



WASHINGTON STATE

COUNTY ROAD
ADMINISTRATION BOARD

Motor Vehicle Fuel Tax

Where It Comes From, Where It Goes
and What the Future Holds

Presented by Mike Clark

What We'll Be Covering Today

Where the MVFT Comes From

How the MVFT is Calculated

Where the MVFT Goes

The Future Challenges for MVFT

Questions

Where does
the MVFT
come from?



Sprinkling Fresh Concrete Pavement
Snohomish County, 1916

What is the Motor Vehicle Fuel Tax?

The Motor Vehicle Fuel Tax (MVFT) is an excise tax imposed on the sale of fuel for transportation and other purposes.

- It is collected by state and federal agencies and the rate varies by state and fuel type.
- It is used for various purposes, such as constructing and maintaining roads, bridges and ferries; installing and maintaining traffic lights; policing state public highways; purchasing right of ways and operating movable span bridges.



History of the MVFT in Washington State

MVFT Established

The Legislature established its first gas tax of 1¢/gallon, raising \$900k for road construction and maintenance.

The move to relying directly on road users rather than the general tax base and special levies was a significant milestone.

1921

Revenue Use Restrictions

Washington voters approved Amendment 18, limiting transportation-related revenues to highway use in response to numerous Depression Era efforts to reallocate funds to other areas.

1944

Distribution Formulas Enacted

The Legislature determined the formula for equitable distribution to counties that is still in effect today, with only minor revisions and amendments in 1988.

