



INITIATIVE MEASURE 912

PROPOSED TO THE PEOPLE

Official Ballot Title:

Initiative Measure No. 912 concerns motor vehicle fuel taxes.

This measure would repeal motor vehicle fuel tax increases of 3 cents in 2005 and 2006, 2 cents in 2007, and 1.5 cents per gallon in 2008, enacted in 2005 for transportation purposes.

Should this measure be enacted into law?

Yes [] No []

Note: The Official Ballot Title and Explanatory Statement were written by the Attorney General as required by law and revised by the Thurston County Superior Court. The Fiscal Impact Statement was written by the Office of Financial Management. For more in-depth Office of Fiscal Management analysis, visit www.ofm.wa.gov/initiatives/default.htm. The complete text of Initiative Measure 912 begins on page 31.



Fiscal Impact Statement

Summary of Fiscal Impact

Initiative 912 would over 16 years eliminate \$5.475 billion in fuel taxes and net bond proceeds, eliminating 80 percent of funding for 265 new transportation projects specified by the Legislature. About \$562 million in fuel tax revenue for cities and counties for new, local-government transportation projects over 16 years also would be eliminated.

Assumptions for Fiscal Analysis of I-912

The Initiative repeals the phased-in, 9.5-cents-a-gallon increase in the state gasoline tax that is scheduled as follows: 3 cents a gallon on July 1, 2005; 3 cents on July 1, 2006; 2 cents on July 1, 2007; and 1.5 cents on July 1, 2008. The Initiative does not affect scheduled increases in the state tax on diesel fuel.

Over 16 years, the gasoline tax increases would generate \$4.434 billion plus \$1.041 billion in net bond proceeds or 80 percent of the cost of 265 new transportation projects specified by the Legislature.

Eliminating the scheduled gasoline tax increases also would eliminate \$562 million that cities and counties would have received over the next 16 years for local transportation projects. This revenue includes \$482 million that cities and counties would receive as direct revenue distributions from the gasoline tax increases, as well as \$80 million in grants to local government.





INITIATIVE MEASURE 912

Explanatory Statement

The law as it presently exists:

The basic motor vehicle fuel tax rate is 23 cents per gallon applied to the sale, distribution, or use of motor vehicle fuel. In 2003, the Legislature added an additional 5 cents per gallon to fund a series of projects for which bonds were issued. This additional tax will expire when the bonds have been retired.

The 2005 session of the Legislature enacted a series of four “step” increases in the motor vehicle fuel tax (often called the “gas tax”) primarily to fund a series of public transportation improvements set forth in the biennial transportation budget. The “step” increases are: 3 cents per gallon effective July 1, 2005; 3 additional cents effective July 1, 2006; 2 additional cents effective July 1, 2007; and 1.5 additional cents effective July 1, 2008. The four increases add up to 9.5 cents per gallon. The revenue from these four increases is placed in a new transportation partnership account, after removing funds appropriated for administrative expenses of the motor vehicle fuel tax and special fuel tax programs and refunds, with one exception: approximately seventeen (17) percent of the net revenue from the first two steps is distributed to towns, cities and counties for transportation purposes. Money in the transportation partnership account may be appropriated by the Legislature only for projects and improvements identified as 2005 transportation partnership projects or improvements listed in the biennial transportation budget, including principal and interest on bonds authorized for those projects or improvements.

The effect of the proposed measure, if it becomes law:

Initiative Measure No. 912 would repeal the four “step” increases in the motor vehicle fuel tax as enacted by the 2005 session of the Legislature. If the measure were enacted, the tax would return to its pre-2005 rate, and revenue from the anticipated increases would not be available for the purposes for which it is earmarked, including funding the transportation projects and improvements for which the transportation partnership account was created.



Statement For Initiative Measure 912

THE DECISION IS YOURS. VOTE YES ON I-912 TO REPEAL THE NEW GAS TAX.

If you think you're getting good value for your money in Olympia, then by all means support the recent gas tax increase. But if you're dismayed by how Olympia's been spending your transportation dollars, then please *vote yes on I-912* and repeal the huge new gas tax increase.

THEY DID THE WRONG THING THE WRONG WAY. VOTE YES ON I-912.

Just three short years ago, voters overwhelmingly rejected an increase in the gas tax. The next year, the Legislature passed one anyway, giving us the fifth highest gas tax in America. Some politicians in Olympia even said they opposed raising the gas tax again until they knew that we were receiving good value for the new increase.

