles and pedestrians, and safe routes to schools. There is a backlog of these projects and this package will help buy down the backlog both through bonds as well as through new revenue streams.

Creating a thriving economic sector is a key role of government, and this package would do just that. It would provide an adrenaline shot to the economy, and would allow for the completion of many of the mega-projects that have already been started.

It is important to use Lean Management techniques and right-sizing in order to insure that the dollars raised by the package can be used in the most effective way possible.

Many people are not generally in favor of taxes, but funds are needed in order to keep the roads paved and transit service running. This bill is multimodal, and provides for a partnership with the locals to keep the whole transportation network functioning. The increase in the distribution to the cities and counties will also help these entities that provide the first and last mile of the system.

Transportation is critical, and needs to be treated holistically. Cars, transit, bikes, and pedestrians are all using the same roads, and if you have any common sense then you must be for transportation spending.

There is a bipartisan effort to support the completion of SR 167. The completion of SR 167 and SR 509 will transform the region, keep Washington ports competitive with the rest of the world, and is the best investment that we can make. The state investment will attract local investments, and will encourage the use of our ports, which will in turn provide future revenue to the state and drive new investment.

The port expansions that will be triggered by this project will creates thousands of new middle-class jobs at the ports. The competitive position of these ports in key for farmers and other businesses. The FMSIB fees are needed and weight fees should be dedicated to freight projects.

It is important to focus on corridors and gateways. Billions of dollars in trade flow through the state's ports every year. The SR 509 is critical for both seaport and airport cargo, and creates a closer tie between the ports and the state's distribution network.

Everett and the rest of Snohomish County host a huge aerospace cluster, one of the largest in the world. There are many projects that would help to support this cluster, so that it can continue to grow. Boeing's decisions about where to locate work on future jets will be at least partially based on the transportation infrastructure in the region. The SR 9 serves an important part of Snohomish County and needs to be improved.

Stable funding for King County is urgent for both roads and transit. Both the roads department and King County Metro (KCM) have made great efficiency gains, but transit in the county faces a 17 percent cut in service without new revenue. There would also be significant lay-offs among the KCM workforce.

Jobs are increasing in Seattle and driving growth throughout the state. Employers such as Amazon are hiring workers that want to ride transit. Otherwise these workers will have to drive, which will effect congestion and freight movement across the state. Forty-three percent of the 200,000 workers in downtown Seattle currently get to work by mass transit.

Businesses expect transportation leadership and funding in the form of a comprehensive funding package, and are supportive of this package. There should be more funds for preservation, however.

The economic vitality of the state depends on the movement of people and goods. The I-405 is a critical link in this network. Both SR 167 and I-405 are extremely congested and need the funding in this package.

The CRC is an important link for the state, the region, and the whole country. The CRC is crumbling, and the congestion on the bridge delays everyone including freight, which increases costs across the state. With a new bridge, Vancouver could become a more vibrant community and attract increased investment. Hundreds of local businesses are in favor of moving forward with the CRC. The CRC project would also improve safety and reduce accidents on what is now an unsafe corridor. It would also increase trip reliability which would help the provision of medical services.

Local residents are in favor of light rail on the CRC because it makes environmental progress and increases accessibility. Light rail provides a more reliable trip and allows people to save the cost of owning and operating a car.

The ferry system is important to people on both sides of the Puget Sound. These bills would allow for various ferry projects, including a third vessel. Ferry riders already pay for 70 percent of the cost of running the system, and this bill would fund the rest of the need, which was created with the passage of Initiative 695. Many of the current ferries are reaching the end of their useful lives and need to be replaced. This bill would preserve ferry workers' jobs and allow the state to take advantage of learned efficiencies in the ferry construction process.

This package would create jobs in the construction industry, as well as necessary projects throughout the state. If we make these investments now, it will save money in the long run. Among the areas in which this package will create jobs is the asphalt industry, which has suffered substantial decreases.

