

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. This is similar to the amount that would be generated by the MVET authority in both Washington legislative proposals: the 2013 House transportation bill (HB 1954) and the Senate Majority Coalition Caucus proposal (\$140 million-\$150 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 (tolling, property tax, development impact fees) would not provide sustained revenue for transit service and for city and county roads. Many non-TBD revenue options were considered but have limited revenue potential, are limited to capital projects, have already been implemented, or under state law cannot be implemented by King County.

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).

Frequently asked questions

Why is the County considering formation of a TBD?

While the County would prefer a balanced statewide transportation funding package, the legislature has not reached agreement on a package. County leaders believe it is imperative to secure stable funding for urgent transportation needs this year. The TBD is a solution 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 for a maximum vehicle fee of \$100, so as long as the proposed County TBD vehicle fee and the city fee of \$20 is less than \$100 (which all are), the two are additive. However, since the County is currently imposing \$20 for the CRC, which is expiring, the net new vehicle fee from this proposal is \$40.

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 would \$80 million buy for Metro?

Metro needs \$75 million annually just to avert the reduction of up to 17 percent of current service. This amount is needed to operate service and buy replacement buses. According to Metro's service guidelines, Metro should be providing an additional 510,000 hours of service, at a cost of about \$50 million, to meet target service levels, improve reliability and reduce overcrowding.

What would \$6.2 million buy for the King County Road Services Division?

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. King County Road Services' share—about \$6.2 million in 2015—is far less than the revenue actually needed to adequately maintain the roads it is responsible for. While any contribution to the road fund is helpful, King County recognizes that the proposed package will not solve the state's outdated system of funding roads. The County Executive remains committed to working toward broader funding solutions for the county roads system.

Why will some 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. This was the formula agreed upon by a coalition of King County partner jurisdictions seeking additional revenue authority from the state. These funds will help address local transportation needs such as street and bridge preservation and maintenance, sidewalk, bicycle and pedestrian projects, roadway and intersection capacity projects and many other local and regional transportation needs.