



CITY OF
BAINBRIDGE ISLAND

City Council Regular Business Meeting Agenda Bill

MEETING DATE: June 25, 2019

ESTIMATED TIME: 15 Minutes

AGENDA ITEM: (7:40 PM) State Initiative 976 - Effects on Bainbridge Island Transportation Benefit Fund,

STRATEGIC PRIORITY: Reliable Infrastructure and Connected Mobility

PRIORITY BASED BUDGETING PROGRAM:

AGENDA CATEGORY: Discussion

PROPOSED BY: Executive

RECOMMENDED MOTION:

Discussion.

SUMMARY:

Initiative 976 (I-976) is an initiative to the Legislature that was filed for consideration in the 2019 legislative session. Initiative 976 (I-976) is often described as the “\$30 car tab initiative,” but it also proposes significant changes to many other aspects of the state and local transportation system, including repeal of the authority for city Transportation Benefit Districts (TBDs) to impose fees.

If I-976 passes, the initiative will become effective December 5, 2019. Bainbridge Island will lose its ability to collect \$30 per year from the Vehicle License Fee and this will result in a loss of revenue of approximately \$47,000 in 2019 and \$600,000 in the 2020 in the Transportation Benefit Fund. The City Transportation Benefit Fund is funded almost exclusively through vehicle license fees. Funds are used for transportation improvements, traffic calming, and climate change mitigation.

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	No

BACKGROUND:

Initiative 976 (I-976) is an initiative to the Legislature that was filed for consideration in the 2019 legislative session. The Legislature did not act on the initiative; therefore, I-976 will be presented to voters during the next

general election in November 2019. I-976 is often described as the “\$30 car tab initiative,” but it also proposes significant changes to many other aspects of the state’s transportation system, including repeal of the authority for city Transportation Benefit Districts (TBDs) to impose fee. If I-976 passes, the authority for TBD’s (including Bainbridge Island) to impose vehicle license fees would be eliminated. The effective date is 30 days after the initiative is passed which means that December 5, 2019 the initiative will be enacted.

If I-976 passes, Bainbridge Island will lose its ability to collect \$30 per year from the Vehicle License Fee in the Transportation Benefit Fund. The City Transportation Benefit Fund is funded almost exclusively through vehicle license fees. Funds are used for transportation improvements, traffic calming, and climate change mitigation.

In previous discussions related to car tab fees, members of the public have asked about which vehicles are required to pay these fees, and whether the City can elect to exempt certain categories of vehicle. The State establishes the type of vehicles that are exempt from or subject to these fees, as shown in the attached listing (Transportation Benefit District Vehicles Subject to/Exempt from Fees). The City does not have the authority to exempt vehicles from these fees other than as shown. Earlier this year, the Council directed staff to develop a program to allow for low-income residents to apply to a refund for the additional \$10 in fees that will take effect in mid-2019. The details of that program are scheduled for Council review and approval in July.

ATTACHMENTS:

[Bainbridge Island Initiative 976 FAQ.docx](#)

[Vehicles subject to fees.docx](#)

FISCAL DETAILS:

The City is expected to receive approximately \$480,000 in revenues for 2019 from the vehicle license tabs which includes the January 2019 Resolution 2019-08 to increase the vehicle license fee from \$20 to \$30 that will take effect in August 2019. If I-976 passes, the resources collected January 2019 through November 2019 would not be affected. There would however, be a loss of revenue of approximately \$47,000 in December 2019 receipts and \$600,000 in 2020 in the Transportation Benefit Fund. The Transportation Benefit Fund fund balance as of the end of 2018 is roughly \$810,000.

Fund Name(s): Other

Coding: