



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

King County Transportation District

*Boardmembers: Claudia Balducci, Chair;
Vacant, Vice Chair;
Jorge Barón, Rod Dembowski, Reagan Dunn, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Sarah Perry, Pete von Reichbauer*

9:00 AM

Thursday, March 19, 2026

Hybrid Meeting

SPECIAL MEETING -REVISED AGENDA-

Hybrid Meetings: Attend King County Transportation District meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

HOW TO PROVIDE PUBLIC TESTIMONY: The District values community input and looks forward to hearing from you. You are not required to sign up in advance.

There are three ways to provide public testimony:

1. In person: You may attend the meeting in person in Council Chambers.
2. By email: You may testify by submitting a COMMENT email. If your testimony is submitted before 4:00 p.m. on the day before of the meeting, your email testimony will be distributed to the Supervisors and appropriate staff prior to the meeting. Please submit your testimony by emailing clerk@kingcounty.gov.
3. Remote attendance on the Zoom Webinar: You may provide oral public testimony at the meeting by connecting to the meeting via phone or computer using the ZOOM application at <https://zoom.us/>, and entering the Webinar ID below.

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
--	--	--

CONNECTING TO THE WEBINAR

Webinar ID: 824 2548 1663

If you do not have access to the ZOOM application, you can connect to the meeting by calling 1 253 215 8782 and using the Webinar ID. Connecting in this manner, however, may impact your ability to be unmuted to speak.

You have the right to language access services at no cost to you. To request these services, please contact our Equity and Social Justice Coordinator, Tera Chea at (206) 477 9259 or Tera.Chea2@kingcounty.gov, three (3) days prior to the meeting.

If you do not wish to be called upon for public comment during the meeting, please help us manage the callers and use one of the options below (Live Streaming or King County TV Channel 22).

HOW TO LISTEN TO THE MEETING: There are several ways to listen to the meeting if you don't wish to provide public testimony:

1. Stream online via this link: <https://kingcounty.gov/kctv>, or input the link web address into your web browser.
2. Watch King County TV on Comcast Channel 22 and 322(HD), and Astound Broadband Channels 22 and 711 (HD).
3. Listen to the meeting by telephone – See “Connecting to the Webinar” above.



1. **Call to Order**

To show a PDF of the written materials for an agenda item, click on the agenda item below.

2. **Roll Call**

3. **Approval of Minutes of February 25, 2026** **pg 5**

4. **Public Comment**

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
---	--	---

5. TD Briefing No. TD2026-B05 **pg 9**

Updates and Answers to Questions

Mary Bourguignon, Council staff
Nick Bowman, Council staff

Discussion Only

6. TD Resolution No. TD2026-01 **pg 20**

A RESOLUTION of the King County transportation district, fixing and imposing a one-tenth of one percent sales and use tax within the boundaries of the district to finance transportation improvements, as authorized by RCW 36.73.040, 36.73.065, and 82.14.0455.

Sponsors: Balducci

Nick Bowman, Council staff

7. TD Briefing No. TD2026-B06 **pg 39**

Potential Next Steps and Timeline



Mary Bourguignon, Council staff
Nick Bowman, Council staff

8. TD Resolution No. TD2026-02

A RESOLUTION related to the provision of services to the King County transportation district by King County; requesting the county prepare, negotiate, and execute with the district an implementation plan and interlocal agreement for transportation improvement planning and implementation, and stating the intent of the district to reimburse the county fully from available funds for the reasonable cost of services provided to the district.