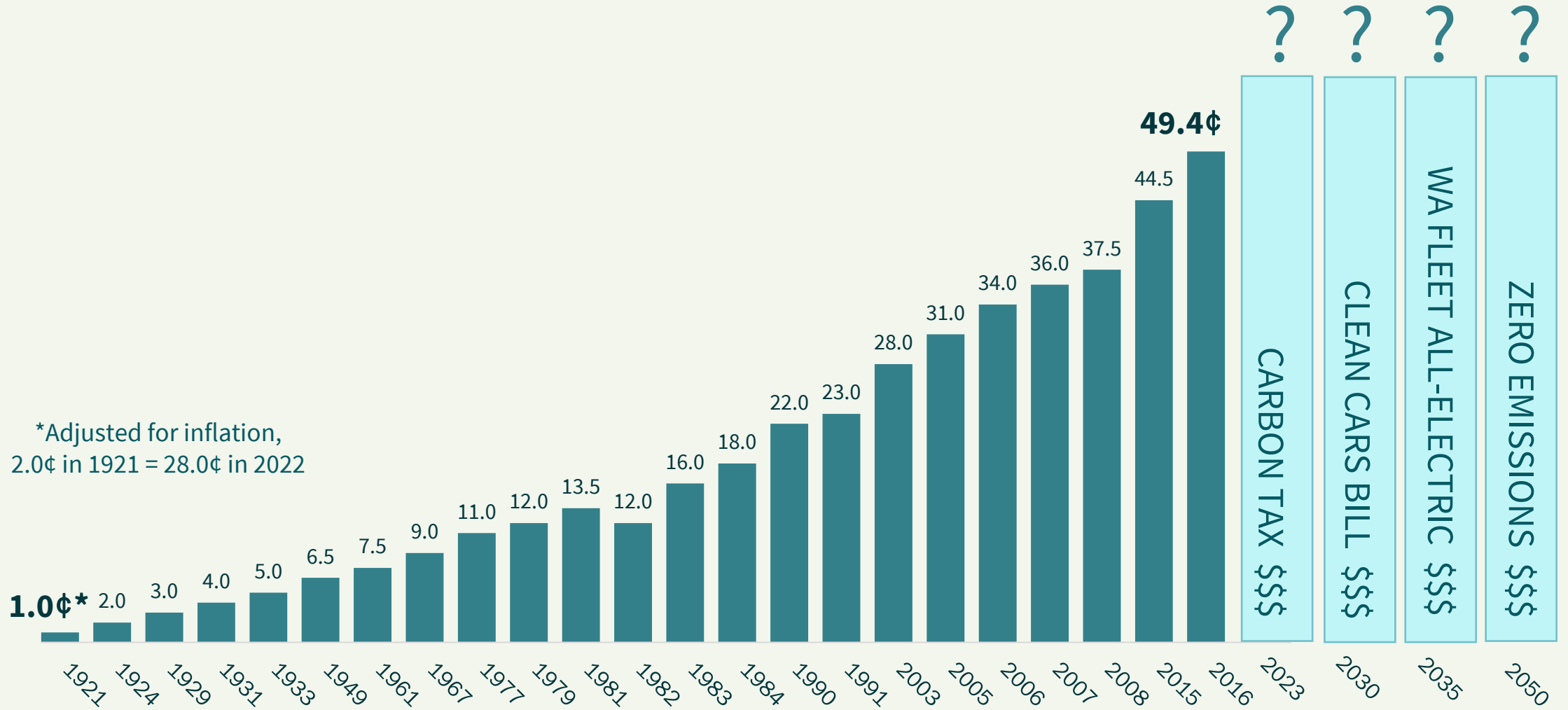
1954

Oversight Moved to CRAB

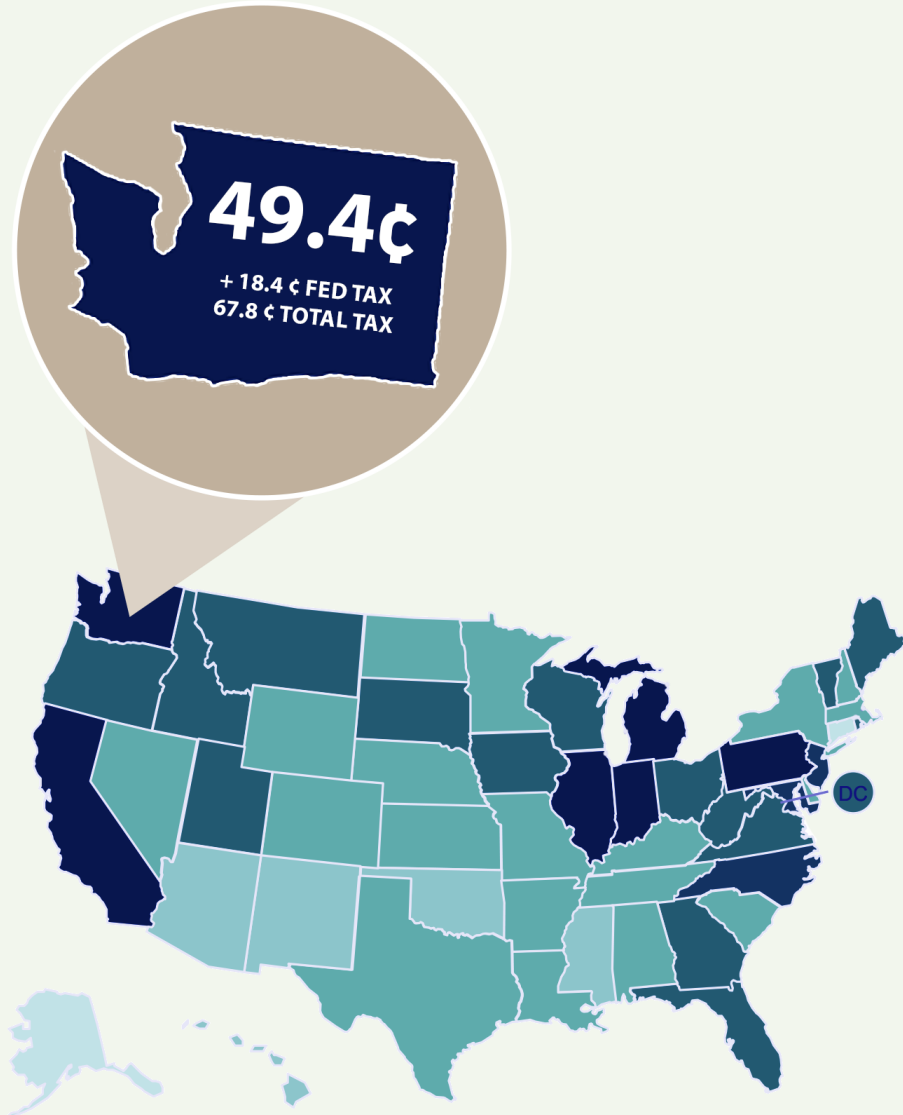
CRAB was given the responsibility to determine each county's share of the gas tax, which includes the biennial and annual calculations.

1985

Historical MVFT Rates in Washington



What is the current state gas tax in WA?



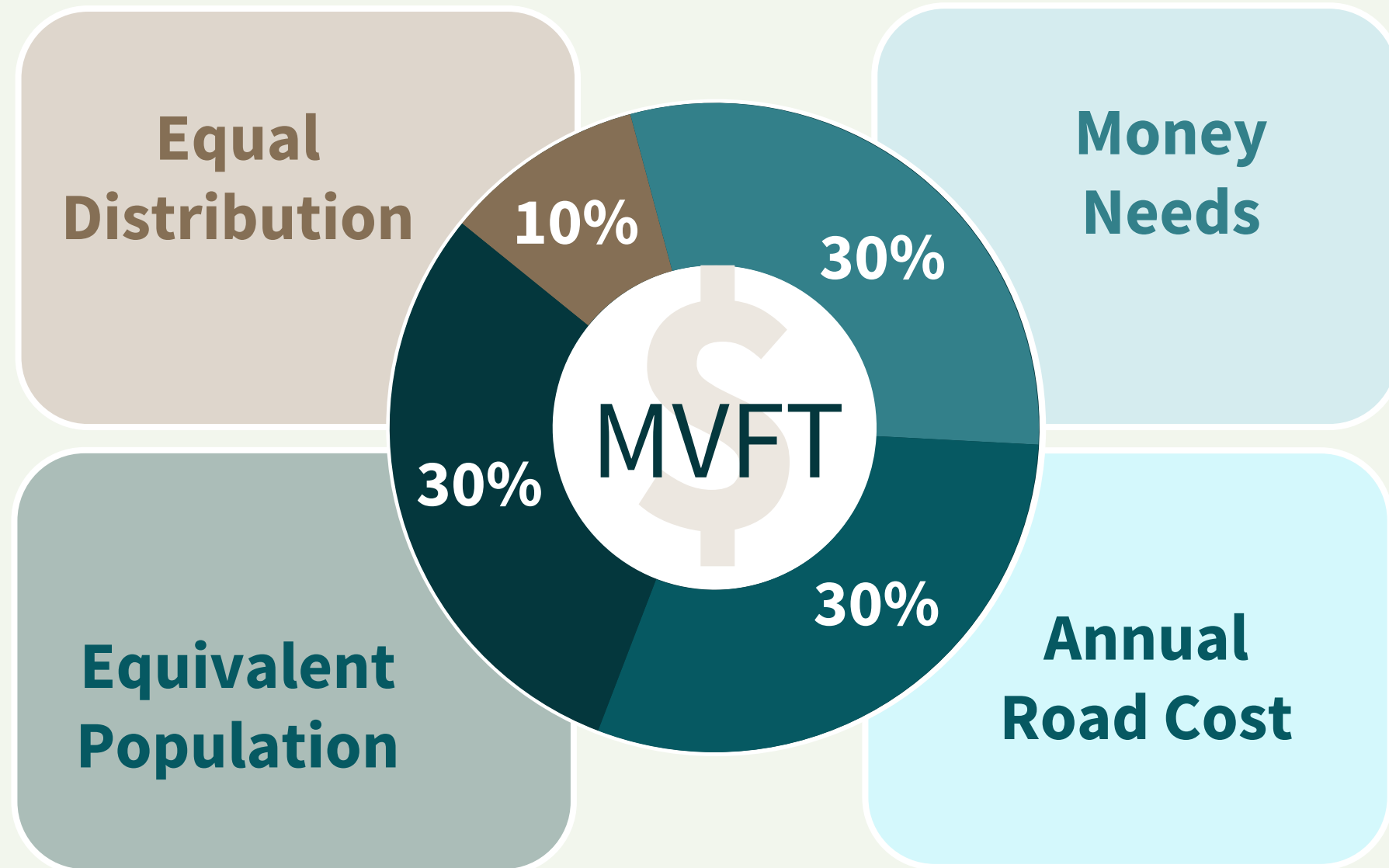
- State gas tax rates are not apples to apples, but WA does have one of the highest rates in the country
- State gas tax ranges from 5 to 67.4¢, with a national average of 31.63¢ per gallon
- These numbers do not include federal excise tax, which is now 18.4¢, for a total gas tax of 67.8¢ per gallon in WA

