



Regional Transportation Investment District of King, Pierce, and Snohomish Counties

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March 4, 2004

Senator Jim Horn
Chair, Transportation Committee
437 John A. Cherberg Building
Olympia, WA 98504

Dear Senator Horn:

Thank you again for your attention to working with the Regional Transportation Investment District (RTID) and our region's leaders to find workable solutions for financing and building the regions' transportation priorities. As the legislative session draws to a close we want to reiterate the changes we believe are necessary to the RTID enabling legislation in order to strengthen our chances for success at the ballot this fall.

1. Revenue Sources

We very much need an alternative revenue source so that the RTID need not rely so heavily on the sales tax. Based on public opinion research and on work with stakeholders and leaders in the region, the RTID is recommending an increase in motor vehicle excise tax (MVET) authority, with no use restrictions, as a viable option.

The RTID proposes legislation authorizing additional MVET authority for use by the RTID:

- **Increase MVET authority by an additional 0.3%, with no use restrictions, for a total potential rate of up to 0.6%.**
- **Do not decrease other RTID revenue authority.**

2. Ballot Measure Language

It is important to provide the clearest possible message when writing the ballot title so that future legal challenges can be avoided.

The RTID proposes legislation:

- **Clarifying that the RTID Planning Committee will approve a single RTID ballot title that will represent the plan for all three counties, including the ballot title's length and what information is presented to voters through the ballot title.**

- **Requesting an exemption beyond the 75-word ballot title length in RCW 29A.36.070 (The RTID needs flexibility that a 75-word title does not provide.)**

3. Clarifying Tolling Authority

The existing RTID statute permits the imposition of tolls on “new or reconstructed ” facilities, with WSDOT collecting the tolls and the Transportation Commission serving as the tolling authority.

The RTID proposes legislation:

- **Clarifying specific roles of the RTID, WSDOT and the Transportation Commission in any RTID authorized tolling;**
- **Clarifying current legal ambiguities to allow tolling on the Lake Washington Floating Bridge and on all state and federal highways within the District in order to provide more flexibility to RTID in using tolling authority;**
- **Operations and maintenance of toll-financed facilities would be added as eligible expenditures.**

4. State Bonding Authority

State legislation in 2003 authorized the RTID to bond against their anticipated revenue stream, up to about \$8.5 billion in RTID-backed bonds. If an RTID package were to exceed an \$8.5 billion expenditure level there could be a need to issue further bonds backed by the state gas tax but repaid by RTID revenues. State gas tax revenue distributed to the RTID counties, and cities within those counties, is equivalent to 2.52 cents of the current 28-cent state gas tax rate.

Approximately \$1.1 billion in debt could be supported by these distributions bringing the total revenue stream from RTID bonds plus this gas tax bonding to \$9.6 billion. The currently discussed \$14 billion RTID package would require \$10.4 billion in bonding authority.

Therefore, the RTID proposes legislation:

- **Authorizing DOT to issue state bonds for RTID, backed by that portion of state gas tax revenues distributed to the three RTID counties, and cities within those counties, but repaid by RTID revenues.**

5. Reduce Local Match Requirement

Currently, the RTID legislation limits non-highways of statewide significance (HSS) improvements to \$1 billion or 10% of the total plan, whichever is less, and requires a 1/3rd (33%) match in funding from the local jurisdiction sponsoring the project. The matching requirement may be too high for local jurisdictions, especially since the recent loss of 776 funds to cities and counties (\$15 vehicle license fee in King, Snohomish, and Pierce counties) and the fact that many of the non-HSS projects are on state highways.

- **The RTID proposes legislation to lower the local match to 15%.**

Thank you again for your leadership. We are committed to working with you to make these changes so that we may achieve the support needed to get our regions' transportation solutions underway.

Sincerely,
SIGNATURES ON ORIGINAL

Gary Nelson
Chair, Snohomish County

Dave Gossett
Snohomish County

Shawn Bunney
Pierce County

Calvin Goings
Pierce County

Julia Patterson
King County

Rob McKenna
King County

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cc: Senator Bill Finkbeiner
Senator Lisa Brown
Senator Mary Margaret Haugen