Sponsors: Balducci



Mary Bourguignon, Council staff
Nick Bowman, Council staff

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
---	--	---

9. Executive Session: Legal risks of a proposed action as allowed by RCW 42.30.110(1)(i)

10. Election of Board Officers

Adjournment

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711. Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
---	---	---



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Minutes

King County Transportation District

*Boardmembers: Claudia Balducci, Chair;
Vacant, Vice Chair;
Jorge Barón, Rod Dembowski, Reagan Dunn, Steffanie Fain,
Rhonda Lewis, Teresa Mosqueda, Sarah Perry, Pete von
Reichbauer*

5:30 PM

Wednesday, February 25, 2026

Hybrid Meeting

**DRAFT MINUTES
SPECIAL MEETING
Issaquah City Council Chambers
135 E Sunset Way Issaquah, WA 98027**

Hybrid Meetings: Attend the King County Transportation District meeting in person in Issaquah City Council Chambers, 130 E Sunset Way Issaquah, WA 98027 or through remote access. Details on how to attend and/or provide comment remotely are listed below.

HOW TO PROVIDE PUBLIC TESTIMONY: The District values community input and looks forward to hearing from you. You are not required to sign up in advance.

There are three ways to provide public testimony:

1. **In person:** You may attend the meeting in person in Issaquah City Council Chambers.
2. **By email:** You may testify by submitting a **COMMENT** email. If your testimony is submitted before 10:00 a.m. on the day of the meeting, your email testimony will be distributed to the boardmembers and appropriate staff prior to the meeting. Please submit your testimony by emailing clerk@kingcounty.gov.
3. **Join by Computer**
 - Webex Webinar at:
<https://issaquah.webex.com/issaquah/j.php?MTID=ma3fa3afa78dfd9b768ed1d048f01752e>
 - If needed, meeting password is 98027
 - Join by Phone**
 - Call 1-206-207-1700, enter meeting number (access code) 2493 720 1628#

You have the right to language access services at no cost to you. To request these services, please contact our Equity and Social Justice Coordinator, Tera Chea at (206) 477 9259 or Tera.Chea2@kingcounty.gov, three (3) days prior to the meeting.

If you do not wish to be called upon for public comment during the meeting, please help us manage the callers and use one of the options below (Live Streaming or King County TV Channel 22).

HOW TO LISTEN TO THE MEETING: There are several ways to listen to the meeting if you don't wish to provide public testimony:

1. Stream online via this link: <https://kingcounty.gov/kctv>, or input the link web address into your web browser.
2. Watch King County TV on Comcast Channel 22 and 322(HD), and Astound Broadband Channels 22 and 711 (HD).
3. Listen to the meeting by telephone – See “Connecting to the Webinar” above.

1. Call to Order

Chair Balducci called the meeting to order at 5:32 p.m.

City of Issaquah Mayor Mark Mullet welcomed the King County Transportation Board to the city of Issaquah.

2. Roll Call

Present: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry and von Reichbauer

3. Approval of Minutes of June 2, 2025

Supervisor Perry moved to approve the minutes of the June 2, 2025, meeting. Seeing no objection, the Chair so ordered.

Briefings

4. TD Briefing No. TD2026-B01

Introduction to the King County Transportation District

Mary Bourguignon, Council staff, briefed the Board and answered questions.

This matter was Presented

5. TD Briefing No. TD2026-B02

Funding Needs for Roads Services Division

Nick Bowman, Council staff and Tricia Davis, Director, Road Services Division, Department of Local Services provided briefings and answered questions.

This matter was Presented

6. TD Briefing No. TD2026-B03

Funding Needs for King County Metro

DeAnna Martin, Chief of Staff, Metro Transit Department provided a briefing and answered questions.

This matter was Presented

7. Public Comment

The following people provided public comment:

- Alex Tsimerman*
- Ken Konigsmark*
- Noah Williams*
- Harper Nalley*
- Patrick*
- Rick Reininger*
- Monty Williamson*
- Billy Hetherington*
- Paul Neil*
- Greg Woodfill*
- Andrea Ornelas*
- Elliott Paul*
- Kirk Hovenkotter*
- Deputy Mayor Neal Black*
- Mikes Hayes*

8. TD Briefing No. TD2026-B04

Potential funding options and deadlines - direction requested

*Mary Bourguignon, Council staff, provided a briefing and answered questions.
Leon Richardson, Director, Department of Local Services, answered questions.*

This matter was Presented

Adjournment

The meeting was adjourned at 7:30 p.m.

Approved this _____ day of _____.

