

Street Maintenance Utility

WRA Position: Oppose the Association of Washington Cities' proposal to allow local governments to impose new taxes to fund a street maintenance utility.

Suggested Talking Points:

- A street utility tax would unfairly impact the restaurant industry, as we have a large number of store fronts in each city.
 - Even with an attempt to remove incidental trips from the street utility, we are convinced our restaurants will pay more than their fair share for “vehicle trips generated,” even though many of the trips will not generate any revenue for the impacted business.
- The WRA believes city governments have existing tax authority in place and other resources that could be used for street repair, thereby making a street utility unnecessary.
 - These taxes include sales and use, B&O, square footage and head (per employee).
 - Other resources include, but are not limited to, voter approved levies and local improvement districts.
- The WRA is concerned that, as a street utility tax is implemented in a given city, a significant number of residents and government/nonprofit entities will find a way to be exempted from having to pay the utility. This would leave businesses like restaurants left to pay for the majority of the street maintenance utility needed for adequate road upkeep.

Background: Over the past several years, local governments have claimed to be lacking sufficient funds for city street maintenance and necessary repair, leading to significant deterioration and disrepair of their roads. In towns with significant daily commercial truck traffic, this need is exacerbated.

To alleviate the problem, the Association of Washington Cities has introduced legislation over the past year, modeled after similar authority granted in Oregon that allows local governments to form a street maintenance utility tasked with maintaining local roads. The street utility would be funded through a monthly charge tax on businesses and homeowners, based on the number of vehicle trips generated by the business or residence.

Because of the nature of WRA member businesses, restaurants would be disproportionately impacted by a street utility tax. Local governments have a number of options for raising money for street repairs, and any new proposal must be balanced against those existing authorities.