That promise was broken. Instead, the Legislature passed the biggest gas tax increase in state history 9.5 cents, a 33% increase! And it was done at the last minute with an "emergency clause" added to prevent you from having the right of referendum. Even worse, the massive transportation tax increase isn't designed to reduce congestion even gas tax supporters admit it!

Broken promises, huge tax increases, and disdain for the people Olympia at its worst.

IT'S ABOUT MORE THAN MONEY. VOTE YES ON I-912 TO REPEAL THE NEW GAS TAX.

It took just 32 days for volunteers to collect more than 400,000 signatures to put I-912 on the ballot. The message is clear: not another penny in higher taxes until we get reduced congestion and better value for our money.

Send the message! *Vote yes on I-912.*

Thank you for taking the time to read this.

For more information, visit NoNewGasTax.com or call 206.330.9487.

Rebuttal of Statement Against

Our gas taxes keep climbing while our roads get more congested. They want taxpayers to pay for a new Viaduct in Seattle but the proposed tunnel will cost billions more and actually carry *fewer* vehicles than the current one.

We already pay one of the nation's highest gas taxes. If that isn't paying for safety and maintenance now, where is the money going?

Vote yes on I-912. Send Olympia a message they can't ignore.

Voters' Pamphlet Argument Prepared by:

JANE MILHANS, I 912 sponsor, financial services, University Place; BRETT BADER, NoNewGasTax.com spokesman, Woodinville; STEVE APPEL, President, Washington Farm Bureau, wheat farmer, Dusty; ERMA TURNER, small business owner and disappointed taxpayer, Cle Elum; SHERYL McGRATH, small business owner hoping our politicians listen, Spokane; TRINA WILBUR, office professional and frustrated commuter, Duvall.

Statement Against Initiative Measure 912

I-912 SLASHES FUNDING FOR ROADS, HIGHWAYS AND BRIDGES, DOES NOTHING TO RELIEVE CONGESTION.

Our roads, highways and bridges are crumbling; threatening our lives, leaving us stuck in traffic and wreaking havoc on our nerves and pocketbooks. I-912 drastically cuts funding earmarked to fix priority projects on Interstate 405, Interstate 90, US 12 and other roadways throughout our state. It offers no solutions for escalating congestion, it only makes matters worse.

I-912 PUTS CITIZENS AND THE ECONOMY AT RISK.

Highway engineers have declared 900 bridges in Washington to be obsolete or deficient. The Alaskan Way Viaduct and 520 Bridge will likely collapse or be rendered inoperable by another major earthquake, putting citizens at grave risk, striking a disastrous blow to trade and crippling our economy. I-912 guts a package that invests in every part of the state and creates thousands of private sector jobs.

I-912 IGNORES SAFEGUARDS THAT ENSURE OUR TAX DOLLARS ARE SPENT WISELY.

We need to protect transportation dollars. The state constitution mandates that gas tax monies be used for highways, roads and bridges. It is the only transportation funding source the Legislature cannot divert.

We are all concerned that our taxes haven't always been used wisely. That's why an unprecedented level of checks and balances including extensive performance audits is attached to new transportation dollars. You will get what you pay for.

Waiting won't make it any cheaper. We must improve our roads and bridges now. Visit www.wsdot.wa.gov/Projects/Funding/2005 to learn about projects in your area.

Save Lives. Reduce congestion. Create jobs. Please vote No on I-912.

Rebuttal of Statement For

We have a choice pay a few dollars more per month to fix our roads, bridges and highways, or just accept ever increasing congestion and more dangerous roads. I-912 eliminates funding for 274 transportation projects across our state. I-912 offers no solutions; only delays and increased risk on our roads. Protect your transportation dollars and you'll get results: fewer bottlenecks; reduced congestion; safer roads. Please vote no I-912, it takes us in the wrong direction.

Voters' Pamphlet Argument Prepared by:

KELLY FOX, President, Washington State Council of Fire Fighters; BEN LINDEKUGEL, former Director Community Relations, Evergreen Hospital Kirkland; DENIS HAYES, environmental leader; TERRY DORSING, owner, Dorsing Farms; SKIP ROWLEY, President & CEO, Rowley Properties; TERRY ROXANNE TILTON, Assistant Executive Secretary, Washington State Building & Construction Trades Council.

Complete Text of



INITIATIVE MEASURE NO. 901

(continued)

location of entrances, exits, windows that open, ventilation intakes, or other factors, smoke will not infiltrate or reach the entrances, exits, open windows, or ventilation intakes or enter into such public place or place of employment and, therefore, the public health and safety will be adequately protected by a lesser distance.

