

Senate “Forward Washington” Transportation Revenue Proposal

February 1, 2021

Senator Steve Hobbs (D-Lake Stevens), released an updated version of his [“Forward Washington”](#) transportation revenue package late last week, and held a preliminary work session with public comment on Thursday, January 28. As a reminder, Senator Hobbs originally introduced this package in 2019. While there have been modifications, investments to counties and our partner agencies remained relatively unchanged from his previous proposal.

Senator Hobbs’ proposal includes two separate funding scenarios, one under a “Cap and Invest”-based proposal (aka cap and trade), and the other under a “Carbon Fee”-based proposal. The full Cap and Invest proposal raises \$18.2 billion in revenue, while the full Carbon-Fee proposal raises \$19.1 billion in revenue. Both proposals span a 16-year period.

In the Cap & Invest proposal the package raises \$5.1 billion through cap and trade. In the carbon proposal \$8.5 billion is raised through a carbon fee. The Cap and Invest proposal would issue \$2.4 billion in bonds, and the carbon proposal would issue \$3.46 billion in bonds. Both proposals then proceed to raise \$3.4 billion in revenue through a 6-cent fuel-tax increase, \$1 billion through an air quality surcharge fee (a new fee levied on the purchase of new vehicles), \$1.1 billion from a statewide transportation benefit assessment (fees assessed on activities such as construction and manufacturing), and various smaller fees and assessments on everything from rental cars, for-hire vehicles, drones and bicycle sales. For a full summary of the revenues [see here](#).

On the investment side, the Senate proposal invests heavily in state highway preservation and maintenance (\$2.5 billion), storm water improvements (\$500 million), state, local and tribal improvement projects (i.e. individual transportation projects), and in state and local fish passage barrier removal (\$3.5 billion).

Programs of interest to counties include:

- \$80 million to the County Road Administration Board;
- \$100 million to the Transportation Improvement Board;
- \$50 million to the Freight Mobility Strategic Investment Board;
- \$375 million of direct distributions via the motor-vehicle fuel tax, to cities and counties (the split is unknown at this time);
- \$45 million to the Complete Streets program;
- \$100 million to the Safe Route to Schools program;
- \$200 million to the bicycle/pedestrian safety program;
- \$200 million to the Rural Mobility grant program.

As a reminder, the House Democrats released their own transportation revenue proposal in week 2 of the legislative session. For a summary of that [proposal see here](#).

Now that the two proposals have been introduced there will be conversations, both publicly and privately, on the pros and cons of each proposal. We may even see additional proposals released by Republicans, or other Democrats. WSAC and WSACE will actively engage its membership over the course of the next weeks and months to establish our positions on these two packages.