We need to maintain and preserve the system that we have. If possible, more money should be put into preservation, the TIB, the CRAB, cities, counties, and the FMSIB, so that this can be accomplished. Once a road fails, it costs three times as much to fix it as it does to fix it beforehand.

There are significant traffic chokepoints in the South Sound, and they need to be improved in order for the area to thrive.

The North Spokane Corridor is vital to spurring the economy in Spokane and rural parts of Eastern Washington.

The voters in Snohomish County have always supported sales tax increases for transit. Since 2008 Community Transit has raised fares, cut service by a third, extended the lifespan of buses, and laid-off employees. Productivity has been increased, but more support is needed.

The continuation of fee revenue is vital to keep transit moving, as is the capital funding. Systems depend on sales tax revenue, and currently need the operating and capital funding provided by this package.

The Department of Natural Resources depends on fuel tax refunds for much of its funding.

Funding for transit, paratransit, bus shelters, and bicycle and pedestrian projects is vital for the mobility impaired. Without transit and sidewalks, some people with developmental disabilities would not be able to participate in their communities.

Mileage fees and vehicle fees are paid by the aeroporters, so the vehicle fee should be reduced.

Recreation opportunities are improved by the refund for off-road vehicles.

(In support with amendment(s)) Snowmobiles are a key part of the recreation community and provide enormous benefits to the state economy. Funding for grooming trails has been static while costs have gone up, so the total amount of grooming has gone down. The refund for snowmobiles should thus be increased.

(With concerns) People support increased investments in bicycle, pedestrian, and safe routes to school projects. These types of projects can prevent tragedies, and are supported by people across the state.

Many people with visual impairments use transit, and cuts to transit could prevent them from getting to work, appointments, and social functions. The local options for transit should thus be maintained.

This needs to be a package for everyone, so the local options should be maintained. Increasing the transit projects is important, and would also lead to more jobs.

Toxic stormwater is a significant problem, and needs to be dealt with by providing more funding in the package.

Bus service connects the poor to jobs and housing when they cannot afford a car. There needs to be affordable housing and affordable transit. Transit-oriented development spurs vibrant communities that help families of all income levels.

There are 77,000 students and employees coming to the University of Washington daily, and 80 percent do not drive alone, which improves traffic in the neighborhood and the whole city. Without transit funding everyone will be affected, but especially the students.

(Opposed) Based on the results of the last election, it is clear that people are opposed to new taxes. Past initiatives also make it clear that people are opposed to increases in vehicle fees. Increases in both these things are in this package against the wishes of the voters.

Some people are committed to increasing density through the use of voter taxes and fees. This money should instead be used for new commercial corridors.

We do not need another tax. Instead we should reduce the ferry system and transit systems, because we cannot afford them thanks to the wages and pensions for the employees.

There should be more funding for maintenance and for bicycle and pedestrian projects. There should also be more money for transit and freight projects.

The gas tax rate after the passage of this package would be disproportionate to the size of the state. People do not want to pay more fees, nor do they want rail instead of buses.

The light rail on the CRC only goes from Clark College to Hayden Island. People in Vancouver need more jobs, not light rail.

The $5 and $12 service fees in the bill do not reflect a change in service. The increase benefits the subagents, and not the public.

People are concerned about the amount of transit, bicycle, and pedestrian money in the package, as well as the environmental impacts of the mega-projects. People in Washington need to drive less if we are going to reduce our greenhouse gas emissions because transportation is the number one source of these gases.

(Other) The CRC is a controversial project, and it is opposed in its current form by the Clark County Council.