How is
the MVFT
calculated?



Snohomish County

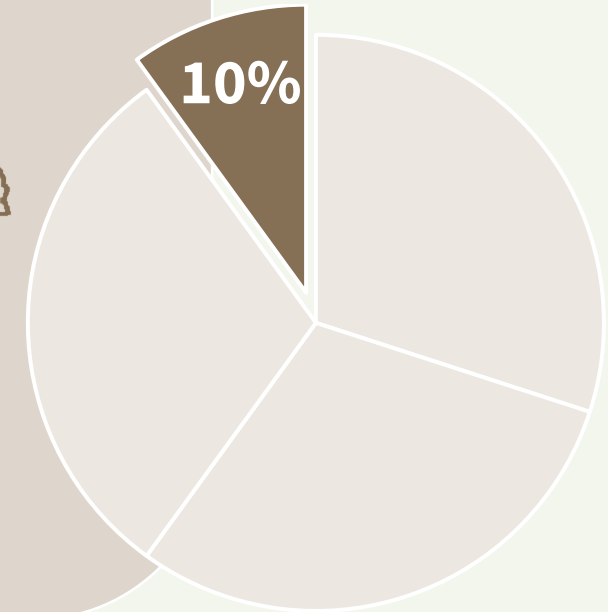
How the MVFT is Calculated: Four Factors



How the MVFT is Calculated: Four Factors

Equal Distribution

- Every county gets a 10% share, reflected in the *equal* portion
- It addresses needs that are independent of road use, road miles or financial ability
- It addresses the minimum fixed “cost of doing business”



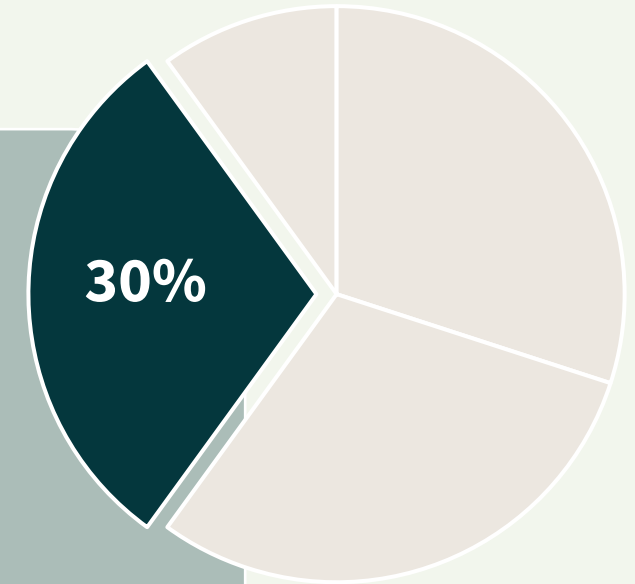
$$10\% \text{ Share} \div 39 \text{ Counties} = 0.2564\%$$

How the MVFT is Calculated: Four Factors

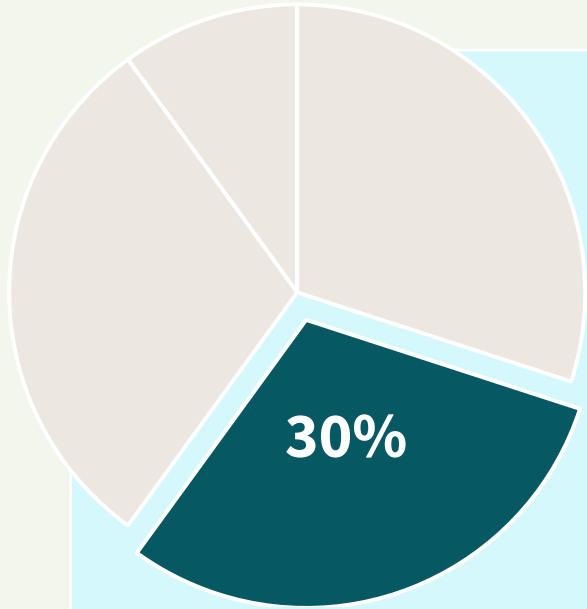
Equivalent Population

- Sum of the population residing in the county's unincorporated area and a quarter of the population residing in the county's incorporated areas
- It has been in use since 1982; previously the number of vehicle miles traveled was used but the data was insufficient for all county roads.