Clerk's Signature



King County

King County Transportation District

STAFF REPORT

Agenda Item:	5	Name:	Mary Bourguignon, Nick Bowman
Proposed No.:	TD2026-B05	Date:	March 19, 2026

SUBJECT

Council staff will answer questions and provide updates from the February 25, 2026, meeting of the King County Transportation District (KCTD).

SUMMARY

This staff report provides information in response to questions raised by KCTD Board members at the February 25, 2026, meeting, as well as updates to topics discussed at that meeting.

Updated revenue forecast

Based on the March 2026 revenue forecast¹ by the King County Office of Economic and Financial Analysis (OEFA), the Executive Budget Office estimates that a 0.1% sales tax imposed by the KCTD would provide revenues of approximately **\$101.9 million** a year.

This is an increase from the December 2025 revenue forecast of \$101.4 million. Attachment 1 to this staff report includes an updated table of Transportation Benefit District (TBD) funding sources with revenue estimates for the KCTD.

Updated list of local jurisdictions’ Transportation Benefit Districts

At the February 25 meeting, staff shared a list of 22 local jurisdictions in King County that had created Transportation Benefit Districts (TBDs). That list was excerpted from a statewide database of TBDs compiled by the Municipal Research and Services Center (MRSC) in 2025. That database did not include the city of Bellevue.

The MRSC updated its database late last month and now includes Bellevue, which created a TBD in 2023 but has not yet imposed any revenues from that TBD. Attachment 2 to this staff report provides an updated list of the 23 local jurisdictions in King County with TBDs.

¹ As prepared for the Forecast Council’s meeting on March 13, 2026 ([link](#))

Vehicle License Fee and use by TBDs

Washington State has two fees that can be used when vehicle owners renew their tabs:

- The **Motor Vehicle Excise Tax (MVET)** is a graduated fee based on the value of the vehicle. Only Sound Transit has the authority to impose an MVET.²
- The **Vehicle License Fee (VLF)** is a flat fee that is the same for every vehicle. The WA Department of Licensing charges a basic fee of \$43.25.³ TBDs have the authority to impose additional councilmanic or voter-approved VLFs beyond what the State imposes.⁴ The Executive Budget Office estimates that a VLF imposed countywide by KCTD would collect approximately \$15.5 million each year for every \$10 imposed.⁵

KCTD is authorized to impose a voter-approved VLF of up to \$100. A voter-approved VLF could be imposed and collected throughout King County, including within each city. Legal counsel indicates that any city's TBD could also impose its own voter-approved VLF of up to \$100 in addition to a KCTD-imposed voter-approved VLF.

KCTD is also authorized to impose a VLF of up to \$50 without a vote of the people (councilmanic). However, there are several conditions for imposing a councilmanic VLF:

- **Incremental implementation.** A councilmanic VLF can only be imposed incrementally, as follows:
 - Impose \$20, then wait at least 24 months
 - Impose a second \$20 (\$40 total), then wait at least 24 months
 - Impose the final \$10 (\$50 total)
- **Revenue sharing with cities.** If a county TBD imposes a councilmanic VLF, any revenues it collects must be shared with local jurisdictions through an interlocal agreement (ILA). The state statute does not include information about how much of the revenue must be shared, or by what formula, so the revenue sharing would be dependent on what is negotiated in the ILA, which must be approved by both the KCTD and 60% of the cities representing 75% of the population of the cities within King County.
- **\$50 cap within any jurisdiction.** Legal counsel has indicated that there is a \$50 cap on the total amount of councilmanic VLF that can be collected within any individual jurisdiction. What this would mean is that:

² After the passage of Initiative 695, the Legislature approved SB 6865 in 2000, which replaced vehicle excise taxes with a fixed license fee ([link](#)). Regional Transit Authority (RTA, aka Sound Transit) taxes, including the MVET, are described by the WA Department of Revenue ([link](#)).