**Persons Testifying**: (In support) Representative Clibborn, prime sponsor; Representative Liias; Pat McCarthy, Pierce County; Pete Lewis, City of Auburn; John Wolf and Todd Iverson, Port of Tacoma; Tom Pierson, Tacoma Pierce County Chamber; Marylin Strickland, City of Tacoma; Charles Knutson, Office of the Governor; Lynn Peterson, Department of Transportation; Suzette Cooke, City of Kent; Tom Albro, Port of Seattle; Tony Anderson and Mia Gregeron, City of SeaTac; Dave Kaplan, City of Des Moines; Ryan Mello, Association of Washington Cities; Joan McBride, City of Kirkland; Don Gerend, Association of Washington Cities and Sound Cities Association; Ray Stephenson, City of Everett; Troy McClelland, Economic Alliance Snohomish County; Jon Nehring, City of Marysville; Dave Earling, City of Edmonds; Joe McDermott, King County; Dave Baker, City of Kenmore; Mike O'Brien, City of Seattle; Conrad Lee, City of Bellevue; Tom Flynn, City of Redmond; Bob Isom, City of Yelm; Shawn Bunney and Carolyn Logan, South Sound Chamber of Commerce; Aaron Williams, Fife Milton Edgewood Chamber of Commerce; Shelly Schlomb, South Sound Chamber of Commerce; Glenn Hull, Pierce County Regional Council; Patty Lent, City of Bremerton; Walt Elliott, Ferry Advisors Committee; Adam Brocus, Ferry Community Partnership; Duke Schaub and Butch Brooks, Associated General Contractors of Washington; Gail Land, Lakeside Industries; Josh Swanson, Terry Tilton, and

Jimmy Osborne, National Construction Alliance; Kate Joncas, Downtown Seattle Association; Larry Brown, Aerospace Machinists; Jeff Johnson, Washington State Labor Council; Bob Abbott, Laborers International; Larry Pursley, Washington Trucking Association; Rick Jensen, Ironworkers District Council; Tom Gaetz, Washington Asphalt Pavement Association; Melinda Merrill, QFC and Fred Meyer; Kim Capeleta, Paul Montague, and Tim Schauer, International Code Council; Kelly Parker, Vancouver Chamber of Commerce; Cynthia Stewart, League of Women Voters; Dylan Kuester; Casey Decker; George Allen, Seattle Chamber of Commerce; Catherine Rudolph, Pierce County Realtors; Mike Ennis, Association of Washington Business; Dave Overstreet, Automobile Association of America, Washington; Eric Johnson, Washington Public Ports Association; Brian Willoughby, Legacy Health Systems; Davor Gjurasik, Community Transit; Kathleen Collins, Spokane Transit; Jim Hendrick, Greater Spokane Incorporated; Al Aldrich, State Route 9 Coalition; Doug Jacobsen, City of Renton; Michael Shaw, Washington State Transit Association; Brad Patterson, Mason Transit; Susie Tracey, Small and Midsize Transit Alliance; Dave Meyers, Washington State Building Trades Association; Ed Barnes, IBEW 48; Vince Oliveri, Professional and Technical Employees Local 17; Gordon Baxter, Inlandboatmen's Union, Masters, Mates and Pilots Union, Puget Sound Metal Trades Council, and Office and Professional Employees International Union Local 8; Mark Mauren, Department of Natural Resources; Warren Yee; Christa Little, Multiple Sclerosis Association; Emily Rogers, Self-Advocates in Leadership; Marie Jubie; David Lord, Disability Rights Washington; Jim Fricke, Capital Aeroporter; and Ted Jackson.

(In support with amendment(s)) Terry Kohl, Sandy Sternod, Carl Corn, Roger Britlain, Mick Steinman, and Richard Elkins, Washington State Snomobile Association.

(With concerns) Barb Chamberlain, Bicycle Alliance of Washington; Caron LeMay; Mark Lanseneau, Lighthouse for the Blind; Carrie Dolwick, Transportation Choices Coalition; Clifford Traismas, Washington Conservation Voters; Nick Federici, Washington Low Income Housing; Stephen Deal and Miquel Maestas, Centro de la Razga; Celeste Gillman, University of Washington; and Melanie Mayock.

(Opposed) Tim Eyman; John Worthington; Paul Locke; Matthew Green, Cascade Bicycle Club; Carolyn Crane; Penny Ross; Monty Cobb, Washington Association of County Officials; and Tim Gould, Sierra Club.

(Other) Mike Burgess, Clark County.

**Persons Signed In To Testify But Not Testifying**:  None.