**100% Unincorporated Population
+ 25% Incorporated Population**



How the MVFT is Calculated: Four Factors



Annual Road Cost

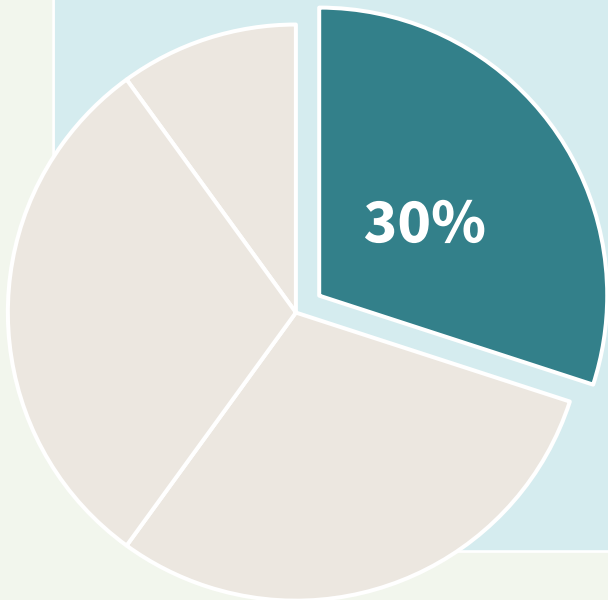
- Each segment of road has a maintenance category (range M1-13) and a replacement category (range R1-15), and an assessed cost based on multiple road characteristics. *More road miles, more construction and maintenance costs.*
- Bridges costs are calculated based on bridge type and square footage.

1/25 Road Replacement Cost + Annual Maintenance Cost

How the MVFT is Calculated: Four Factors

Money Needs

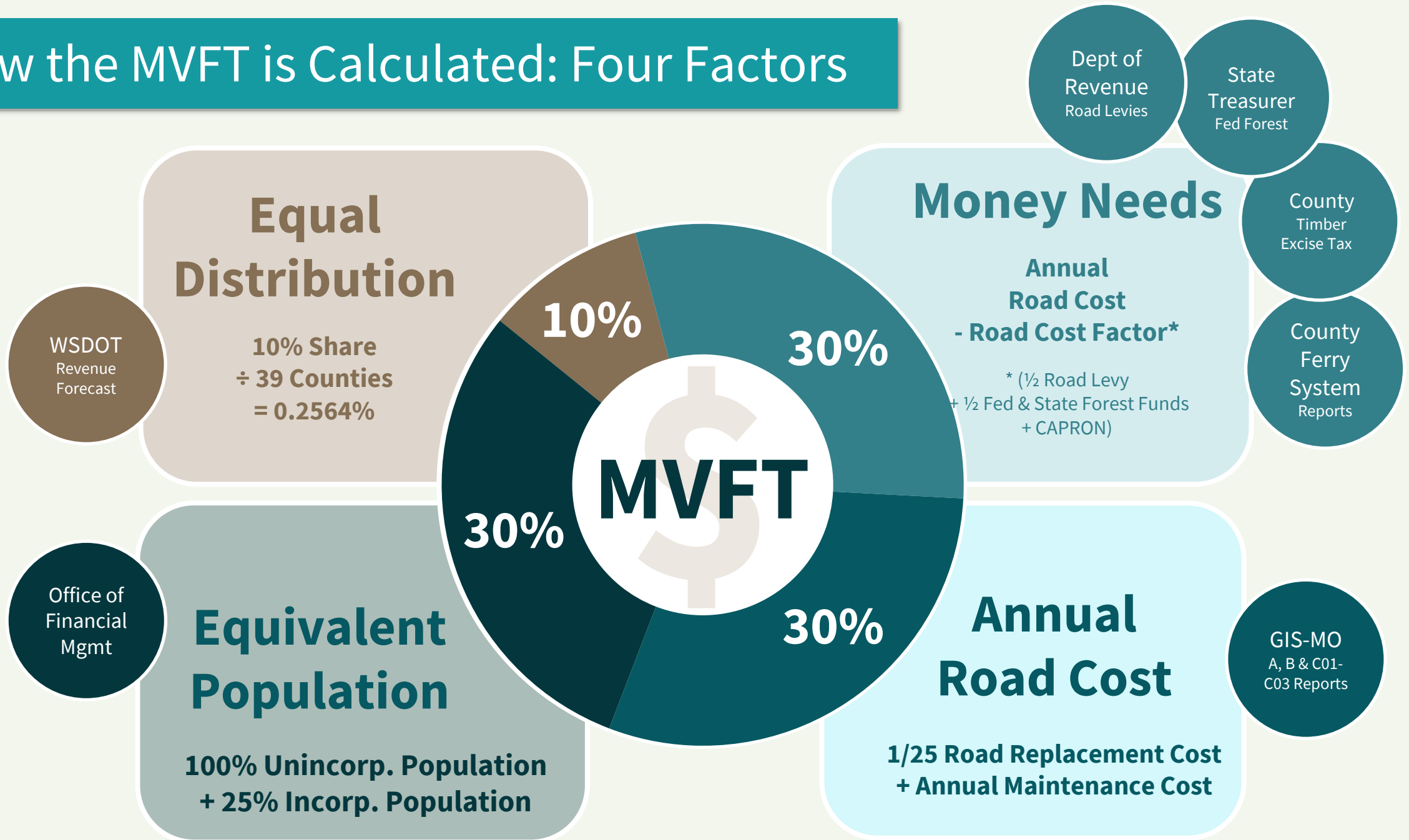
- Road Levy: tax levied on the valuation of all taxable property within the county road districts, including any amount of such tax diverted
- Federal & State Forest Funds: funds received from the federal forest reserve fund and state timber excise taxes by the county road fund
- CAPRON (aka the “Island County Refunds”): motor vehicle license fees and special fuel taxes



Annual Road Cost - Road Cost Factor*

* ($\frac{1}{2}$ Road Levy + $\frac{1}{2}$ Fed & State Forest Funds + CAPRON)