NEW SECTION. Sec. 7. The following acts or parts of acts are each repealed:

- (1) RCW 70.160.010 (Legislative intent) and 1985 c 236 s 1;
- (2) RCW 70.160.040 (Designation of smoking areas in public places—Exceptions—Restaurant smoking areas—Entire facility or area may be designated as nonsmoking) and 1985 c 236 s 4; and
- (3) RCW 70.160.900 (Short title—1985 c 236) and 1985 c 236 s 10.

NEW SECTION. Sec. 8. CAPTIONS NOT LAW. Captions used in this act are not any part of the law.

Complete Text of



INITIATIVE MEASURE NO. 912

AN ACT Relating to reducing the motor vehicle fuel tax rate; amending RCW 82.36.025 and 46.68.090; and creating new sections.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

POLICIES AND PURPOSES

NEW SECTION. Sec. 1. In 2002 voters overwhelmingly rejected a nine cent per gallon increase to the motor vehicle fuel tax rate. Since that time, politicians have voted to increase the motor vehicle fuel tax rate by fourteen and one-half cents per gallon. This measure would repeal the most recent increase to the motor vehicle fuel tax rate of nine and one-half cents.

REPEALING THE 9 AND ONE-HALF CENT INCREASE IN THE MOTOR VEHICLE FUEL TAX RATE

Sec. 2. RCW 82.36.025 and 2005 c ... (ESSB 6103) s 101 are each amended to read as follows:

- (1) A motor vehicle fuel tax rate of twenty-three cents per gallon applies to the sale, distribution, or use of motor vehicle fuel.

(2) Beginning July 1, 2003, an additional and cumulative motor vehicle fuel tax rate of five cents per gallon applies to the sale, distribution, or use of motor vehicle fuel. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

~~((3) Beginning July 1, 2005, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon applies to the sale, distribution, or use of motor vehicle fuel.~~

~~(4) Beginning July 1, 2006, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon applies to the sale, distribution, or use of motor vehicle fuel.~~

~~(5) Beginning July 1, 2007, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon applies to the sale, distribution, or use of motor vehicle fuel.~~

~~(6) Beginning July 1, 2008, an additional and cumulative motor vehicle fuel tax rate of one and one half cents per gallon applies to the sale, distribution, or use of motor vehicle fuel.))~~

Sec. 3. RCW 46.68.090 and 2005 c ... (ESSB 6103) s 103 are each amended to read as follows:

(1) All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax shall be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount shall be distributed monthly by the state treasurer in accordance with subsections (2) through (7) of this section.

(a) For payment of refunds of motor vehicle fuel tax and special fuel tax that has been paid and is refundable as provided by law;

(b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums shall be distributed monthly.

(2) All of the remaining net tax amount collected under RCW 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a) through (j) of this section.

(a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;

(b) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

The following criteria, listed in order of priority, shall be used in determining which special category C projects have the highest priority:

- (i) Accident experience;
- (ii) Fatal accident experience;
- (iii) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
- (iv) Continuity of development of the highway transportation network.

Moneys deposited in the special category C account in the



motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2) (b);

(c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;

(d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;

(e) For distribution to the urban arterial trust account in the motor vehicle fund an amount equal to 7.5597 percent;

(f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;

(g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;

(h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;

(i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;

(j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.

(3) The remaining net tax amount collected under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the transportation 2003 account (nickel account).

(4) The remaining net tax amount collected under RCW ((~~82.36.025(3)~~ and)) 82.38.030(3) shall be distributed as follows:

(a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder shall be distributed to the transportation

partnership account created in RCW 46.68.— (section 104, chapter ... (ESSB 6103), Laws of 2005).

(5) The remaining net tax amount collected under RCW ((~~82.36.025(4)~~ and)) 82.38.030(4) shall be distributed as follows:

(a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.— (section 104, chapter ... (ESSB 6103), Laws of 2005).

(6) The remaining net tax amount collected under RCW ((~~82.36.025(5)~~ and (~~6~~) and)) 82.38.030 (5) and (6) shall be distributed to the transportation partnership account created in RCW 46.68.— (section 104, chapter ... (ESSB 6103), Laws of 2005).

(7) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on motor vehicle fuel and special fuels.

MISCELLANEOUS

NEW SECTION. Sec. 4. The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION. Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected. If the repeal or reduction of any tax in this act is judicially held to impair any contract in existence as of the effective date of this act, any unused taxing authority shall be repealed as of the effective date of this act and the repeal of pledged revenues shall apply to any other contract, including novation, renewal, or refunding (in the case of bond contract).

NEW SECTION. Sec. 6. Part headings used in this act are not part of the law.