³ WA Department of Licensing, Calculate vehicle tab fees ([link](#))

⁴ RCW 82.80.140 ([link](#)). The Department of Licensing (DOL) administers the VLF and can retain 1% of revenues for administrative expenses. There is a 6-month waiting period between when a VLF is approved and when implementation begins

⁵ Updated by King County Budget Office, February 2026, based on 907,000 households and 1.55 million vehicles countywide per 2024 American Community Survey data

- KCTD would not be able to collect any councilmanic VLF revenues within the boundaries of cities such as Seattle that currently impose \$50 in councilmanic VLF.
- KCTD would be limited to \$50 of councilmanic VLF collections in any city that currently imposes some level of TBD councilmanic VLIF.
- Any city TBD that seeks to impose a councilmanic VLF in the future or to add to the councilmanic VLF it already imposes would be limited by whatever councilmanic VLF KCTD has imposed, as that would count toward that city's \$50 maximum.

If KCTD imposes a VLF, it can provide a rebate⁶ to low-income individuals⁷ of up to 40% of the fee. If a low-income rebate is offered, the State Department of Licensing (DOL) would collect the full fee and the KCTD would be responsible for establishing and administering a program through which eligible vehicle owners could apply for a rebate.

Allowable uses of the property tax for transportation improvements

KCTD has the authority to seek voter approval for a property tax excess levy,⁸ which would require 60% voter approval plus a minimum voter turnout.

King County (not KCTD) has the authority to seek voter approval for a property tax levy lid lift, which would require 50% voter approval. The County is limited to a maximum of \$1.80/1,000 of assessed value for general purposes, of which the County is currently imposing \$1.39.⁹ Improvements to the unincorporated roads system would be eligible to be considered for a countywide property tax levy lid lift to be imposed by King County if voters approve. Proposals in 2020 and 2021¹⁰ to seek voter approval for a roads levy lid lift for the unincorporated roads system (which were not acted on by the Council due to the pandemic) were limited to property owners in the unincorporated area.¹¹ However, King County could seek voter approval from all property owners in the County to support the unincorporated roads system.

Based on the March 2026 OEFA revenue forecast, a property tax levy imposed countywide could generate \$87.9 million/year for each \$0.10/\$1,000 in assessed value.

Potential impacts to future sales tax collections from the millionaire's tax

The State Legislature has passed legislation¹² that would impose a 9.9% tax on individuals on the receipt of income exceeding \$1 million beginning in calendar year 2028 (first payments due in 2029). That bill would repeal, beginning in 2029, the sales

⁶ RCW 36.73.067

⁷ Low-income is defined in the State statute as 75% of the median income in the district.

⁸ RCW 36.73.060; 84.52.056; Article VII, 2(a)

⁹ 2025 King County Revenue Manual ([link](#)) Note that the 2025 Revenue Manual states that the countywide levy rate was \$1.36, however this does not include the Parks Levy renewal rate of \$0.2329 for the year 2026. The discrepancy is why the current countywide tax rate is \$1.39/1000 of assessed value.

¹⁰ Proposed Ordinances 2020-0110 and 2021-0206, Proposed Motions 2020-0111 and 2021-0207

¹¹ RCW 36.82.040

¹² SB 6346 – 2025-26, Establishing a tax on millionaires ([link](#))

taxes on certain specified services, which were enacted in 2025,¹³ as well as add some new sales tax exemptions for personal hygiene items. These changes to the sales tax have been initially estimated to result in approximately \$70 million per year less sales tax revenue for Metro, which relies on a dedicated 0.9% sales tax for more than half its operating revenue. Future impacts to Metro would need to be modeled by King County's Office of Economic and Financial Analysis (OEFA).

