

The City of Seattle

Ordinance _____

Council Bill _____

..title

An ordinance relating to a sales and use tax; providing for the submission to qualified electors of the City at an election to be held on November 3, 2026, a proposition to collect a sales and use tax to fund transit and related transportation programs in Seattle; and ratifying and confirming certain prior acts.

..body

Recitals:

Chapter 36.73 of the Revised Code of Washington (RCW) provides for the establishment of transportation benefit districts by cities and counties and authorizes those districts to levy and impose various taxes and fees to generate revenues to support transportation improvements that benefit the district and that are consistent with state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.

City of Seattle (City) Ordinance 123397 created the Seattle Transportation Benefit District for preserving and maintaining transportation infrastructure, improving public safety, implementing elements of the Seattle Transportation Strategic Plan and other planning documents, investing in bicycle, pedestrian, freight mobility and transit enhancements, and providing people with choices to meet their mobility needs.

In Seattle Transportation Benefit District (STBD) Resolution 12, the Governing Board of the STBD submitted a ballot measure (STBD Proposition 1) to the qualified electors of the STBD to authorize up to a 0.1 percent sales and use tax and an annual vehicle license fee of up to an additional \$60 per registered vehicle with a \$20 rebate for low-income individuals, for the purposes of funding additional city-wide transit service in Seattle for a six-year term expiring on December 31, 2020.

On November 4, 2014, STBD Proposition 1 was approved by a majority of qualified electors of the STBD, and on December 1, 2014, in STBD Resolution 14, the Governing Board of the STBD imposed the revenue measures authorized by the voters through the approval of STBD Proposition 1.

On July 8, 2016, by Ordinance 125070, the City assumed the rights, powers, immunities, functions, and obligations of the STBD as authorized under RCW 36.74.030.

In July 2020, by Ordinance 126115, having assumed the powers of the STBD, the City submitted a ballot measure (City of Seattle Proposition 1) to the City's voters to authorize up to a 0.15 percent sales and use tax for the purposes of funding additional citywide transit service in Seattle for a six-year term expiring on March 31, 2027.

On November 3, 2020, City of Seattle Proposition 1 was approved by 80 percent of qualified Seattle electors and imposed the revenue measures authorized by voters via Ordinance 126250 on December 11, 2020.

To distinguish it from the vehicle license fees enacted by the City Council under chapter 36.73 RCW's Transportation Benefit District authority, used to fund non-transit

transportation investments, Proposition 1 is now known as the Seattle Transit Measure.

The State Department of Revenue requires one calendar quarter of notice before a new sales tax may be collected. As a result, to begin collecting a new sales tax on April 1, 2027, one day after the current measure expires on March 31, 2027, a new measure must be approved by voters in the November 3, 2026 General Election, and that authority enacted by the City Council by December 31, 2026.

The City, having assumed the powers of the STBD, currently has the authority to seek voter approval for a replacement measure of up to a 0.3 percent sales and use tax for transportation improvements under RCW 82.14.0455.

Since the passage of City of Seattle Proposition 1 in 2020, the Seattle Transit Measure has funded seven percent of bus service on eligible Seattle routes operated by King County Metro (those with 65 percent of stops within Seattle), expanding bus service by over 3,200 weekly trips, making bus service more reliable, prioritizing historically underserved populations, and increasing access to transit service in the evenings, on weekends and overnight on over 30 bus routes across the city.

The 2020 Seattle Transit measure funded transit equity and access initiatives, providing 52,000 subsidized ORCA cards to youth, seniors, low-income families receiving free preschool tuition, Seattle college students, essential workers, job seekers, and Seattle Housing Authority residents.

The 2020 Seattle Transit measure funded enhanced transit infrastructure through a diverse range of capital investments. STM funds have supported projects aimed at improving transit travel time, reliability, safety, and accessibility. Notable transit

projects using STM funding include RapidRide J Line, NE 130th & NE 125th Mobility and Safety Project, the Rainier Ave S Bus Lane Project, 35 Transit Spot Improvements, among many others. These investments reflect SDOT's commitment to creating a safer, more efficient, and accessible transit system for Seattle residents through STM revenues.

The 2020 Seattle Transit Measure began funding Sound Transit 3 (ST3) staffing to support delivery of Sound Transit 3 projects in Seattle in 2025, including the West Seattle Link Extension, the Ballard Link Extension, and the Graham St infill station. This investment supports a team of transportation planners, engineers, permit reviewers and project managers that coordinate closely with Sound Transit to streamline the permitting process and get to construction more quickly.

The City wishes to continue maintaining access to opportunity and to expand the more frequent, reliable, all-day, every-day transit network made possible by City of Seattle Proposition 1.

Because of the importance of the regional public transit network in promoting equitable transit access in communities throughout King County, the City supports future efforts to enact a countywide transit funding measure. The City intends to collaborate with King County, and the King County Transportation District, or its successor, on a future transit measure that could be approved by countywide voters, thereby allowing the City to potentially adjust or phase-out this funding measure; and

In the meantime, the City will continue to work with King County Metro to provide expanded transit service to Seattle residents through renewal of service

purchase agreements it entered with the City following passage of the original STBD Proposition 1 in 2014 and renewed in modified form following voter approval of the current Seattle Transit Measure in 2020. Therefore,

Be it ordained by The City of Seattle as follows:

Section 1. The City submits to the qualified electors of the City of Seattle a proposition to authorize up to a 0.3 percent sales and use tax that will be effective no earlier than April 1, 2027 and continuing for up to a ten-year term, ending March 31, 2037. This sales and use tax would replace the 0.15 percent sales and use tax authorized by Seattle voters in 2020 for a six-year term expiring March 31, 2027. If approved by voters, the revenues will be used as described below in Section 2 of this ordinance.

