



Proposed countywide Transportation Benefit District (TBD)

- RCW 36.73 authorizes a county to form a TBD to fund transportation improvements.
- King County Council members would constitute the governing board of the District.
- Voters must approve funding sources. A measure could be put on the ballot as early as this April.
- Intent is for the District to pass funds through to Metro for transit and to cities and King County for roads and local transportation purposes.

Proposed revenue sources

- Combination of revenue sources to generate approximately \$130 million.
- Single King County ballot measure in 2014 would ask voters to approve two funding sources:
 - \$60 annual vehicle fee, which would take effect after the \$20 congestion reduction charge expires in June 2014.
 - Would generate approximately \$80 million per year.
 - 0.1% increase in sales tax.
 - Would generate approximately \$50 million per year.
 - Expires after 10 years.
- Other TBD options were considered:
 - tolling – requires state authorization
 - property tax – for one year only, or multi-year for debt retirement
 - development impact fees – would generate limited revenue from new development

Proposed distribution of revenue

- 60 percent to Metro Transit (\$80 million in 2015).
- 40 percent to cities and King County for roads and transportation purposes; allocated based on population (\$50 million in 2015).

Uses of revenue

- Transit service and buses.
- Road and bridge maintenance, preservation and improvement.
- Pedestrian, non-motorized and other transportation improvements.

Average household impact

- Based on estimates of the average household in King County, the estimated household impact is approximately \$11 per month for the \$60 vehicle fee and 0.1% sales tax combined. (\$8 of this is from the vehicle fee and \$3 is from the sales tax).

Comments or questions?

If you have a comment or question about the proposal to form a Transportation Benefit District, please contact the King County Council at 206-296-1000 or council@kingcounty.gov.

Frequently asked questions

Why is the County considering formation of a TBD?

Without additional revenue, Metro will have to reduce up to 17 percent of its service beginning this year. The amount of funding available for the county road system in 2014 is \$85 million, while the annual investment necessary to maintain the road system in its current condition is about \$200 million. The TBD is a transportation funding mechanism available now under state law.

Would the vehicle fee be assessed in addition to the \$20 congestion reduction charge?

The congestion reduction charge (CRC) expires in June, so the vehicle fee would not be stacked on top of it.

Is the proposed \$60 vehicle fee added on top of an existing city TBD \$20 vehicle fee?

Yes, the statute provides authority for this countywide TBD to have a voter approved vehicle fee up to \$100. City TBDs continue to have authority to impose their separate \$20 councilmanic fee and to go to their voters for approval of a vehicle fee for their city TBD up to a maximum of \$100.

Do any cities use the sales tax for their TBD?

Yes. The City of North Bend has a 0.2% sales tax. The proposed County 0.1% sales tax would be added to North Bend's tax.

Is a low-income rebate available?

Yes. The TBD statute allows for a low-income rebate program. This option is being studied and the County Executive will work with the County Council as they discuss the proposal.

What would the sales tax increase bring the overall sales tax rate to in King County?

The current total sales tax rate in King County within the Sound Transit district is 9.5%. Outside of the Sound Transit district, the rate is 8.6% (except for North Bend, which is 8.8%). This proposal would bring the rates to 9.6% and 8.7% respectively (8.9% in North Bend).

What could Metro do with \$80 million?

Funding from the proposed TBD allocation to Metro would be sufficient to cover the identified shortfall, eliminating the need to make the proposed cuts and enabling Metro to operate the current level of service and buy replacement buses. Metro would continue to use its service guidelines to evaluate the transit system and make service changes to achieve efficiencies. The proposed allocation would not be enough to pay for the level of service called for in Metro's service guidelines.

What could the King County Road Services Division do with \$6.2 million?

Since 2009, the county road fund has shrunk by one-third as a result of annexations, lower property valuations, and lower gas-tax revenues. In response, the King County Road Services Division has reduced its workforce by 40%, affecting its ability to respond to regionwide snow storms, perform maintenance, and make capital improvements. Priorities for spending include drainage and flood protection, road maintenance, and paving. The proposed allocation to Road Services—about \$6.2 million in 2015—is far less than the revenue needed to keep roadway system assets in their current (2014) condition. The County Executive remains committed to working toward broader funding solutions for the county roads system.

How will some of the revenue be divided among the county and cities?

Forty percent of the revenue collected from the King County Transportation District would be used for county road and city street improvements, with allocations to each city and unincorporated King County based on population.