Metro Fund Management Policies

During the presentation on Metro's funding needs, Metro staff noted the significant reserve requirements (45% of forecasted total annual sales tax revenue) Metro's adopted fund management policies¹⁴ require it to maintain. In response to Board members' questions about the Metro fund management policies, Attachment 3 to this staff report provides an overview, including:

- The history of Metro's fund management policies, including Council actions over time to establish and modify reserve requirements based on Metro's reliance on the sales tax
- The key components of the fund management policies, including to:
 - Set general financial practices, specifically the order in which Metro can spend
 - Set requirements for financial planning
 - Set targets for farebox recovery
 - Set a fund structure with five subfunds
 - Set targets for reserves in the subfunds

Attachment 3 concludes with a diagram of Metro's five subfunds showing the reserve requirements for each, including the combined Recession, Risk, and Cash Flow Reserves requirement that must total 45% of the forecasted total annual sales tax revenue.

Documentation of Roads funding needs

The Transportation Needs Report (TNR), which is a functional plan of the 2024 King County Comprehensive Plan,¹⁵ provides the most recent documentation of the funding needs for King County's unincorporated roads network.

The 2024 TNR includes 486 separate projects, totaling approximately \$2.42 billion. Part of this total includes a newly developed Accessibility Improvements category for

¹³ ESSB 5814 – Chapter 422, Laws of 2025

¹⁴ Ordinance 19863

¹⁵ 2024 King County Comprehensive Plan (Ordinance 19881), Attachment E, Appendix C1: Transportation Needs Report ([link](#))

projects that would improve existing pedestrian facilities to current Americans with Disabilities Act standards, and which totals \$118 million.¹⁶

Table 1 shows the cost of the TNR project list by project type. More information on each project type can be found in the Council staff report to the Local Services and Land Use Committee from April 3, 2024.¹⁷

Table 1. 2024 TNR Projects by Project Type as a Percent of the TNR

Project Category	# of Projects	Total TNR	% of TNR
Bridge	42	\$473,000,000	19%
Capacity-Major	15	\$404,360,000	17%
Reconstruction	36	\$337,730,000	17%
Active Transportation	80	\$350,280,000	14%
Intersection/Traffic Safety Operations	65	\$270,740,000	11%
Vulnerable Road Segments	48	\$191,320,000	8%
Accessibility Improvements	N/A	\$118,157,000	5%
Drainage	135	\$253,060,000	10%
Guardrail	49	\$11,294,000	0.5%
Intelligent Transportation Systems	16	\$10,880,000	0.4%
TOTAL	486	\$2,420,821,000	100% ¹⁸

Current estimates show that by 2028, revenues from sources dedicated to county roads (the roads levy, i.e. unincorporated area property tax and state gas tax distributions) will only be sufficient to support the Roads operating program, while the capital program will cease receiving revenues from these sources entirely.¹⁹

The financial analysis included in the 2024 TNR expects Roads to see a combined total of \$289 million over the 20-year period. Only \$85 million of that total is expected to come from dedicated Roads funding sources through 2028.

From 2029 through 2043, the remaining \$204 million in anticipated revenues is expected to come from grants (\$172,500,000) and other non-Roads revenue sources (\$31,016,000),²⁰ leaving an overall shortfall of over \$2.1 billion.

Table 2 shows the anticipated revenue shortfall over the 20-year period of the TNR.

¹⁶ Due to the large number of accessibility needs and relatively low project costs for individual accessibility improvements, the 2024 TNR reports only the total estimated cost of the high-priority needs identified in the 2021 King County Road Services Division Americans with Disabilities Act Transition Plan.

¹⁷ Proposed Ordinance 2023-0439, Council staff report for April 3, 2024 ([link](#))

¹⁸ Totals equal over 100% due to rounding.

¹⁹ [King County Executive Proposed 2026-2027 Biennial Budget](#) (See Roads CIP Financial Plans Page 437 & 442)

²⁰ Non-Roads revenues include Surface Water Management Fees and the Real Estate Excise Tax among others

Table 2. Revenue Shortfall from 2024 to 2043

Item	2024-2043
Total Project Costs	\$2,420,921,000
Anticipated Revenue	\$299,985,000
Shortfall	\$2,131,836,000

Proposal to use Real Estate Excise Tax (REET) funding for Roads flooding repairs

The Executive has transmitted legislation²¹ that would temporarily expand the allowable uses of Real Estate Excise Tax number 2 (REET 2) to include county roadway emergency response projects until March 31, 2027.