Section 2. Use of revenues. The funds raised by this proposition (Proposition revenues) will be used solely for the transit and transportation purposes as described in this ordinance and associated administrative costs. Proposition revenues will first be used to pay election costs and any required administrative costs to the state Department of Revenue.

Remaining Proposition revenues will be used to fund:

A. Service hours and associated administrative, maintenance, and asset management costs that support King County Metro-operated services with more than 65 percent of stops within Seattle, consistent with the Seattle Transportation Plan and King County Metro Transit's Service Guidelines and long-range plan (Metro CONNECTS), along with the fund reserves necessary under current and future agreements with King County Metro. Bus service hour investments shall be made using

a system-wide, data-driven, equity-centered prioritization approach which shall be revised periodically with input from the Transit Advisory Board.

B. King County Metro transit service hours on current and future RapidRide lines serving Seattle, identified in the Seattle Transit Master Plan and King County Metro's long-range plan (Metro CONNECTS).

C. King County Metro transit service hours on routes serving the City's highest equity priority areas, as informed by ridership and census data.

D. The implementation, management, and administration of programs to support transit access by qualifying seniors, residents of Seattle Housing Authority and other low-income housing within Seattle, youth and young adults, including students participating in the Seattle Promise program or other similar programs at Seattle colleges and universities, and low-income families. This category may receive up to \$12 million in annual appropriations.

E. Infrastructure maintenance and capital improvements to maximize the efficiency, safety, and availability of transit operations within Seattle, including enhancements to transit reliability and associated project-related transportation demand management activities. This category may receive up to \$3.5 million in annual appropriations, excluding capital carryforward appropriations available under state law.

F. City of Seattle staffing of programs intended to facilitate planning, engineering, permitting, and project delivery of Sound Transit 3 projects including the West Seattle Link Extension, the Ballard Link Extension, and the Graham St infill station as approved by regional voters in 2016. This category may receive up to \$8 million of annual appropriations, excluding capital carryforward appropriations allowable under state law.

Section 3. In addition to the restrictions on the use of revenues in Section 2 of this ordinance, the annual appropriations for subsections 2.A, 2.B, and 2.C of this ordinance shall equal at least 60 percent of the annual Proposition revenues, in keeping with the intent of the measure, to increase the frequency and reliability of transit service.

Section 4. If the King County Transportation Benefit District enacts a countywide transit funding measure, the City reserves the right to pass an ordinance that reduces the sales and use tax rate enacted pursuant to Section 1 of this ordinance and/or modifies the restrictions in Section 3 of this ordinance.

Section 5. No supplanting of existing funding for transit service. Before funding any transit service, the City anticipates that there will be an interlocal agreement with King County Metro to provide that the Proposition revenues will not supplant other funding for any routes partially or completely operating within Seattle that King County Metro would otherwise provide in accordance with the Seattle Transportation Plan, and King County Metro's Transit Service Guidelines and long-range plan (Metro CONNECTS).

Section 6. Oversight. The City of Seattle shall issue an annual report to the public that provides an overview of transit service levels in Seattle and describes how the Seattle Transit Measure has invested in transit service, transportation access, other transit improvements, and Sound Transit expansion efforts in that year and the impacts these investments have had on the travelling public, including progress toward Frequent Transit Network and City mobility goals.

The community-led Seattle Transit Advisory Board will continue to serve as the public oversight committee charged with advising on spending of Proposition revenues.

Appointments to the Transit Advisory Board, the scope of its duties, and reporting requirements shall continue to be consistent with Resolution 31572, as adopted by Council in 2015, following passage of the 2014 Transportation Benefit District measure.

Section 7. Election – Ballot title. The City Council directs the City Clerk to file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting the Director of Elections to call and conduct a special election in conjunction with the state general election to be held on November 3, 2026, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance.

The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with the City Attorney's responsibilities under RCW 29A.36.071 and RCW 29A.72.050. The following ballot title containing a statement of subject and concise description are submitted to the City Attorney for consideration:

THE CITY OF SEATTLE

PROPOSITION NO. 1

The City of Seattle adopted Ordinance No. XXXXXX concerning funding for transit and related transportation needs in Seattle.

The City of Seattle's Proposition 1 would dedicate funding to transit services benefiting Seattle residents, including more frequent transit service; transit fare programs for qualifying low-income people, seniors, students and workers; transit reliability and access projects; enhanced transit service on RapidRide and routes serving high equity priority areas; and planning and permitting for Sound Transit expansion. It authorizes a

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Bill LaBorde

D1b

0.3% sales and use tax for up to ten years to replace the current voter-approved 0.15% sales tax expiring March 31, 2027.

Should this Proposition be approved?

Yes

No

Section 8. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 9. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 10. Those portions of this ordinance providing for the submission of a ballot proposition to the voters shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, they shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070. Those portions of this ordinance that are dependent upon voter approval of said ballot proposition shall take effect in accordance with applicable law.

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Passed by the City Council and signed in open session in authentication of its
passage on _____.

President _____ of the City Council

_____ on _____.

Katie B. Wilson, Mayor

Attested on _____.

Scheereen Dedman, City Clerk

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