April 20, 2020

The Honorable Governor Jay Inslee
Office of the Governor
P.O. Box 40002
Olympia, WA 98504

Re: Suspending car tab fees greater than $30

Governor Inslee,

We are grateful for your efforts to combat the coronavirus and bend the infection and fatality curves downward. But as you know, this is more than a public health battle. There are other fronts in which this fight must be waged. The state’s response must take into account the devastation the virus and “Stay Home, Stay Healthy” order have had on working Washingtonians and the businesses that employ them. While the federal and state efforts to put money in their pockets and stave off the drastic impacts on family budgets are important, they are not keeping up with the mounting financial strain.

More must be done now to address the growing gap between wages/government assistance and fixed family expenses that must be paid: groceries, mortgages, health costs, utilities, and taxes. One tax that is within your power to ease is the Department of Licensing’s collection of car tab fees greater than $30.

Relief from burdensome car tab taxes has already come to your attention, when you were asked about suspending car tab taxes during a recent news conference. You indicated: “we will consider that.” I have had the opportunity to give the issue a great deal of thought as the matter is brought up constantly by my constituents. I am certain I am not alone, and many other senators and representatives have heard similar requests from their constituents.

To continue to require out-of-work Washingtonians, and small business owners of non-essential activities, to pay a vehicle licensing fee that exceeds, in some areas of the state, $400-600, or more, is unacceptable.

First, we cannot force a growing number of out-of-work Washingtonians to choose between paying for food and other necessities on the one hand or paying hundreds of dollars in car tab taxes on the other. I had heard from hundreds of constituents, before the coronavirus, that the exorbitant tax put an enormous strain on family budgets. Now, with Depression-levels of new unemployment, and unprecedented financial devastation to small business owners, the strain has only intensified and widened.
Second, it is indefensible to continue to collect the tax at pre-Initiative 976 levels after the King County Superior Court declared $30 car tabs constitutional and when so many more cannot afford it.

Third, the Legislature passed a supplemental budget in March that does not depend on the continued collection of pre-I-976 car tab taxes. Moreover, your Stay Home order stopped construction of most WSDOT projects, and Sound Transit also suspended construction of ST3-related projects. Clearly, no one can plausibly argue the current demand in construction costs warrants the continued collection of the excessive car tab tax.

Fourth, this is an opportunity to stand with the people. When Washington's citizens overwhelmingly approved Initiative 976 in November, they were in effect declaring that they did not believe the car tab fees that they were paying were justified by the costs of transportation projects funded at the time by the fees. How much less of a value proposition are the excessive fees now with so many construction projects suspended!

Accordingly, I urge you to suspend the collection of vehicle licensing fees that exceed $30 until the coronavirus crises and its devastation on our economy end. Such a suspension would be an important and immediate measure that the state could take to relieve Washingtonians of a significant financial burden and demonstrate to them in a tangible way that it understands the significant financial strain they are under.

I would be grateful for a response by April 30.

Sincerely,

[Signature]

Steve O’Ban
Washington State Senator
28th Legislative District