



King County

King County Transportation District

STAFF REPORT

Agenda Item:	5	Name:	Mary Bourguignon
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SUBJECT

Today's briefing will provide information about Transportation Benefit Districts (TBDs), the King County Transportation District (KCTD), funding sources available to the KCTD, and eligible uses of KCTD funds.

SUMMARY

Washington state law¹ allows cities and counties to establish local Transportation Benefit Districts (TBDs), which are independent governments created to fund and implement transportation improvements. In King County, 19 cities have created TBDs.

King County also has a TBD, the King County Transportation District (KCTD), which was established in 2014. The KCTD covers all of King County and is governed by a Board of Supervisors comprised of the nine King County Councilmembers. The KCTD is an independent government, separate from King County government.

State law gives TBDs access to a number of funding sources, including sales tax, vehicle license fees, development impact fees, and local improvement districts.

Some of these funding sources, such as development impact fees and local improvement districts, can only be used for specific development projects or in specific geographic areas. But others, such as sales tax and vehicle license fees, can be used for broader transportation improvements within the TBD's boundaries, such as to construct, operate, preserve, or maintain roadways or public transit.

The funding sources available to the KCTD supplement those available to King County as a local government, including the funding sources available to the Metro Transit Department (Metro) and the Road Services Division (Roads) of the Department of Local Services, the two County agencies that implement transportation improvements.

Today's briefing will provide information about TBDs generally, the KCTD specifically, funding sources available to the KCTD, and eligible uses of KCTD revenues.

¹ RCW 36.73

BACKGROUND

Transportation Benefit Districts. Washington state law² allows for the creation of local Transportation Benefit Districts (TBDs), which are independent governments created to fund and implement transportation improvements. TBDs may be established by the legislative authority of a county or city, and they can encompass territory within a jurisdiction's boundaries, the boundaries of multiple jurisdictions, or a portion of the territory within a jurisdiction's boundaries.³

State law gives TBDs access to a range of voter-approved and councilmanic funding sources. Some of these funding sources, such as sales tax and vehicle license fees, can be used for general transportation improvements within the boundaries of the TBD. Others, such as development impact fees, tolls, or local improvement districts, can only be used for specific development projects or for defined geographic areas.⁴

State law allows TBDs access to these revenue sources for:

“acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.”⁵

"Transportation improvement" is defined as:

“a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction.”

Such a project:

“may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high-capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management.

Projects may also include the operation, preservation, and maintenance of these facilities or programs.”⁶

Table 1 summarizes funding sources available to TBDs, with an estimate of the potential amount that could be raised by increment if imposed by the KCTD.

² RCW 36.73

³ RCW 36.73.020

⁴ Note that in addition to the King County Transportation District (King County's TBD), Metro and King County also have access to different funding sources. A list of these funding sources, as of May 2022, can be found in the Metro Connects Implementation Report (Motion 16155, [link](#)).

⁵ RCW 36.73.020

⁶ RCW 36.73.015(6)

Table 1. Transportation Benefit District (TBD) Funding Sources⁷

Funding Source	Authorizing Statute	Voter Approval Needed?	Maximum Rate	Maximum Term	KCTD Amount Raised per Increment
Councilmanic Vehicle License Fee	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 ⁸
Voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	Yes	\$100	No restriction	\$15M/year per \$10
Councilmanic Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	No	0.1%	10 years <i>(can be bonded, but TBD must vote to renew every 10 years)</i>	\$95M/year per 0.1% ⁹
Voted Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	Yes	0.2%	10 years <i>(plus 2nd 10 years with vote, can be longer if bonded)</i>	\$95M/year per 0.1%
Development Impact Fee	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
Tolls	RCW 36.73.040(3)(d)	Yes	As limited by Transportation Commission and voters	As limited by Transportation Commission and voters	Depends on size of toll, geographic area where toll is applied
Property Tax Excess Levy	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>	\$87M/year per \$0.10/\$1,000 AV ¹⁰
Local Improvement District (LID)	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

Note that some of the funding sources available to a TBD are not “stackable,” meaning that King County would not be able to leverage these funding sources within a jurisdiction that has already implemented them for its own TBD. As a result, additional legal and financial review would be required if the KCTD were to plan to implement a funding measure.

⁷ Source: Metro Connects Implementation Report ([Motion 16155](#)), updated where indicated

⁸ Vehicle license fee revenue based on 1.7 vehicles available per King County household (2019 American Community Survey Table B08201)

⁹ Updated by PSB, March 2025

¹⁰ Updated by PSB, March 2025

In addition to King County, 19 local jurisdictions in the county have established TBDs. Table 2 lists jurisdictions within King County that have established TBDs.

Table 2. King County Local Jurisdictions with TBDs, March 2025¹¹

City	Established	Sales Tax	Vehicle License Fee (VLF)
Black Diamond	2015		\$20
Burien	2009		\$20
Covington	2013	0.3%	\$20
Des Moines	2008		\$40
Duvall	2015	0.20%	
Enumclaw	2013	0.10%	\$20
Issaquah	2018	0.10%	
Kenmore	2012		\$20
Kirkland	2014		\$20
Lake Forest Park	2008	0.10%	\$50
Maple Valley	2012	0.10%	\$20
Mercer Island	2014		\$20
Normandy Park	2013		\$20
North Bend	2011	0.20%	
Redmond	2023	0.10%	
Renton	2023	0.10%	
Seattle ¹²	2010	0.15%	\$50
Shoreline	2009	0.20%	\$40
Snoqualmie	2010	0.30%	

King County Transportation District. In 2014, King County established the King County Transportation District (KCTD) as a TBD for the county.¹³ Its geographic boundaries are those of King County.¹⁴ It is governed by a Board of Supervisors made up of the members of the King County Council.¹⁵ The KCTD is a separate government from King County. If it were to raise revenues, the KCTD could contract with King

¹¹ Municipal Research and Services Center, March 2025 list of Transportation Benefit Districts ([link](#))

¹² In 2014, Seattle voters approved a \$60 VLF and 0.1% sales tax increase. In 2020, voters renewed with a 0.15% sales tax only. The Seattle City Council (which has assumed the TBD into Seattle government) incrementally imposed a \$50 VLF.