How the MVFT is Calculated: Four Factors



2024 Allocation Factor Computations

2024 ALLOCATION FACTOR COMPUTATIONS

COUNTY	EQUAL (10%)	EQ.POP (30%)	COSTS (30%)	NEEDS (30%)	2024 UNADJ.	2023 ACTUAL	% FROM 2023 Act	MAX AT + 5%	MAX AT -5%	WITHIN +/- 5%	COMBINE		2024 FINAL ADJUST
											FACTOR WITHIN	MAX FACTORS	
Adams	0.2564	0.0935	1.0377	1.5530	2.9406	2.9745	-1.14%			2.9406	2.9406	2.9406	2.9406
Asotin	0.2564	0.1221	0.2883	0.3969	1.0637	1.0740	-0.96%			1.0637	1.0637	1.0637	1.0637
Benton	0.2564	0.6091	0.6372	0.7759	2.2786	2.3031	-1.06%			2.2786	2.2786	2.2786	2.2786
Chelan	0.2564	0.3397	0.4611	0.4507	1.5079	1.5018	0.40%			1.5079	1.5079	1.5079	1.5079
Clallam	0.2564	0.4037	0.3947	0.3994	1.4543	1.4403	0.97%			1.4543	1.4543	1.4543	1.4543
Clark	0.2564	2.3150	1.1878	0.6271	4.3862	4.3466	0.91%			4.3862	4.3862	4.3862	4.3862
Columbia	0.2564	0.0152	0.3133	0.4331	1.0181	1.0273	-0.90%			1.0181	1.0181	1.0181	1.0181
Cowlitz	0.2564	0.4914	0.4401	0.3088	1.4967	1.4933	0.23%			1.4967	1.4967	1.4967	1.4967
Douglas	0.2564	0.2210	0.9165	1.2347	2.6286	2.6537	-0.94%			2.6286	2.6286	2.6286	2.6286
Ferry	0.2564	0.0492	0.3856	0.5386	1.2298	1.2531	-1.86%			1.2298	1.2298	1.2298	1.2298
Franklin	0.2564	0.2671	0.6176	0.8616	2.0027	2.0328	-1.48%			2.0027	2.0027	2.0027	2.0027
Garfield	0.2564	0.0094	0.2641	0.3849	0.9148	0.9216	-0.74%			0.9148	0.9148	0.9148	0.9148
Grant	0.2564	0.4491	1.6154	2.2395	4.5604	4.5871	-0.58%			4.5604	4.5604	4.5604	4.5604
Grays Harbor	0.2564	0.3073	0.5079	0.5744	1.6460	1.6484	-0.15%			1.6460	1.6460	1.6460	1.6460
Island	0.2564	0.5013	0.4804	0.3385	1.5767	1.5476	1.88%			1.5767	1.5767	1.5767	1.5767
Jefferson	0.2564	0.1924	0.2727	0.2735	0.9950	0.9964	-0.14%			0.9950	0.9950	0.9950	0.9950
King	0.2564	5.7453	1.7409	0.1969	7.9396	7.7510	2.43%			7.9396	7.9396	7.9396	7.9396
Kitsap	0.2564	1.5517	0.9992	0.7528	3.5600	3.5162	1.25%			3.5600	3.5600	3.5600	3.5600

What could impact YOUR portion of MVFT?

- The MVFT distributions are calculated and submitted to our board for approval every July and then published
- Any one of the four calculation factors could impact a county's portion.
- What counties CAN do is ensure they provide accurate data for the control fields!

ESTIMATED 2024 REVENUES
MOTOR VEHICLE FUEL TAX

June Revenue Forecast Calendar Year
\$134,083,303

County Road Log Certified January 1, 2023

County	2024 Calendar Year Allocation Percent	Revenue
Adams	2.9406	\$3,942,854
Asotin	1.0637	\$1,426,244
Benton	2.2786	\$3,055,222
Chelan	1.5079	\$2,021,842
Clallam	1.4543	\$1,949,973
Clark	4.3862	\$5,881,162
Columbia	1.0181	\$1,365,102
Cowlitz	1.4967	\$2,006,825
Douglas	2.6286	\$3,524,514
Ferry	1.2298	\$1,648,956
Franklin	2.0027	\$2,685,286
Garfield	0.9148	\$1,226,594
Grant	4.5604	\$6,114,735
Grays Harbor	1.6460	\$2,207,011
Island	1.5767	\$2,114,091
Jefferson	0.9950	\$1,334,129
King	7.9396	\$10,645,678
Kitsap	3.5600	\$4,773,366
Kittitas	1.3543	\$1,815,890
Klickitat	1.8833	\$2,525,191
Lewis	2.2803	\$3,057,502
Lincoln	3.0263	\$4,057,763
Mason	1.5658	\$2,099,476
Okanogan	2.3458	\$3,145,326
Pacific	0.9504	\$1,274,328
Pend Oreille	1.1445	\$1,534,583
Pierce	7.7587	\$10,403,121
San Juan	0.5982	\$802,087
Skagit	2.2090	\$2,961,900
Skamania	0.6247	\$837,618
Snohomish	6.3146	\$8,466,824
Spokane	5.9994	\$8,044,194
Stevens	2.6259	\$3,520,893
Thurston	3.5457	\$4,754,192
Wahkiakum	0.6207	\$832,255
Walla Walla	2.0198	\$2,708,215
Whatcom	2.8601	\$3,834,917
Whitman	2.9563	\$3,963,905
Yakima	4.1165	\$5,519,539
TOTAL	100.0000	\$134,083,303

