

## **Washington State Tolling Policy**

*Washington Policy Center recommendations for a responsible tolling policy*

By Michael Ennis  
Director, Center for Transportation  
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As Washington policymakers consider funding transportation infrastructure through tolling, Washington Policy Center (WPC) encourages them to adopt a responsible framework to implement and manage the new revenue.

Pricing transportation infrastructure can help both policymakers and citizens in two effective ways. Implemented properly, tolls can provide revenue to expand the state's transportation system. This is the model Washington is most familiar with. Tolls have been used to pay for the Evergreen Floating Bridge and most recently, the expanded Tacoma Narrows Bridge. Typically, once the facility is paid for, the tolls are removed.

Pricing roadways has also been used to manage demand. Sometimes called "congestion pricing" or "demand management," tolls complete the economic equation between supply and demand by adding price.

Washington State is currently implementing a form of congestion pricing through a pilot project on Highway 167 near Renton. For a fee, single occupant vehicles (SOV) will soon be able to choose to use the existing High Occupancy Vehicle (HOV) lane. Traffic volumes will be monitored and as congestion increases on Highway 167, the toll for a SOV driving in the HOV lane will also rise. Likewise, as congestion decreases, the toll would become cheaper.

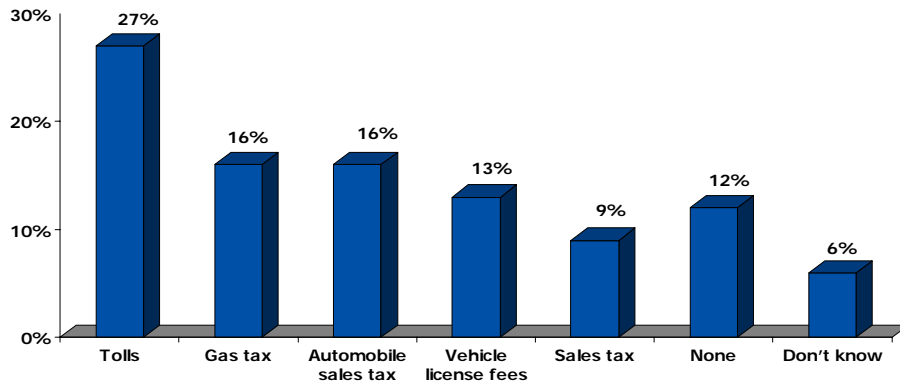
These High Occupancy Toll (HOT) lanes are the best way to implement a congestion pricing system because it offers drivers a choice. They can either pay the premium to use the new capacity that was otherwise restricted, or they can choose the existing system.

Using tolls to manage congestion however, is a major shift in the way tolls have been used in Washington State and it raises significant philosophical, equality and fairness questions.

In a recent statewide WPC poll, we asked citizens about their thoughts on some of these issues. The following tables illustrate the results.<sup>1</sup>

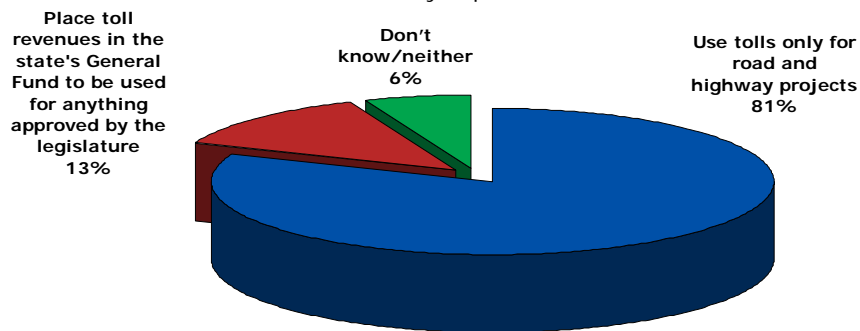
## Tolling is the Most Popular Tax to Reduce Traffic Congestion

Question: "Which one of the following tax increases, if any, would you be most likely to support if you were convinced the tax increase would actually reduce traffic congestion?"



