



WASHINGTON
STATE ASSOCIATION
of COUNTIES



Sustainable Funding for a Safe County Transportation System

THE CHALLENGE

Counties are responsible for nearly half of our state's roads and bridges, but the system in place for providing resources to maintain them remains inadequate.

County property tax, the largest single revenue source, is capped at 1% growth plus the value of new construction annually, far below the rate of inflation alone. While state gas tax has more than doubled over the past 20 years, the distribution to counties has remained relatively flat and higher vehicle fuel efficiency is resulting in decreased gas tax collections further undermining our long-term ability to keep transportation infrastructure in good repair.

Bottom line – current local revenue options and state-shared resources are not keeping up with the ongoing and growing needs of county roads.

THE FIX

1. Raise the property tax cap from 1% to 3%.

Replace the current property tax revenue annual limit factor of 101% with a new limit of 100% plus inflation, with a cap of 3% per year, similar to last Session's SB 5770.

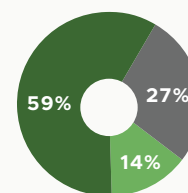
2. Implement a Road Usage Charge (RUC) program to replace the gas tax.

Counties support implementation of a RUC program if revenues are proportionally shared with counties based on a verifiable method for establishing statewide transportation system ownership, maintenance, and preservation costs and other conditions.

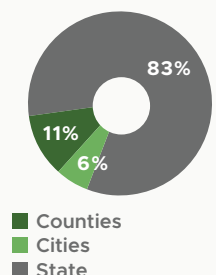
Counties support the RUC under these conditions:

- Revenues are proportionally shared with counties;
- Current funding levels are maintained for CRAB and TIB; and
- The use of funds is limited to transportation purposes with local spending control.

SHARE OF WASHINGTON ROADS



SHARE OF MVFT FUNDS



\$3,000,000,000

\$2,500,000,000

\$2,000,000,000

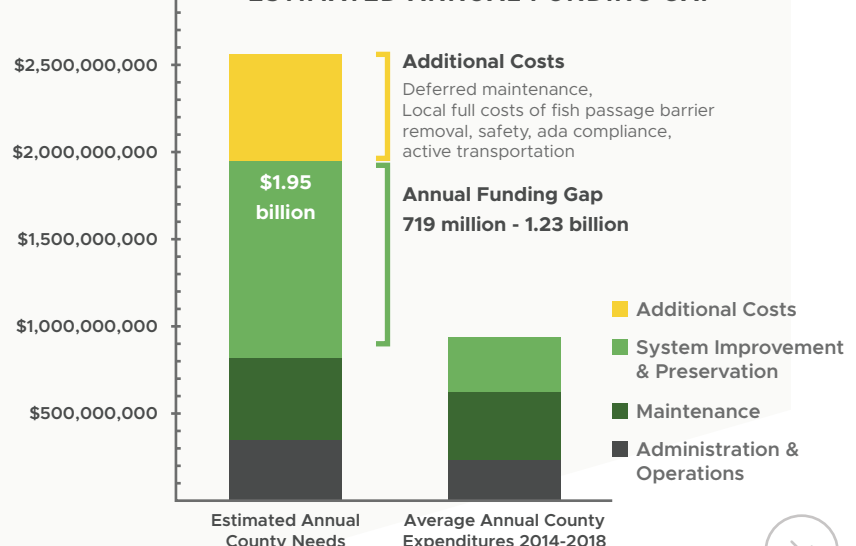
\$1,500,000,000

\$1,000,000,000

\$500,000,000

\$0

ESTIMATED ANNUAL FUNDING GAP





Sustainable Funding for a Safe County Transportation System

TRANSPORTATION REVENUE
PRIORITY CONTINUED

Legislative Action Counties Support to Benefit Local Transportation

1. Increase funding for the Reducing Rural Roadway Departures program.

Traffic safety is a top priority and major concern. In 2023, traffic deaths were the highest in our state since 1990, with 810 tragic losses of life. This trend is unacceptable. Of the 810 traffic deaths in 2023, 46% involved a lane departure. Please increase funding for the Reducing Rural Roadway Departures Program in the Transportation Budget (\$4 million).

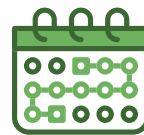
2. Provide new grant authority and funding for the County Road Administration Board (CRAB).

Recently, CRAB completed a grant effectiveness study. A primary finding was that while CRAB's existing programs are essential, there are gaps in funding for other important parts of the system current programs don't address. Please support CRAB's request to fund a new county local road grant program in the Transportation Budget (\$5.4 million).



3. Increase funding for the Brian Abbott Fish Barrier Removal Board (FBRB).

There are over 8,000 locally owned fish barriers in Washington, with an average cost of \$1.8 million to correct. With limited resources locally to pay for this infrastructure, and very few statewide resources available, the importance of fully funding the FBRB project list is critical. Please support a coordinated approach to identifying priority barriers, leveraging the benefits of other upstream and downstream fish passage investments, and efficiently advancing salmon recovery by fully funding the FBRB project list in the Capital Budget (\$70.8 million).



4. Extend the Federal Fund Exchange Program.

Federal funds often come with added requirements, resulting in heftier price tags and longer timelines for local projects. Washington initiated a program allowing small jurisdictions to swap their sub-allocation of federal STBG funds for state transportation revenue. This saves time and resources on project delivery, allowing for a more efficient use of scarce resources. Please extend the federal fund exchange program in the 2025-27 Transportation Budget (7.5 million).

5. Expand local authority for Transportation Benefit Districts (TBD).

TBDs are independent taxing districts that can raise revenue for different types of transportation uses. They are typically funded with an additional sales tax increment or vehicle license fee. Please expand local authority to raise revenue for TBD projects.

6. Implement a local graduated REET.

Implement a graduated Real Estate Excise Tax (REET) system, similar to the state's, for local governments. This would increase local revenue that could be used for capital projects and to improve the county transportation system.

