



Transportation Benefit District (TBD) and \$20 Vehicle Tab Fee FACT SHEET City of Spokane – February 2011

Basic information: At its Feb. 14, 2011, meeting, the City of Spokane Transportation Benefit District adopted a \$20 vehicle tab fee that will help pay for street maintenance projects and pedestrian improvements within the City of Spokane. The City Council, in its ex-officio capacity as the TBD governing body, acted under the authority of the Transportation Benefit District that it created in the fall of 2010. The fee will begin to be collected about six months from the approval date—or around the middle of August 2011. In 2011, the City expects to raise about \$850,000 from this new fee. The City will select projects from the pavement maintenance program and the pedestrian program of the established six-year street maintenance programs to receive funding from the fee. In future years, the fee is expected to raise about \$2.6 million annually. Its use is limited to street and pedestrian improvements.

What is a Transportation Benefit District (TBD)?

A Transportation Benefit District “TBD” is a quasi-municipal corporation and independent taxing district created for the sole purpose of acquiring, constructing, improving, providing, and funding transportation improvements within a defined area, or “district.”

What does Washington law say?

The Revised Code of Washington (RCW) Chapter 36.73 provided the statutory authority for the creation of Transportation Benefit Districts some 20 years ago; however, in 2007, an amendment to the statute allowed city or county governments to create local TBDs and authorized jurisdictions to impose a local vehicle registration fee, up to \$20, without a public vote. The City chose to implement the \$20 vehicle registration fee at its Feb. 14, 2011, meeting, following a series of discussions on the topic since October. Other funding mechanisms for the TBD can be approved through a public vote, including an additional property tax levy, a 0.2% sales & use tax, a local option fuel tax or a larger vehicle license tab fee.

What will a TBD do for Spokane?

Adopted by the Spokane City Council on October 11, 2010, Ordinance No. C-34648 created the City of Spokane Transportation Benefit District. Revenues generated by the TBD shall be used specifically for annual improvements for the operation, preservation and maintenance of the City’s existing transportation improvements, facilities and programs set forth in the six-year pavement maintenance program and the pedestrian program the City’s 2012-2017 Six-Year Comprehensive Street Program. Basically, a TBD would allow the City to better maintain its street system for all users. The City has nearly 2,200 lane miles of streets and a considerable backlog of projects and maintenance issues.

What are the TBD boundaries?

The local TBD’s boundaries are the City limits.

Who is on the Board that governs Spokane’s TBD ?

Pursuant to state law, the members of the legislative authority proposing to establish the taxing district - in this case the Spokane City Council – serve as the TBD governing body. Members of the TBD Board are acting ex-officio and independently from their roles as City Council Members.

How were citizens involved in creation of the license tab fee?

The Governing Board of the City of Spokane Transportation Benefit District held three public hearings to solicit public comment regarding the proposed vehicle fee—in November 2010, January 2011, and February 2011. As with all such government bodies in the state of Washington, meeting information is distributed to the public, and meetings are open to all.

How else can citizens get involved?

The TBD board passed a resolution also on Feb. 14, 2011, to establish a citizen advisory board to help the TBD Board fulfill the purpose and goals of the state and local law that govern Spokane's TBD. The Citizen's Transportation Advisory Board will include seven members—one member from each of the City's three City Council Districts, one at-large member, and one member from each of the following committees: the Citizens Street Advisory Committee (CSAC), the Pedestrian, Traffic & Transportation (PETT) committee of the Community Assembly, and the Bicycle Advisory Board (BAB). Information will be forthcoming on how to apply to be part of the board.

How is a TBD administered?

The Washington State Department of Licensing administers and collects any fee established as part of the Spokane TBD. Additionally, the Department remits proceeds (less the 1% contractually agreed upon collection and administration expense fee) to the custody of the state treasurer who distributes the proceeds to the district on a monthly basis.

How does it work?

Once a local TBD is set up, the district's board of directors may vote to charge a local vehicle licensing fee that would be paid when a vehicle owner buys new vehicle license tabs. Because the City of Spokane TBD was formed without a public vote, the City's TBD board has the authority to impose a fee of up to \$20 per vehicle. Collection of the fee will begin 6 months after approval by the TBD Board—mid-August 2011.

How much money will the \$20 license tab fee generate?

City Finance Staff estimate that the \$20 license tab fee will generate about \$2.6 million annually to help maintain the City's transportation system.

Can a TBD be used to fund regional transportation needs?

Various local jurisdictions can work together to form a single TBD that could be used to pay for regional transportation improvements. A regional TBD would have expanded boundaries. Representatives from throughout the Spokane area have had discussions about this possibility, but have yet to reach agreement on this issue. The City Council has sent a letter to the Spokane County Commission indicating that the City is supportive of participating in a regional TBD. If Spokane County forms a TBD, there is a clause that allows the City of Spokane to dissolve its TBD at any time to join a County-wide TBD.

How long is the Transportation Benefit District term?

The Transportation Benefit District will automatically dissolve when all of the transportation improvements associated with the six-year pavement maintenance and pedestrian programs of the City's 2012-2017 six-year comprehensive street program have been completed. The Transportation Benefit District may be dissolved earlier by action of the governing body.

What vehicles are exempt from the TBD fee?

Some vehicles are exempt from the TBD fee. The following exemptions are currently in effect, according to state law:

- All farm vehicles
- Campers
- Off-road vehicles
- Snowmobiles
- Mopeds
- Personal use trailers with a single axle and less than 2,000 pounds scale weight
- Commercial trailers
- Combination trailers
- Trailers used exclusively for hauling logs
- Horseless carriage, collector, or restored-plate vehicles
- Converter gear
- Government vehicles
- Private school vehicles
- Vehicles properly registered to disabled American veterans

For more information on exemptions, please see RCW 82.80.140. Vehicles subject to fees can be found on the Washington DOL website at <http://www.dol.wa.gov/vehicleregistration/localfees.html>. You can contact the Spokane City Council at 625-6255.