

Legislation Text

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Clerk 02/25/2020

AN ORDINANCE providing for the submission to the qualified electors of King County at a special election to be held in King County on August 4, 2020, of a proposition authorizing a property tax levy in excess of the levy limitation contained in chapter 84.55 RCW for a consecutive six-year period, at a total rate of not more than \$2.25 per one thousand dollars of assessed valuation in the first year for collection in 2021 and limiting annual levy increases by the King County inflation plus population index published by the King County office of economic and financial analysis, or the limitation in chapter 84.55 RCW, whichever is greater in years two through six, and authorizing use of the 2026 levy amount as the base for computing levies in succeeding years, for the purpose of maintaining and operating King County's road system.

STATEMENT OF FACTS:

1. The county is responsible for approximately 1,500 miles of roads, 182 bridges, 3.4 million linear feet of drainage pipe, over 28,000 culverts, 718 crosswalks and 275 miles of sidewalk in the county's unincorporated areas outside of cities.
2. Unincorporated King County roads support more than 1 million trips every day, including people traveling to work, school and recreation, businesses, farmers delivering goods and services and emergency responders reaching people who need assistance.
3. The county's road services division designs, builds, operates and maintains roads, bridges and

related road infrastructure to facilitate the movement of goods, services and people through unincorporated King County.

4. The county is experiencing a roads funding crisis due to the impacts of municipal annexations, the 2008 recession, limited gas tax revenues, the effects of voter initiatives, the lack of significant sales and commercial tax revenue from unincorporated areas and an aging bridge and road system. The lack of revenue is significantly impacting the county's capacity to maintain, improve and replace aging and failed components of the bridge and road system.

5. The findings of the 2016 King County Bridges and Roads Task Force Final Report and Recommendations indicate that the cost to manage existing roads infrastructure at its lowest life cycle cost and address mobility and capacity needs would cost at least \$350 million annually.

6. Presently, about \$100 million in revenue is generated annually creating a \$250 million gap in needed funding. At that level of funding, the county estimates that the system will continue to deteriorate and in the next 25 years may have to close an estimated 35 bridges as they become unsafe, and restrict or close about 72 miles of roadway, based on condition assessments.

7. The executive's 2019-2020 proposed budget identified that beginning in 2025, the road services division will not have sufficient revenues to make any capital investments in the preservation of the road system and thereafter, maintenance and operations funding will begin to decline.

8. The major source of revenue for the road services division is the road levy, a property tax authorized in RCW 36.82.040. The maximum road levy rate is \$2.25 per \$1,000 of assessed property valuation. King County's road levy is only imposed in unincorporated areas and is not imposed within cities.

9. Passage of Initiative 747 in 2001, and its subsequent passage into law by the Washington state Legislature, capped the amount that property taxes levied by counties can increase to one

percent per year, plus revenue from new construction.

10. Impacts of the 2008 recession and the region's subsequent economic recovery, when combined with the statutory one percent limitation on tax growth, have resulted in road levy revenues not keeping pace with inflation or benefiting from the regional economic recovery and growth in property valuations. As a result, the 2020 structural funding gap between the maximum road levy rate and the assessed levy rate is estimated at \$0.43 per \$1,000 of assessed property valuation.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. The definitions in this section apply throughout this ordinance unless the context clearly requires otherwise.

A. "Levy" means the levy of regular property taxes, for the specific purpose and term provided in this ordinance and authorized by the electorate in accordance with state law.

B. "Levy proceeds" means the principal amount of funds raised by the levy, any interest earnings on the funds and the proceeds of any interim financing following authorization of the levy.

C. "Limit factor" means the most recent published King County office of economic and financial analysis King County inflation plus population index, or the limitation in chapter 84.55 RCW, whichever is greater.

D. "Road system" means the comprehensive system of roadways and other transportation facilities, including sidewalks, paths, drainage systems and services to support a variety of transportation modes for the safe and efficient movement of people and goods and delivery of services in unincorporated King County.

SECTION 2. Levy submittal to voters. To provide necessary funding for the purposes identified in section 4 of this ordinance, the King County council shall submit to the qualified electors of the county a proposition authorizing a regular property tax levy in excess of the levy limitation contained in chapter 84.55 RCW for six consecutive years, with collection commencing in 2021, at a rate not to exceed \$2.25 per one

thousand dollars of assessed value in the first year of the levy period. Annual levy increases in years two through six, which are 2022 through 2026, of the levy shall be subject to the limit factor and shall not exceed a rate of \$2.25 per one thousand dollars of assessed valuation in any one year. The dollar amount of the 2026 levy shall be the base upon which limitations for subsequent increases will be calculated as provided in RCW 84.55.050.

SECTION 3. Deposit of levy proceeds. The levy proceeds shall be deposited into the operating subfund of the county road fund or its successor.

SECTION 4. Eligible expenditures. If approved by the qualified electors of the county, levy proceeds shall be used for the following purposes:

A. Costs incurred by the county that are attributable to the special election called for in section 5 of this ordinance; and

B. The construction, repair, improvement, preservation and maintenance of roads and bridges and related right of way in accordance with RCW 36.82.070.

SECTION 5. Call for special election. In accordance with RCW 29A.04.321, the King County council hereby calls for a special election to be held in conjunction with the primary election on August 4, 2020, to consider a proposition authorizing a regular property tax levy for the purposes described in this ordinance. The King County director of elections shall cause notice to be given of this ordinance in accordance with the state constitution and general law and to submit to the qualified electors of the county, at the said special county election, the proposition hereinafter set forth. The clerk of the council shall certify that proposition to the King County director of elections in substantially the following form:

The King County council has passed Ordinance ____ concerning a six-year levy for roads funding. If approved, this proposition would increase the roads property tax levy rate to \$2.25 per \$1,000 of assessed valuation for collection in 2021 with annual increases, 2022 through 2026, by the greater of: the King County inflation plus

population index; or the chapter 84.55 RCW limitation, not to exceed a rate of \$2.25, to fund road safety, preservation, maintenance and operations. The 2026 levy amount would be the base for computing subsequent levy limitations as provided in chapter 84.55

RCW. Should this proposition be:

Approved? __

Rejected? __

SECTION 7. Exemption. The additional regular property taxes authorized by this ordinance shall be included in any real property tax exemption authorized by RCW 84.36.381.

SECTION 8. Ratification. Certification of the proposition by the clerk of the King County council to the director of elections in accordance with law before the election on August 4, 2020, and any other acts consistent with the authority and before the effective date of this ordinance are hereby ratified and confirmed.

SECTION 9. Severability. If any provision of this ordinance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.