

TRANSPORTATION BENEFIT DISTRICTS

- Transportation Benefit Districts (TBDs) allowed by State law (RCW 36.73)
- Independent governments to fund and implement transportation improvements
- King County plus 19 cities have established TBDs (King County's is **King County Transportation District**)
- State law authorizes a variety of councilmanic and voter-approved funding sources

KEY TBD FUNDING SOURCES

FUNDING SOURCE	VOTER APPROVAL NEEDED?	MAX RATE	MAX TERM
Councilmanic license fee	No	\$50	No restriction
Voted vehicle license fee	Yes	\$100	No restriction
Councilmanic sales tax	No	0.1%	10 years
Voted sales tax	Yes	0.2%	10 years
Property tax excess levy	Yes (60%)	In excess of 1% limit	1 year (40 if bonded)

PROPOSED RESOLUTION TD2025-02

- 10-year 0.1% sales tax for transportation improvements
- Councilmanic sales tax
- Would be imposed countywide, in addition to local jurisdictions' TBD sales taxes
- Revenues divided equally between Roads and Metro
- Would collect ~\$95M per year
- Cost to median household ~\$40 per year

AUTHORIZED USES FOR ROADS

Eligible “transportation improvements” per State law, with focus on:

- Safety and preservation programs
- Necessary levels of operations and maintenance to keep roads and bridges open and functional
- Pavement preservation, intersection safety, bridge replacement, bridge load upgrade projects
- Local matching moneys to leverage grant opportunities

AUTHORIZED USES FOR METRO

Eligible “transportation improvements” per State law, with focus on:

- Implementing adopted Service Guidelines (identifies where additional transit service is needed)
- Implementing adopted Metro Connects long-range plan (future transit networks through 2050)
- Safety and security enhancements to keep operators and riders safe

FISCAL IMPACT

- Would raise ~\$95M per year
- Current average sales tax rate in King County is 9.7%
- Would add ~\$40 per year for median household
- Would add to Metro's existing 0.9% sales tax

TIMELINE

- WA Dept of Revenue (DOR) adjusts sales taxes in January, April, July
- DOR requires 75-day notice to adjust sales tax
- Next 75-day deadline is October 18, 2025
- If KCTD Board acts and notifies DOR by October 18, collections would begin January 1, 2026