CLIMATE ALLIANCE FOR jobs & clean energy

Transportation for All

Revenue Framework

As we look at how to fund the transportation system to achieve our state's transportation goals, we must also assess how we generate transportation revenue and its impact towards reducing greenhouse gas emissions and air pollution, improving multimodal transportation choices, and ensuring fair and equitable outcomes.

Here are guidelines for evaluating new and existing transportation revenue sources and key considerations for emerging revenue generation ideas:

Principles

Design revenue to fund the transportation system we need, rather than restrict spending to highways only, including bike, pedestrian, buses, and other transit options.

- Prioritize maintenance and preservation over new highway capacity
- Do not restrict or silo new revenue to one mode
- Use adopted statewide transportation policy goals and criteria in investment decision-making

Prioritize progressive sources and structures so that revenue burden does not disproportionately fall on low-income payers.

- Consider higher charges on those with higher income and wealth, and target corporations and profits over individuals
- Ensure structures and implementation best serve the needs of low-income residents, considering barriers to income verification and accuracy of vehicle value as a proxy for wealth

Ensure revenues and implementation do not exacerbate disproportionalities for people of color, immigrants, refugees, as well as low-income, disabled, elderly, and unbanked residents, which includes engagement in policy design, monitoring, and evaluation.

- Do not disproportionately penalize those displaced or in rural areas who travel further distances
- Payment options and interface should accommodate people without smartphones, non-English languages, a range of disabilities, and without divulging immigration status
- Move away from charges with penalties for cash payments
- Do not create opportunities for disproportionate enforcement

Use charges and rate structures to address environmental and social impacts of transportation, including GHG emissions, local air pollutants, congestion, injuries and deaths, and stormwater runoff.

- Higher costs for higher polluters, dirtier vehicles and fuels, target fees for large point source polluters, upstream pollutant creators, and higher in areas with existing disparities
- Higher consequences for behaviors associated with injury and death, including: higher vehicle miles traveled, congestion, speeding, and blocked intersections
- Higher costs for development or investments or energy sources that encourage or create sprawl, reduction or destruction of resource lands, or increase impervious surfaces, and incentives for building affordable housing and commercial space near transit

Ensure revenue sources do not negatively impact workers and small businesses.

- Ensure a just transition for workers who drive and self-employed/contracted drivers
- Support revenue sources that strengthen Washington's home grown economy by supporting local access to local manufacturing, retailers and other goods and service providers

Top Revenue Sources & Key Policy Guidance

As the legislature considers new sources of revenue, we offer the following policy guidance. We believe each of these mechanisms has potential, if developed in alignment with the above principles. We assume that the following revenue sources are not restricted to only highway purposes, as the 18th amendment is limited to the gas tax. Continued evaluation of both the impact of revenue sources and the potential for adaptive management of those sources is imperative.

- **Road Usage Charge:** an innovative way to generate transportation revenue that charges people by the number of miles they drive. It is critical that revenue generated from a RUC holistically funds a clean and just transportation system, broadening spending to fund multimodal projects and programs; includes a progressive rate structure that is set to cover infrastructure costs as well as social and environmental externalities; and addresses the climate crisis by incentivizing less driving and cleaner vehicles. Concerns regarding privacy, the potential for disproportionate impacts, and administrative burdens on both the state and road users must also be addressed through further discussion and evaluation.

- **Carbon Fee:** a steadily escalating fee applied to every ton of carbon emitted by transportation fuels in Washington, likely as part of a broader carbon fee that addresses emissions from all sectors. The fee structure should consider the impacts to low-income people, ensure that spending goes toward transportation solutions that reduce GHG emissions and aligns with our goals, and reserve at least a third of investments to reduce transportation pollution in environmental justice communities.

- **Air Quality Surcharge:** a one-time charge (that considers 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 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. It would create an immediate incentive to purchase more efficient, less polluting vehicles, cutting Washington's greenhouse gas emissions and contributing to air quality improvements.

- **Luxury Transportation Tax** (e.g. yachts, private jets, luxury vehicles): fees or taxes on luxury transportation modes that exceed a set price (e.g. 10% on boats above $50k). This would be a progressive way of generating revenue since it is applied only to luxury modes, many of which are also high fuel consumers and polluters.

Make the Most of Existing Resources

While the legislature considers identifying new revenue sources to help fund the massive need for transportation preservation and maintenance, safety, and sustainable and affordable multimodal options, we should also examine how we can be more fiscally prudent with the taxes we already collect.

- **Address the 18th Amendment.** This state constitutional amendment restricts gas tax revenue to highway spending. As we expand our highways we are inducing dangerous and dirty transportation, all while exponentially adding to our future maintenance costs. If we are able to spend this money on critical safety projects, multimodal transportation, we may improve our state's outcomes while reducing our overall transportation budget.

- **Wisely spend what we have.** In addition to unlocking archaic restrictions on our gas tax revenue, we should interrogate all new projects that we fund and which infrastructure we maintain to evaluate how they achieve the state's goals.

Tolls, Fines, and other Charges

The legislature currently authorizes many charges that manage congestion and penalize dangerous or disruptive behaviors:

- **Tolls:** Used on facilities or lanes to help pay for infrastructure, improve efficiency and/or regulate traffic

- **HOV lane enforcement:** Last year the legislature voted to increase violation fines to ensure that single-occupancy vehicles do not clog up our most efficient travel lanes on the highway

- **Block-the-box fines:** These charges would automatically cite drivers who block intersections or bus lanes on city streets, creating dangerous conditions for pedestrians and slowing down transit.

Some of these charges have the capacity to generate revenue that can be reinvested in transportation projects that move us toward our goals. While we support the strong connection to outcomes that these sources have, we urge the legislature to apply all aspects of our framework to existing and new charges: ensure that fines are enforced without discrimination, that people with low-incomes have options for reduced fines or payment plans, and that revenues collected are spent on investments with a strong nexus, such as efficient transit operations and pedestrian safety.

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.