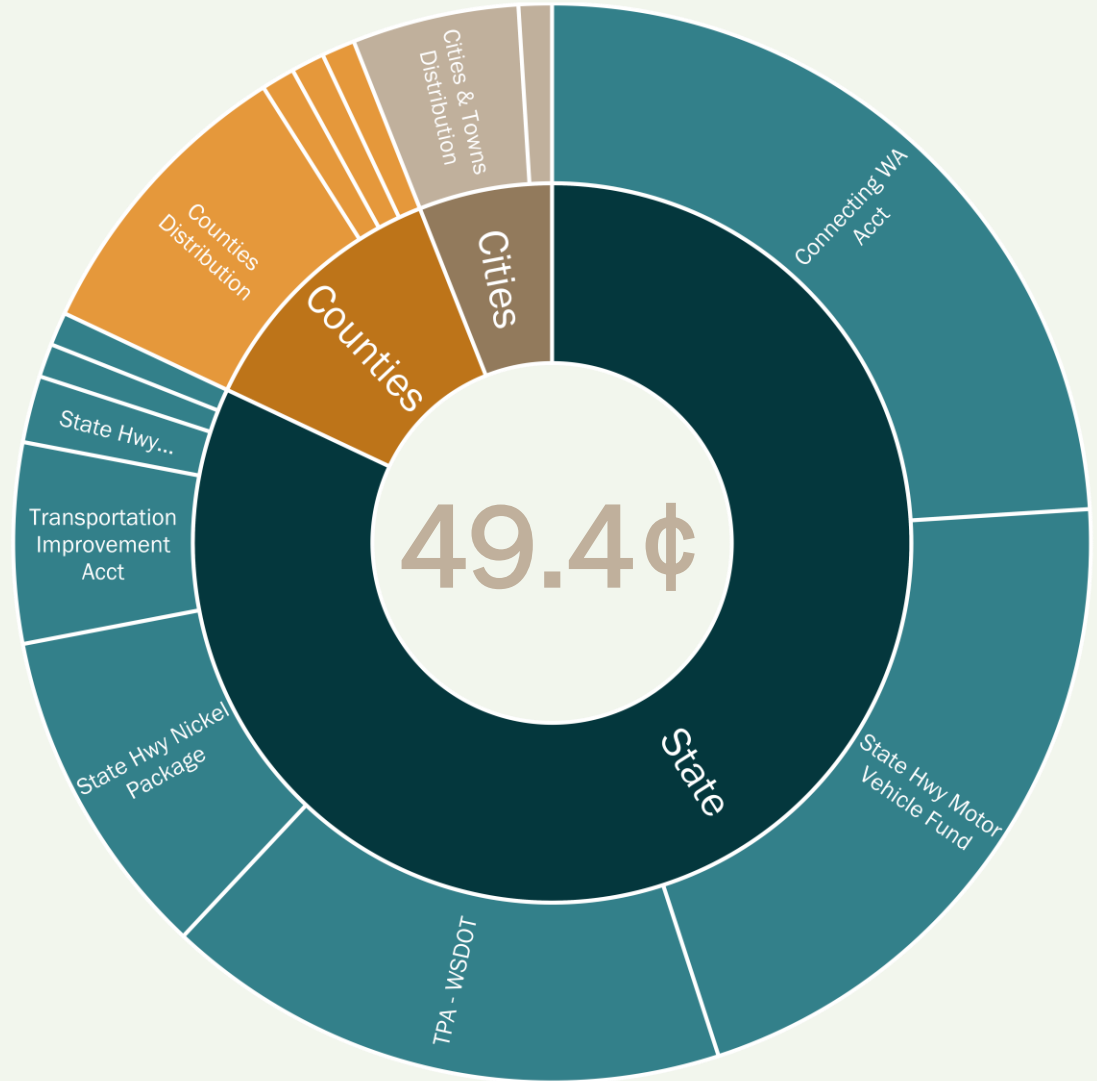
Where
does the
MVFT go?



Snohomish County

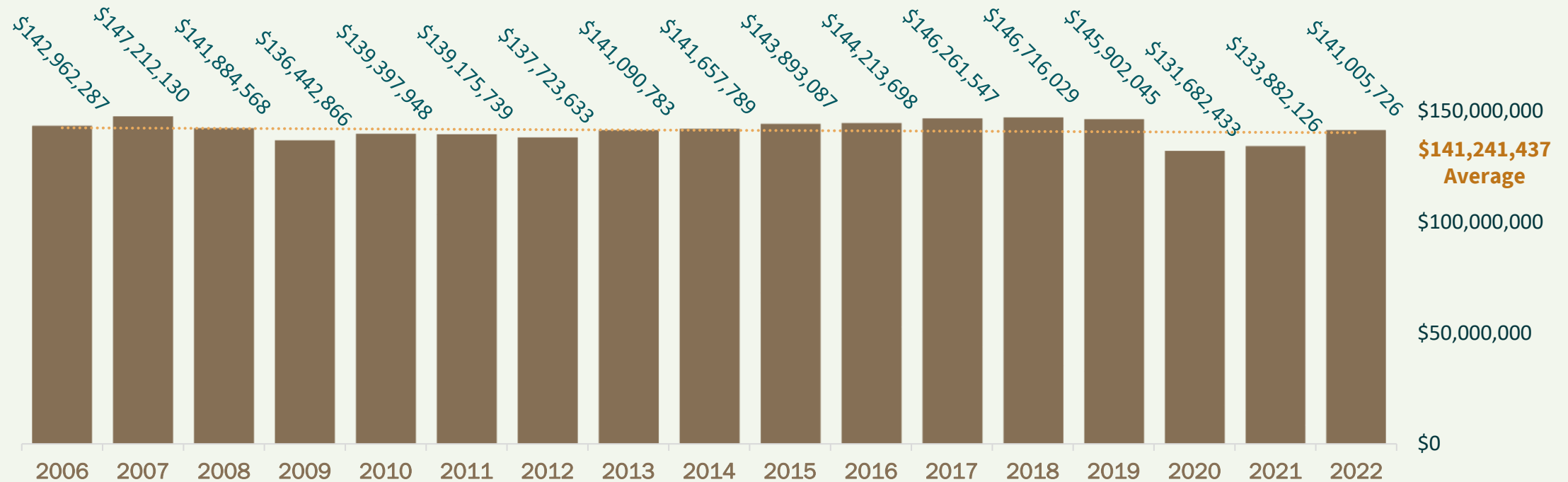
Distribution of the MVFT Tax

STATE	AMOUNT	ACCOUNT
	11.90¢	Connecting WA Account
	10.21¢	State Hwy Motor Vehicle Fund
	8.50¢	TPA WSDOT
	5.00¢	State Highway Nickel Package
	3.04¢	Transportation Improvement Account
	.75¢	State Highway Category C Account
	.54¢	Ferry Capital Construction
	.54¢	Ferry Operations
CITY		
	2.46¢	Cities and Towns Distribution
	.50¢	TPA Cities
COUNTY		
	4.43¢	Counties Distribution
	.58¢	Rural Arterial Transportation Account (RATA)
	.50¢	TPA Counties
	.45¢	County Arterial Preservation (CAP)



