



**CLIMATE ALLIANCE**  
FOR jobs & clean energy

# Clean & Just Transportation

## Local Revenue Recommendations

**We need more progressive local options.** In addition to statewide sources, the legislature should also grant local jurisdictions the authority to implement or ask voters for additional revenue options. Current options for local jurisdictions are volatile, limited, time-bound, and regressive. We must give local leaders better options to provide and maintain safe and equitable transportation networks, in a way that reduces greenhouse gas emissions and air pollution, improves multimodal transportation choices, and ensures fair and equitable outcomes.

### Expand local Transportation Benefit District authority

- Remove two 10-year Transportation Benefit District limits<sup>1</sup>
- Remove [one-year limit on voter-approved property taxes](#)
- Increase councilmanic taxing options
- Authority to implement any of the following local revenue options:

### Authorize new sources

- **Employer Tax for Transit.** Both [New York City](#) and [TriMet in Oregon](#) receive operating revenue from payroll-based taxes on employers. The NYC tax rate is graduated based on total payroll, while the TriMet tax is currently set at 0.7737% for all employers and self-employed individuals, and accounts for [60% of TriMet revenues](#). Both taxes are paid by employers, not employees. In addition, Oregon recently passed a smaller statewide transit payroll tax that is withheld from employee wages.
- **Parking Stall Tax.** This tax could be based on square-footage or number of stalls and is targeted at large business or property owners that dedicate substantive amounts of land to non-residential free and unlimited parking for customers. Intended to disincentivize sprawl and auto-centric land use and revenue generated could support multimodal options.
- **Transit Assessment District.** Assessment districts have been used to support public services and facilities over a century. Properties with values enhanced by nearby public services and facilities are assessed for their relative benefit over comparable properties further away from the services and facilities. Total assessments are based on the service's or facility's annual operating and capital costs including debt service and other non-current obligations, like net pension liabilities.
- **Air Quality Surcharge:** A one-time charge that accounts for the ability to pay of the owner on the sale or lease of new vehicles, as well as a one-time charge on the remaining life of vehicles being retitled/registered in Washington for the first time (preventing recent out-of-state purchases for the purpose of evading the charge). The charge would vary based on a vehicle's estimated lifetime greenhouse gas pollution determined from a vehicle's fuel economy (MPGe) rating from the EPA. It would create an immediate incentive to purchase more efficient, less polluting vehicles, cutting Washington's greenhouse gas emissions and contributing to air quality.

1. <https://wstc.wa.gov/wp-content/uploads/2019/11/2018-Annual-Report.pdf> page 3 - WSTC support for removing the 10-year sunset clause

## Remove outdated limitations

- Remove restrictions [prohibiting more than one type of local public transportation taxing authority to be used at any given time](#). Since most agencies levy local sales taxes, they are not currently able to use other local taxing options, such as a household excise tax or employer excise tax.<sup>2</sup> Removing this restriction would give transit agencies that currently use sales taxes access to the following tools:<sup>3</sup>
  - **Household Excise Tax.** The household excise tax is levied and collected from all persons within the area. The excise tax cannot exceed one dollar per month for each housing unit. Agencies planning on using this tool would be required to ask voters to authorize additional funding.
  - **Employer Excise Tax.** Transit authorities may ask voters to impose an excise tax of up to two dollars per month per employee on all employers located within the applicable jurisdiction. The rate of tax must be approved by the voters. Again, agencies that currently use the sales tax are not allowed to levy this tax.
  - **Business and occupation tax.** Washington's B&O is an excise tax measured by the value of products, gross proceeds of sales, or gross income of a business.
- **Rental Car Tax.** Raising the rental car tax limit would help address a shortfall of tens of billions of dollars.
- **Raise debt capacity limit.** While not technically a new revenue source, this would allow agencies to further bond the limited funds they have.

2. [http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2019%20Agendas/June%2026%202019/JTC\\_TransitCapitalNeedsDRAFTFINAL.pdf](http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2019%20Agendas/June%2026%202019/JTC_TransitCapitalNeedsDRAFTFINAL.pdf), p.17

3. <https://app.leg.wa.gov/RCW/default.aspx?cite=35.95.040>

The Climate Alliance for Jobs and Clean Energy is a coalition of environmental advocates, labor unions, health professionals, businesses, faith communities, and communities of color, working with tribal nations—plus thousands of volunteers from across Washington State—committed building a resilient climate justice movement.

Together, we envision a clean and equitable transportation system for Washington that reduces climate pollution, and improves community health, economic opportunity, and create sustainable alternatives to congestion management. We also believe transportation solutions must be built by those most those most adversely impacted by pollution and economic injustice to ensure we create a transportation system that works for everyone.