

Statement for the Public Hearing Record of the Senate Transportation Committee, March 27, 2017

For the attention of the Legislature as it considers SB 5893 to change the basis for calculation of Sound Transit's motor vehicle excise tax on the cars of citizens living in the Sound Transit taxing district:

It is obvious from the public surprise and outrage about their new license tab taxes, that Sound Transit was not clear and candid about the cost of ST3 when regional voters cast their votes last November.

In fact, it looks like ST was deliberately vague about what it would cost a car owner. Look at how Sound Transit explained the car tab tax --in small typeface-- in the [Mass Transit Guide](#) it mailed at taxpayer expense to all households last October:

"A motor vehicle excise tax (MVET, or license tabs) increase of 0.8 percent, or \$80 annually for each \$10,000 of vehicle value." The words **"vehicle value"** were misleading – not used in the normal meaning of those words. Citizen taxpayers would assume it meant what their car was actually worth to sell or trade it in. But Sound Transit wasn't clear or candid. It hid from voters the fact that ST would use an outdated and rejected way to set value based on a contrived MSRP-derivative number. That number could be twice as high as the actual, real market value of their car. That's why so many voters are upset.

Sound Transit now says that it can't or doesn't want to change things because the cost to replace the 1999 bonds that lock in the outdated and misleading MSRP-based valuation might be \$6 billion over the course of ST3. When you think about it, that's really an admission of how much Sound Transit misled the voters: \$6 billion!

But, assuming this replacement penalty is true, I would like to point out that Sound Transit's published forecast of combined revenue for all Sound Transit local taxes for the ST3 construction period, 2017 to 2041 is \$59,705,123—which is the sum of ST3 taxes at \$27.7 billion and combined Sound Move and ST2 taxes of \$32.0 billion. Nearly \$60 billion. Getting the MVET fair and right would be 10% of the total.

The Legislature has a choice: Pass SB 5893, to make the MVET fair and right or let ST get away with a deceptive or at best careless tactic.

The issue then comes down to, can ST figure out how to survive and serve us with 10% less money?

Please make a judgment on whether Sound Transit has the management capability, cost-cutting tools, additional funding options, and legal flexibility to build mass transit that responds to the mobility needs of this century just as well with \$54 billion as it would with \$60 billion.

I do think so, and thus I support SB 5893.

Respectfully,

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