

For Immediate Release

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Independent studies verify RTID revenue accuracy, forecast growth, tax base for transportation projects

Two independent studies have verified the accuracy of the Regional Transportation Investment District's original revenue studies showing economic growth and an expanding tax base to fund transportation projects.

The economic study for King, Pierce and Snohomish counties was conducted by Conway Pedersen Economics. A second study by ECONorthwest estimated this year's value of the tax base for the motor vehicle excise tax in the three counties. It provided a benchmark for Conway Pedersen's revenue forecasts.

Both studies were peer-reviewed for accuracy by an independent panel as authorized by the RTID Executive Board at its January meeting. It was also reviewed by a University of Washington finance professor, said Kjris Lund, RTID executive director.

The Conway Pedersen study shows King, Pierce and Snohomish county economies are returning to growth and would provide an expanding tax base to fund transportation projects.

The study predicts a growing tax base through 2033 that could be used to fund RTID's recommended package of road and transit projects. The RTID Executive Board reviewed the study at its March 12 meeting.

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The study predicts taxable retail sales will grow an average of 5.6 percent annually during the next 30 years.

The total number of registered motor vehicles in all three counties is predicted to grow an average of 1.0 percent annually, according to the study.

Growth in the three counties' motor vehicle tax bases will average between 3.9 percent (King, 2000-10) and 5.9 percent (Pierce, 2000-10) over the next 30 years.

RTID has proposed to fund a recommended package of road, transit and possibly light rail projects using a combination of sales tax, vehicle license fees, motor vehicle excise tax, and local-option gas tax. The study provides a basis to predict revenues over the life of the project package.

The study supported previous RTID revenue projections by the Washington Department of Transportation. Total revenue available to RTID would increase 2.7 percent in the Conway Pedersen forecast compared with the earlier WSDOT forecast. The comparison assumes RTID adopts its proposed funding formula of 0.4 percent sales tax, \$50 license fee, 0.3 percent motor vehicle excise tax, and local-option gas tax of 2.8 cents per gallon.

The ECONorthwest study estimated this year's value of the tax base for the motor vehicle excise tax at between \$22 million and \$25.1 billion in the three counties. The study utilized five different methods to make its estimate for the three-county area. It found all of the estimates fell within that range, for an average value of \$23.4 billion.

Copies of the studies are available on the RTID website at www.rtid.dst.wa.us.

About RTID:

The Regional Transportation Investment District (RTID) allows King, Pierce and Snohomish Counties to join together to use local funding for transportation projects in the three counties. RTID was created by the state Legislature in 2002. Its recommended package of projects and funding would be subject to approval by the three counties' voters.

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