

## King County Transportation District (KCTD) Funding Authority

*RCW 36.73 allows for the creation of local transportation benefit districts. In 2014, King County created its transportation benefit district, the King County Transportation District (KCTD), with Ordinance 17746. The KCTD's geographic boundaries are those of King County. It is governed by a board made up of the members of the King County Council. RCW 36.73 provides funding authority for transportation benefit districts.*

<b>Funding Source</b>	<b>Authorizing Statute</b>	<b>Voter Approval Needed?</b>	<b>Max Rate</b>	<b>Max Term</b>	<b>Amount Raised per Increment</b>
<b>Non-voted Vehicle License Fee</b>	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	No	\$50 <i>(over time, in increments of \$20, \$20, \$10)</i>	No restriction	\$15M/year per \$10 <sup>1</sup>
<b>Voted Vehicle License Fee</b>	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	Yes	\$100	No restriction	\$15M/year per \$10
<b>Sales Tax</b> <i>(NOTE: Legislature made changes in 2022)</i>	RCW 82.14.0455; 36.73.040(3)(a)	Yes	0.3% <i>(0.1% councilmanic option, with remaining 0.2% requiring voter approval)</i>	10 years <i>(plus 2nd 10 years with vote, can be longer if bonded)</i>	\$82M/year per 0.1%
<b>Development Impact Fee</b>	RCW 36.73.040(3)(c); 36.73.120; 39.92.040; 39.92.030	No <i>(Must be reasonably necessary as a result of the impact of development)</i>	Must be linked to development impact	One-time <i>(Can be paid over 5+ years, must be spent within 6 years)</i>	Depends on size of fee, geographic area where fee is applied
<b>Tolls</b>	RCW 36.73.040(3)(d)	Yes	As limited by the Transportation Commission and voters	As limited by the Transportation Commission and voters	Depends on size of toll, geographic area where toll is applied
<b>Property Tax Excess Levy</b>	RCW 36.73.060; 84.52.056; Article VII, 2(a)	Yes <i>(60% approval, plus required percentage of participation of previous election)</i>	In excess of 1% limit	1 year <i>(Up to 40 years if bonded)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>Local Improvement District (LID)</b>	RCW 36.73.080	No	Up to amount of special benefit to property owners	No more than 30 years for term of bonds	Depends on size of fee, geographic area of LID

## Metro Transit Funding Authority

*As a transit agency, Metro Transit is granted a number of funding sources by State law. Some of these sources can fund both operations and capital. Some are limited to specific capital or operating purposes. Metro is currently imposing the maximum allowed sales tax. Other funding sources could be imposed, though in some cases are similar to or the same as funding authority available to King County government.*

<b>Funding Source</b>	<b>Authorizing Statute</b>	<b>Voter Approval Needed?</b>	<b>Max Rate</b>	<b>Max Term</b>	<b>Amount Raised per Increment</b>
<b>Sales Tax</b>	RCW 82.14.045; 35.58	Yes	0.9% <i>(NOTE: Metro is currently imposing sales tax at the maximum rate)</i>	No limit	\$82M/year per 0.1%
<b>County Transit Property Tax Additional Regular Levy<sup>2</sup></b>	RCW 84.52.140	No	\$.075 per \$1,000 AV	None	\$47M/year per \$.075/\$1,000 AV
<b>Property Tax Excess Levy</b>	RCW 35.58.116.	Yes <i>(60% approval, plus 40% participation of previous election)</i>	In excess of 1% limit	1 year	\$63M/year per \$0.10/\$1,000 AV
<b>GO Bonds With Excess Levy</b>	RCW 35.58.116; 84.52.056; 35.58.450	Yes <i>(60% approval, plus 40% participation of previous election)</i>	In excess of 1% limit	Term of bonds <i>(up to 40 years)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>B&amp;O Taxes For Businesses</b>	RCW 35.95.040; 82.04; 82.14.045	No	As determined by Council <i>(NOTE: Cannot be imposed if sales tax is imposed)</i>	N/A	Depends on rate, types of businesses affected
<b>Excise Tax on Residents</b>	RCW 35.95.040; 82.14.045	No	\$1 <i>Per month per housing unit (NOTE: Cannot be imposed if sales tax is imposed)</i>	N/A	\$11M/year per \$1 <sup>3</sup>