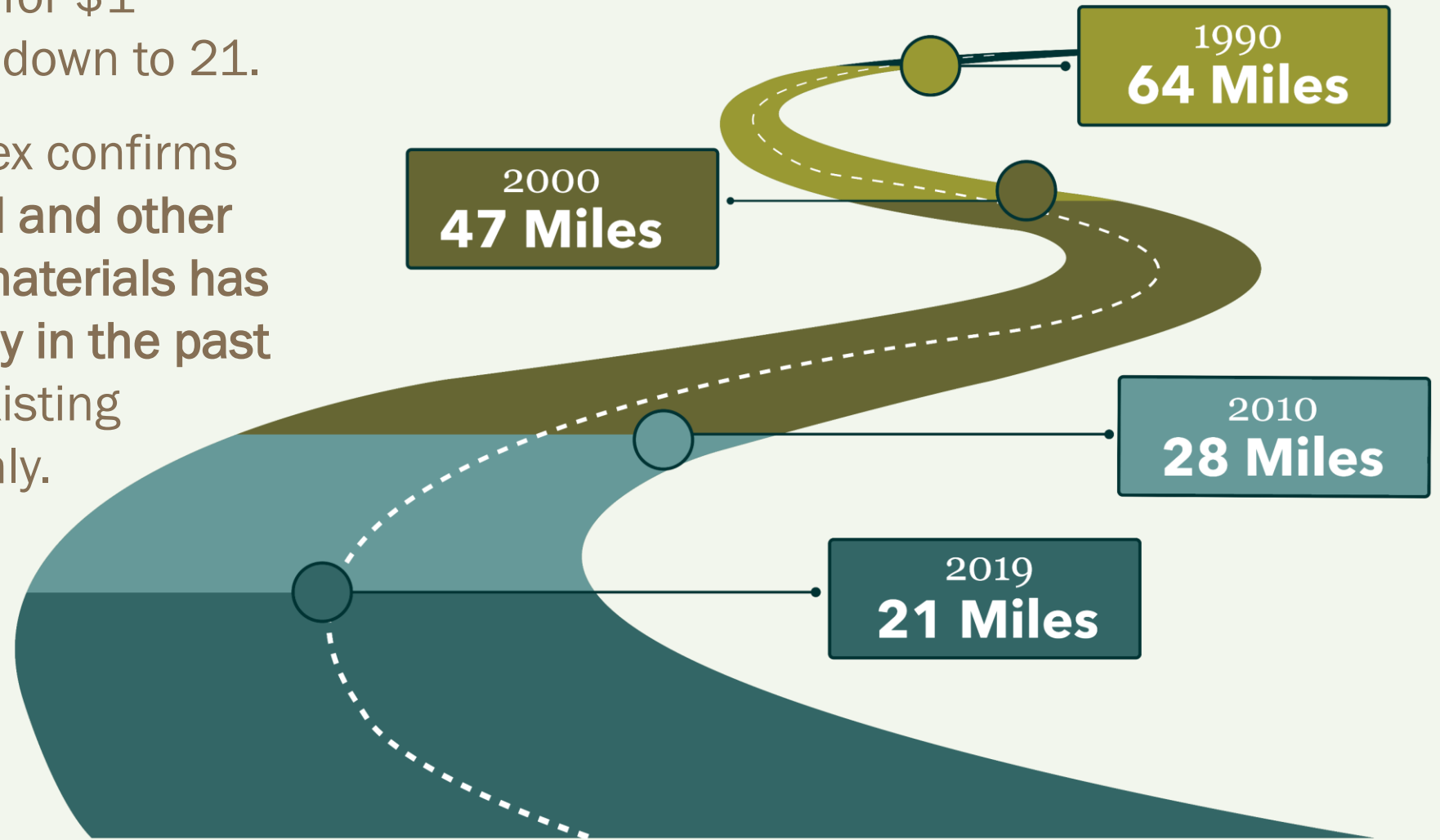
Annual MVFT Direct Share to Counties

Despite increasing demands and increasing costs, the funding for county roads has remained stagnant.