## Tolls Should Be Used Only for Road and Highway Projects

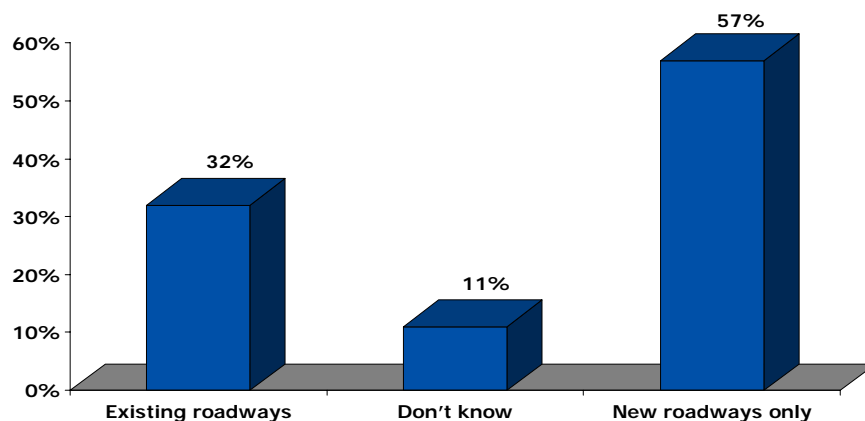
Question: "As you may know, state law requires that gas tax revenues must be used for road and highway projects. Which one of the following uses of bridge and highway tolls do you prefer?"



<sup>1</sup> 2007 Washington Policy Center Traffic Congestion Poll. Available at: [www.washingtonpolicy.org](http://www.washingtonpolicy.org)

## Most People Prefer Using Tolls for New Roadways, Rather than Existing Roadways

Question: "If state government were to charge tolls, would you favor charges on existing roadways or on new roadways only?"



According to the survey results, the public generally supports tolling over every other funding tool, as long as the toll has a measurable relationship with relieving traffic congestion.

It is not surprising that taxpayers favor tolls, since most people see them as the most direct type of user fee. But the public does possess legitimate concerns on how these fees are implemented and how they are spent.

When compared with general fund spending, a whopping 81% of the public says that toll revenue should be used only for road and highway purposes. And a majority (57%) prefers tolls on *new* roadways only, rather than charges on existing lanes that have already been paid for with other taxes.

To address these concerns, Washington Policy Center recommends the following guidelines in defining a fair and equitable tolling policy:

## Tolling Policy

-The state should have the sole authority to impose tolls, unless otherwise delegated through a public/private partnership.

-Tolls may fluctuate based on traffic congestion.

-Tolls should only be implemented on new capacity or to replace an existing facility.

- Converting existing HOV lanes to HOT lanes qualifies because it adds new capacity for single occupant vehicles. HOT lanes also preserve the choice for drivers to pay the toll or use the existing system.
- Early tolling on an existing roadway should be prohibited, since taxpayers already paid for it.
- Tolling existing infrastructure should be prohibited for the same reason.

-If the goal of pricing a roadway is to manage demand, the tolled facility must provide drivers a non-tolled alternative.

-Toll revenue should be constitutionally protected.

- Approved in 1944, the 18<sup>th</sup> amendment of the Washington Constitution ensures gas tax revenues are used only for highways. Toll revenue should be dedicated in the same way. If only drivers are paying the toll, then only drivers should receive the benefits.

-Money from tolls should be spent only on the same road where the tolls were collected.

- Only the new capacity or the replaced facility that provided the toll should benefit from the revenue. Applying tolls to a broadly defined corridor is not fair to drivers that paid the toll.
- The priority for using toll revenue should follow this order:
  1. Debt on the new roadway
  2. Maintenance and operations of the new roadway
  3. Expansion of the new roadway

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*Michael Ennis is director of the Center for Transportation at Washington Policy Center, a non-partisan public policy research organization with offices in Seattle and Olympia. Nothing here should be construed as an attempt to aid or hinder the passage of any legislation before any legislative body. For more information contact WPC at 206-937-9691 or online at [washingtonpolicy.org](http://washingtonpolicy.org).*