¹³ Ordinance 17746. The KCTD replaced a prior King County TBD.

¹⁴ The KCTD Board could choose to change its boundaries, if desired, with 10 days advance notice and a public hearing. Note that, per state law, King County can have only one TBD at a time (though each city within King County can have its own TBD).

¹⁵ Resolution TD2014-01

County to use the revenues. Alternatively, the KCTD could be assumed into King County.¹⁶

The KCTD Board met in 2014 and again in 2020, but has not met since:

- In February 2014, the KCTD placed a 10-year countywide transit and roads funding measure on the April ballot.¹⁷ The measure consisted of a \$60 vehicle license fee and 0.1% sales tax. It was estimated to raise \$135 million in 2015, the first full year of collections. The proposed funding measure would have distributed 60% of the revenues raised to Metro and 40% to Roads and local jurisdictions for roadway improvements, with the distribution based on population. The funding resolution was not approved by voters.

Subsequently, the City of Seattle's TBD¹⁸ placed a Seattle-specific, six-year transit funding measure on the November 2014 ballot,¹⁹ comprised of a \$60 vehicle license fee and a 0.1% sales tax. Seattle voters approved this measure. By 2020, the Seattle transit funding measure was collecting \$63.4 million annually, of which up to \$3 million a year was used to support regional transit service, up to \$2 million a year was used to support low-income access to transit, and the remainder was used to purchase additional transit service from Metro through a Community Mobility Contract²⁰ approved by the City and County. In 2019, this contract supported the purchase of approximately 350,000 service hours from Metro, nearly 10% of the total fixed-route service hours Metro was operating at the time.

- In March 2020, in advance of the December 2020 expiration of the six-year Seattle transit funding measure, the KCTD Board met to discuss the possibility of placing a countywide transit funding measure on the August ballot.²¹ The measure under discussion would have authorized submittal to voters of a 10-year 0.2% sales tax, which was estimated to collect \$160 million in 2021. Those discussions were tabled due to the onset of the Covid-19 pandemic.

Subsequently, the City of Seattle²² placed a transit funding renewal measure comprised of a 0.15% sales tax on the November 2020 ballot, which Seattle voters approved, and which expires on March 31, 2027.²³ In 2025, the Seattle transit funding measure is estimated to collect \$53.7 million. In the years since

¹⁶ As examples of these approaches, the King County Flood Control District is a separate government that carries out its work through an Interlocal Agreement with King County to perform needed duties (see FCD2021-06). The Seattle TBD, on the other hand, was created as an independent government, but was assumed into the City of Seattle in 2016 (Seattle Ordinance 125070).

¹⁷ Resolution TD2014-03 ([link](#))

¹⁸ The Seattle TBD was created in 2010 through Seattle Ordinance 123397

¹⁹ Seattle TBD Resolution 12

²⁰ Approved by King County through Ordinance 17978 and by Seattle through Ordinance 124720.

²¹ Resolution TD2020-01([link](#))

²² The City of Seattle assumed the Seattle TBD into Seattle government in 2016 through Seattle Ordinance 125070.

²³ The 2020 Seattle transit funding ballot measure was authorized by the Seattle City Council through Ordinance 126115 and imposed through Ordinance 126250. It is comprised of a 0.15% sales tax.

the measure was renewed, revenues have been used for the West Seattle Bridge, speed and reliability improvements, and youth and low-income fare programs,²⁴ as well as to purchase additional transit service from Metro through a Transit Service Funding Agreement.²⁵ In 2023, the Seattle transit funding measure funded 140,000 Metro service hours.

Separately, in both 2020²⁶ and 2021,²⁷ the Executive proposed that King County (not the KCTD) submit to the voters in unincorporated King County a proposal for a six-year property tax levy lid lift to fund County roads maintenance and preservation. The 2020 measure was estimated to collect approximately \$122 to \$166 million in additional revenue over the six-year levy period; the 2021 measure was estimated to collect approximately \$178 to \$236 million in additional revenue over the six-year levy period. Due to the economic uncertainty caused by the Covid-19 pandemic, neither measure was acted on by the King County Council.

The KCTD bylaws²⁸ set three regular meetings a year for the Board: at 1:30 pm on the third Monday of April, July, and October. As noted above, the KCTD Board has not met since March 2020.

The KCTD Board has the authority to impose or to submit to the voters the funding sources listed in Table 1. As described above, any funding measure implemented by the KCTD must be applied toward an eligible transportation improvement as described in State law.

ATTACHMENTS

1. KCTD overview presentation

²⁴ As of September 2022, youth ride free on transit (Ordinance 19474)

²⁵ Approved by King County through Ordinance 19240 and by Seattle through Ordinance 12685.

²⁶ Proposed Ordinance 2020-0110 and Proposed Motion 2020-0111

²⁷ Proposed Ordinance 2021-0206 and Proposed Motion 2021-0207

²⁸ TD2014-01 ([link](#))