MVFT Funds Don't Stretch as Far as They Used To

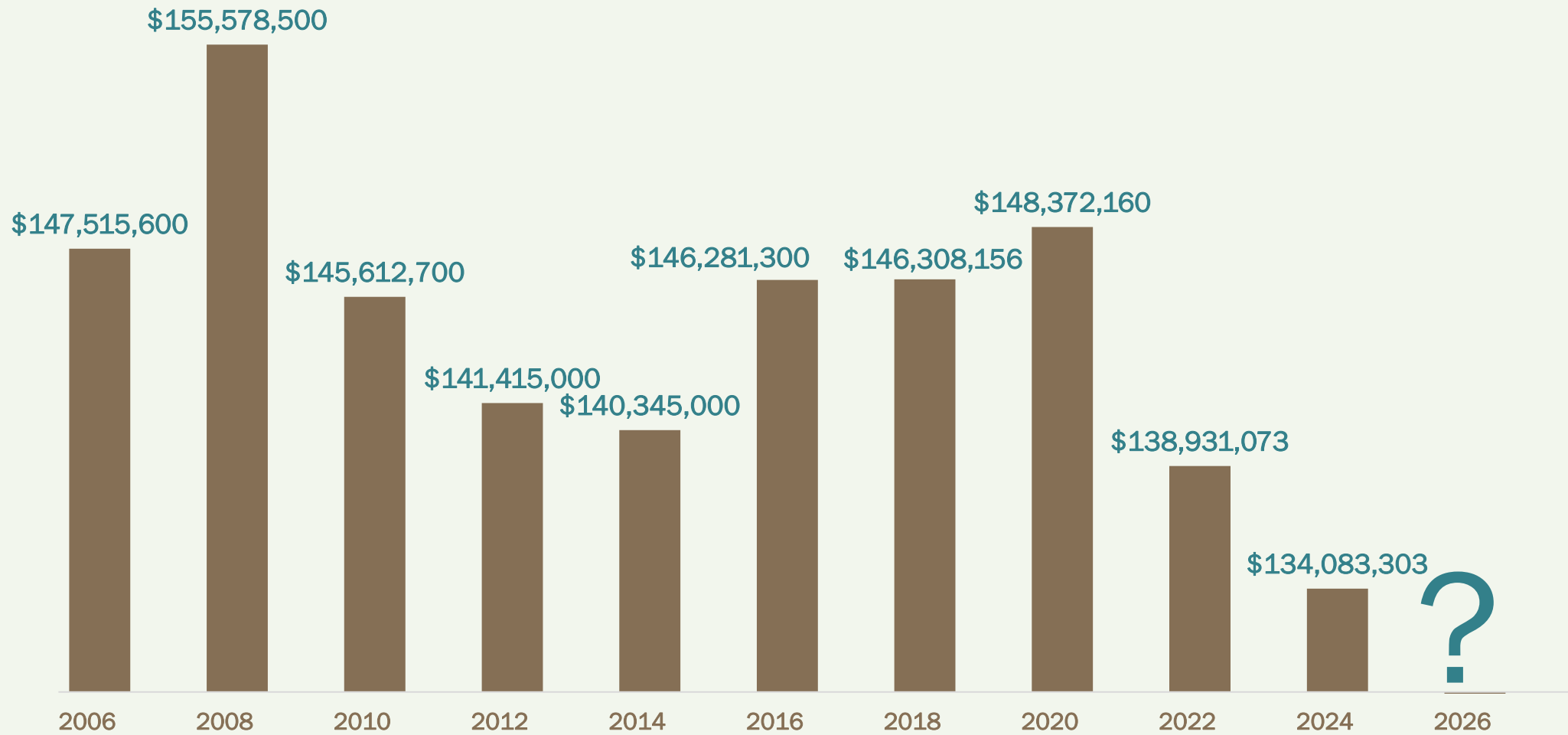
- In 1990, counties could resurface about 64 miles of road for \$1 million; as of 2019, it's down to 21.
- The Producer Price Index confirms that the costs for gravel and other roadway construction materials has skyrocketed, particularly in the past two years, spreading existing budgets even more thinly.



What are
the future
challenges
for the
MVFT?



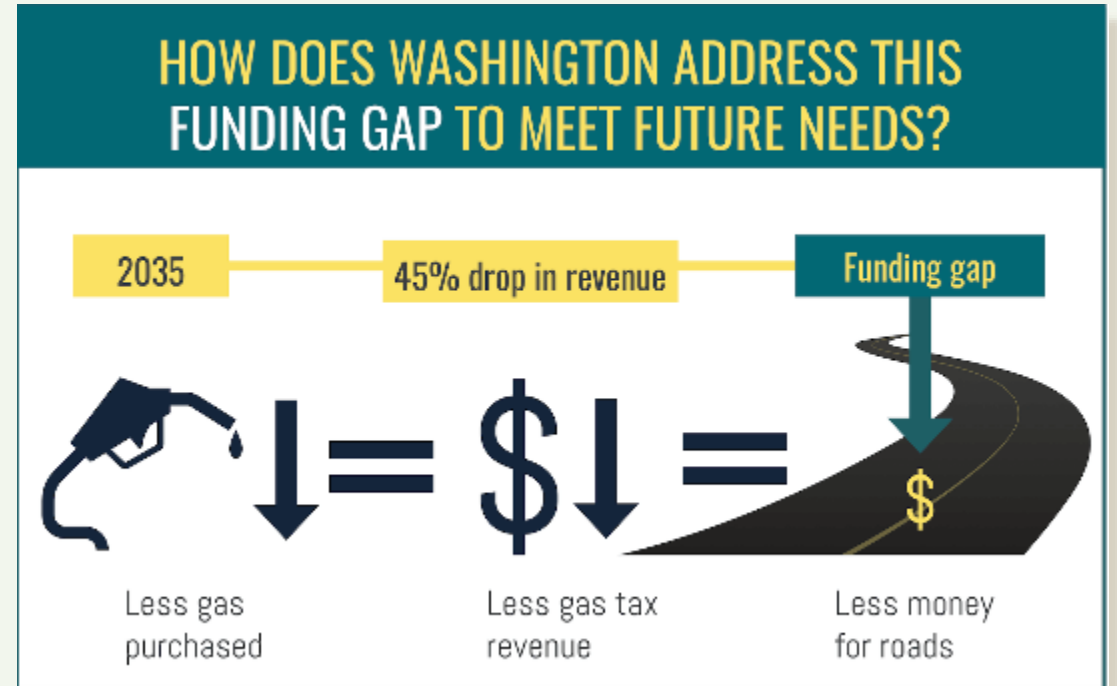
Historical MVFT Estimated Revenues



The MVFT funds a large portion of the transportation budget but is a declining resource.

What is the Challenge for the MVFT?

- As vehicles become more fuel-efficient, gas consumption decreases along with gas tax revenues.
- Not all Washington drivers pay equally to use our roads. Drivers with more fuel-efficient or electric vehicles pay less in gas taxes than others to use Washington's roadways.
- Long term, a pay-per-mile **Road Usage Charge** (RUC) system could provide a more stable source of transportation funding and increase tax equity among drivers.



Thank you!

Questions or Comments?



Mike Clark, Road Systems Inv Manager



mike.clark@crab.wa.gov



360.350.6084