



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Anita Gallagher, Assistant to the City Manager, City Manager’s Office  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution Expressing Opposition to Initiative 976 on the November 5, 2019 General Election Ballot– October 8, 2019  
**DATE:** September 27, 2019

**SUMMARY:**

City Council sponsors have requested a Resolution expressing opposition for the passage of Initiative 976 on the November 5, 2019 General Election Ballot, which reads as follows:

Initiative Measure No. 976 concerns motor vehicle taxes and fees.

This measure would repeal, reduce, or remove authority to impose certain vehicle taxes and fees; limit annual motor-vehicle-license fees to \$30, except voter-approved charges; and base vehicle taxes on Kelley Blue Book value.

Should this measure be enacted into law?

- Yes
- No

**COUNCIL SPONSORS:**

Mayor Victoria Woodards  
 Council Member Anders Ibsen  
 Council Member Ryan Mello

**STRATEGIC POLICY PRIORITY:**

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

Initiative 976 will appear on the November 5, 2019 General Election ballot. If approved, the initiative would limit annual license fees for vehicles weighing under 10,000 pounds at \$30 except in the instance of voter-approved charges. It would repeal local Transportation Benefit District (TBD) fees. It would also repeal authorization for certain regional transit authorities to impose motor vehicle excise taxes and limit certain other taxes and fees related to transportation. Mayor Woodards shared a Council Consideration Request at the October 1, 2019 Study Session to bring a resolution forward for City Council consideration expressing opposition to the passage of this initiative..

**ISSUE:**

The City of Tacoma’s Public Works Department estimates that the impact of repealing local authority to impose Transportation Benefit District fees would constitute a loss of approximately \$2.9 million per year, or \$5.8 million per biennium. This loss in revenue would negatively impact the City’s ability to carry out necessary work to improve transportation infrastructure.



Preliminary estimates by staff indicate that the City may not be able to complete the following tasks:

- 40 blocks of residential chip seals per year
- 40 blocks of residential overlay per year
- 100 accessible curb ramps per year

The initiative's impacts on Washington State's transportation revenues will also affect Tacoma. The total revenue loss to the state is estimated at \$1.9 billion over the course of the next six years. Examples of the impacted programs of particular interest to Tacoma include:

- **Transportation Improvement Account:** The losses to this account are estimated to be \$4.2 million over six years. The City has successfully competed for nearly \$15 million in Transportation Improvement Board grants in the past five years that have facilitated our ability to complete several high-profile, impactful transportation projects, such as the Yakima Avenue Festival Street in the Lincoln Business District, Port of Tacoma Road (phases one and two), and the East 64<sup>th</sup> Streetscape (phase 1).
- **Multimodal Account:**
  - **Safe Routes to Schools program:** The City has received over \$1 million in the past three years that has funded our Safe Routes to Schools pedestrian safety improvements at Lister and Mary Lyon Elementary Schools as well as First Creek Middle School.
  - The City has received about \$3 million in grants for pedestrian and bicycle infrastructure improvements in the past three years.
  - About \$440,000 in funds received by the City currently from the state's Multimodal Account are also used for striping projects throughout the city.

If adopted, this Resolution would express the City Council's opposition to the initiative for its repeal of cities' authority to impose Transportation Benefit District fees and the adverse impact that the loss of revenue would have on the City's ability to accomplish crucial transportation improvement projects.

**ALTERNATIVES:**

The City Council could choose not to adopt the proposed Resolution expressing opposition to the initiative for its negative impacts on the City's Transportation Benefit District fees and other revenue losses from state transportation programs that benefit Tacoma.

**RECOMMENDATION:**

It is recommended that the City Council adopt the Resolution in opposition to Initiative 976 for its repeal of cities' authority to impose Transportation Benefit District fees and the adverse impact that the loss of revenues would have on the City's ability to accomplish crucial transportation improvement projects.

**FISCAL IMPACT:**

There is no fiscal impact related to the proposed resolution expressing opposition to Initiative 976.