## King County Funding Authority for Transit Purposes

*King County, as a government, has a number of funding sources available that can be used to fund transit. Some of these sources can also be used for other purposes (and in some cases are already being used for other purposes).*

<b>Funding Source</b>	<b>Authorizing Statute</b>	<b>Voter Approval Needed?</b>	<b>Max Rate</b>	<b>Max Term</b>	<b>Amount Raised per Increment</b>
<b>Sales Tax (Basic)<sup>4</sup></b>	RCW 82.14.030(1); 82.14.040	No	0.5% <i>(NOTE: King County is currently imposing sales tax at the maximum rate)</i>	N/A	\$82M/year per 0.1%
<b>Sales Tax (Optional)<sup>5</sup></b>	RCW 82.14.030(2); 82.14.040	No	0.5% <i>(NOTE: King County is currently imposing sales tax at the maximum rate)</i>	N/A	\$82M/year per 0.1%
<b>General County Levy Authority</b>	RCW 36.40.090 (budget)	--	This revenue source is usually fully budgeted	N/A	\$63M/year per \$0.10/\$1,000 AV
<b>Property Tax Excess Levy Capital GO Debt</b>	RCW 84.52.056	Yes <i>(60% approval, plus 40% participation of previous election)</i>	In excess of 1% aggregate limit	Term of bonds <i>(up to 40 years)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>Property Tax Single Year Levy Lid Lift (Temporary)</b>	RCW 84.55.050(1); WAC 458-19-045	Yes	Limit factor is 101% after first year	As on ballot <i>(No more than 9 years if for debt service)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>Property Tax Single Year Levy Lid Lift (Permanent)</b>	RCW 84.55.050(1); WAC 458-19-045	Yes	Limit factor is 101% after first year	Bump in year one <i>(No more than 9 years if for debt service)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>Property Tax Multi-Year Levy Lid Lift (Temporary)</b>	RCW 84.55.050(2); WAC 458-19-045	Yes	Specify limit factor for years 2-6 <i>(Reverts to 101% after year 6)<sup>6</sup></i>	As on ballot <i>(No more than 9 years if for debt service)</i>	\$63M/year per \$0.10/\$1,000 AV

<b>Funding Source</b>	<b>Authorizing Statute</b>	<b>Voter Approval Needed?</b>	<b>Max Rate</b>	<b>Max Term</b>	<b>Amount Raised per Increment</b>
<b>Property Tax Multi-Year Levy Lid Lift (Permanent)</b>	RCW 84.55.050(2); WAC 458-19-045	Yes	Specify limit factor for years 2-6 <i>(Reverts to 101% after year 6)<sup>7</sup></i>	As on ballot <i>(No more than 9 years if for debt service)</i>	\$63M/year per \$0.10/\$1,000 AV
<b>Road Improvement Districts</b>	RCW 36.88	No	Owners “specially benefited”	Tied to term of debt	Depends on level, geographic area

<sup>1</sup> Vehicle license fee revenue based on 1.7 vehicles available per King County household (2019 American Community Survey Table B08201)

<sup>2</sup> First \$.01 must be used to add capacity to SR520, remainder for “transit related expenditures”

<sup>3</sup> Housing units based on 2019 WA Office of Financial Management estimate and American Community Survey five-year household estimates.

<sup>4</sup> If both the County and a City impose the sales tax at its maximum rate of 0.5%, the City rate may not exceed 0.425%. This effectively makes the County’s sales tax 0.5% in the Unincorporated areas and 0.075% in the City.

<sup>5</sup> If both the County and a City impose the Optional (second half-cent) sales tax at the same rate, then the County receives 15% of the revenue from the City’s sales tax proceeds. King County currently levies the full second half-cent sales tax.

<sup>6</sup> With a temporary multi-year levy lid lift, upon expiration, the levy reverts to what it would have been if the levy lid lift never existed and the County had made levies at the maximum rates which would otherwise have been allowed. See RCW 84.55.050(5).

<sup>7</sup> With a permanent multi-year lid lift, the levy lid bumps up more than 1% each year (up to the limit factor specified in the ballot measure) for up to six years. However, if expressly stated in the ballot proposition, the lid lift does not revert and the dollar amount of the levy in the final year of the lid lift is then used as the base to calculate future 101% levy limitations. See RCW 84.55.050 (4)(a).