

CITY OF SEATAC TRANSPORTATION PLAN

Funding Options for Transportation

November 4, 2014

FUNDING SOURCES

The following table shows revenue sources available for cities for transportation purposes. The purpose of this table is to show authorized sources, some already utilized by SeaTac as noted, and how they are currently being used to fund transportation in King County. The table does not include repealed or discontinued funding sources.

Funding Source	Funding Source and Description/ <i>Restrictions</i>	King County Examples of Use
Transportation/Capital Specific Funds	These are funds that are specially earmarked for transportation projects. Because transportation projects are so capital-intensive, we have lumped these funds in with transportation-specific funds.	
Motor Vehicle Excise Tax (MVET) <i>RCWs 81.100 and 81.104</i>	Up to a 0.8% MVET tax can be imposed for funding high capacity transportation services locally.	The City of Seattle has instituted a local-option Motor Vehicle Excise Tax (MVET)
Commercial Parking Tax <i>RCW 82.80.030</i>	A city has jurisdiction to enact a tax on commercial parking (either the business, based on gross proceeds or number of stalls, or directly on the customer, as in an admissions tax) within their jurisdiction. No specific rate is set, although specific parameters for rate setting are provided. Tax-exempt carpools, vehicles with handicapped decals, and government vehicles are exempt from the tax. The funds collected through this tax can be used for general transportation purposes, including construction and operation of roadways, public transportation, high capacity transportation, transportation planning and design, and/or other transportation-related activities. <i>This tax is subject to planning provisions and an exclusive councilmanic referendum procedure.</i>	Below are the amounts King County cities who levy the commercial parking tax collected in 2013: <ul style="list-style-type: none"> • SeaTac (\$5,425,042) • Bainbridge Island (\$508,772) • Bremerton (\$311,374) • Mukilteo (\$66,264) • Tukwila (\$155,585) • Burien (\$17,398) • Des Moines (\$19,657) • Monroe (\$163,630) • Seattle (\$18,660,166)

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<p>Local Improvement District (LID) Formation <i>RCW 35.43 to 35.56</i></p>	<p>Allows cities to carry out public improvements, including transportation improvements through mechanisms that assess those costs to benefitted property owners.</p>	<p>SeaTac has formed a Local Improvement District for 28th Ave South, Phase I. Used to partially fund road improvements.</p>
<p>GMA Impact Fees <i>RCW 82.02.050(2), 82.02.060, and 82.02.070</i></p>	<p>Local governments can adopt a schedule of impact fees for each type of development activity. Impact fees can support transportation needs from development.</p> <p><i>GMA Authorized impact fees may only be levied to finance specific public improvements addressed by a capital facilities plan.</i></p>	<p>The following cities in King County levy a Transportation Impact Fee:</p> <ul style="list-style-type: none"> • Auburn • Bellevue • Bothell • Burien • Covington • Des Moines • Duvall • Federal Way • Issaquah • Kenmore • Kent • Kirkland • Maple Valley • Newcastle • North Bend • Redmond • Renton • Sammamish • SeaTac • Seattle (SEPA-based) • Woodinville

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<p>Levied by Transportation Benefit Districts (TBDs) <i>Chapter 36.73 RCW</i></p>	<p>TBDs are independent taxing districts that can impose an array of fees or taxes to fund transportation improvements. TBDs can be established in jurisdictions ranging from a city to multi-county area. TBDs are intended to finance the construction of, and operate, improvements to roadways, high capacity transportation systems, public transit systems, and other transportation management programs.</p> <ul style="list-style-type: none"> • Sales and Use Tax, <i>RCW 82.14.0455</i>. Cities can authorize local TBDs that provide up to a 0.2% local sales and use tax with voter approval. <i>This tax may not be in effect longer than 10 years unless reauthorized by voters</i> • Motor Vehicle Excise Tax (MVET), <i>RCWs 81.100 and 81.104</i>. TBDs can levy up to a \$100 fee for each new vehicle weighing less than 6,000 pounds registered in its jurisdiction. \$20 of this fee can be leveraged without a public vote. 	<ul style="list-style-type: none"> • Burien No. 1 • Des Moines • Edmonds • Lake Forest Park • Olympia • Prosser • Seattle • Shoreline <p>North Bend has instituted a \$0.0002 sales tax on its TBD.</p> <p>Several TBDs leverage a MVET Fee, these include:</p> <ul style="list-style-type: none"> • Burien No. 1 (\$10) • Des Moines, Edmonds, Lake Forest Park, Olympia, Prosser, Seattle, Shoreline, and Snoqualmie (\$20)
<p>Real Estate Excise Tax (REET) 1 <i>RCW 82.46.010</i></p>	<p>All cities and counties may levy a quarter percent real estate tax on all sales of real estate.</p> <p>Cities and counties with a population of 5,000 or more that are planning under GMA must spend the first quarter percent of their real estate excise tax receipts solely on capital projects that are listed in the capital facilities plan element of their comprehensive plan.</p> <p>From June 30, 2012 until December 31, 2016, a city or county may use REET 1 revenues for operations and maintenance (O&M) of existing capital projects. The maximum amount of REET 1 that may be spent on O&M is the greater of \$100,000 or 35 percent of the available funds, not to exceed \$1 million per year.</p>	<p>All cities in King County levy a REET 1 tax.</p>

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<p>Real Estate Excise Tax (REET) 2 <i>RCW 82.46.035</i></p>	<p>Cities and counties planning under the Growth Management Act have the authority to levy a second quarter percent tax (REET 2).</p> <p>Revenues from this tax must be used for financing capital projects specified in a capital facilities plan element of a comprehensive plan. Acquisition of land for parks is not a permitted use of REET 2 receipts.</p> <p>From June 30, 2012 until December 31, 2016, a city or county may use REET 2 revenues for operations and maintenance (O&M) of existing capital projects. The maximum amount of REET 2 that may be spent on O&M is the greater of \$100,000 or 35 percent of the available funds, not to exceed \$1 million per year.</p>	<p>All cities in King County except Skykomish levy a REET 2 tax.</p>