If the proposed ordinance is adopted, the Executive intends to reprioritize an, as of yet, undetermined amount of REET 2 revenues from the Department of Natural Resources and Parks (Parks) capital program to the Roads Services Division (Roads) capital program in the first omnibus budget of 2026. According to the Executive, the proposed ordinance is necessary to support the repair and reconstruction of county roadway infrastructure damaged in the December 2025 flooding event.

State law permits REET 2 revenues to be used for capital projects identified in the capital facilities element of the Comprehensive Plan.²² However, under KCC 4A.200.590.E, REET 2 revenues are restricted to only the “planning, construction, reconstruction, repair, rehabilitation or improvement of parks located in or providing a benefit and open to residents of the unincorporated area of King County.”

Governor’s bridge funding proposal

Governor Ferguson has proposed a \$2.1 billion supplemental transportation budget focused on preservation and maintenance investments. The proposal includes \$1.1 billion dedicated to preserving Washington’s bridges, \$164 million for paving projects this summer, and an additional \$756 million for paving projects over the next 10 years.²³ These investments are proposed to be paid for by bonding existing revenues that were passed in the last legislative session.

According to the Executive, there are 928 state-owned bridges located throughout King County. Of those, 22 are currently rated in poor condition. As the proposed funding is allocated primarily through statewide bridge preservation programs, it is unclear which bridges in King County will receive funding or when.

²¹ Proposed Ordinance 2026-0039

²² RCW 82.46.035

²³ WA Governor Bob Ferguson, December 19, 2025, Governor Ferguson announces historic transportation infrastructure investments to preserve, maintain state’s roads and bridges ([link](#))

ATTACHMENTS

1. Transportation Benefit District (TBD) Funding Sources, updated March 13, 2026
2. King County Local Jurisdictions with TBDs, updated February 25, 2026
3. Information on Metro Fund Management Policies

Transportation Benefit District (TBD) Funding Sources¹

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	\$15.5M/year per \$10 ²
Voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	Yes	\$100	No restriction	\$15.5M/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>	\$101.9M/year per 0.1% ³
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>	\$101.9M/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>	\$87.9M/year per \$0.10/\$1,000 AV ⁴
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 the councilmanic vehicle license fee (VLF) is not “stackable” meaning that King County would be limited in its ability to impose this funding source within a jurisdiction that has already imposed some or all of the councilmanic VLF for its own TBD. In addition, State law includes revenue-sharing requirements for revenues from councilmanic VLFs imposed by county TBDs.

¹ Source: Metro Connects Implementation Report ([Motion 16155](#)), updated where indicated

² Updated by King County Budget Office, February 2026, based on 907,000 households and 1.55 million vehicles countywide per 2024 American Community Survey data

³ Based on March 2026 King County OEFA revenue forecast ([link](#))

⁴ Based on March 2026 King County OEFA revenue forecast ([link](#))

King County Local Jurisdictions with TBDs, February 25, 2026¹

City	Established	TBD Assumed into City Government?	Sales Tax	Vehicle License Fee (VLF)
Auburn	2011	✓	0.10%	
Bellevue	2023			
Black Diamond	2015	✓		\$20
Bothell	2015			
Burien	2009	✓		\$20
Covington	2013	✓	0.30%	\$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%	
Pacific	2016	✓	0.10%	
Redmond	2023	✓	0.10%	
Renton	2023	✓	0.10%	
Seattle ²	2010	✓	0.15%	\$50
Shoreline	2009	✓	0.20%	\$40
Snoqualmie	2010	✓	0.30%	

¹ Municipal Research and Services Center, February 25, 2026 list of Transportation Benefit Districts ([link](#))

² In 2014, Seattle voters approved a \$60 voted VLF and 0.1% voted sales tax increase. In 2020, voters renewed with a 0.15% voted sales tax only. Seattle has also imposed a \$50 councilmanic VLF.

Information on Metro Fund Management Policies

Recent history of Metro fund management policies

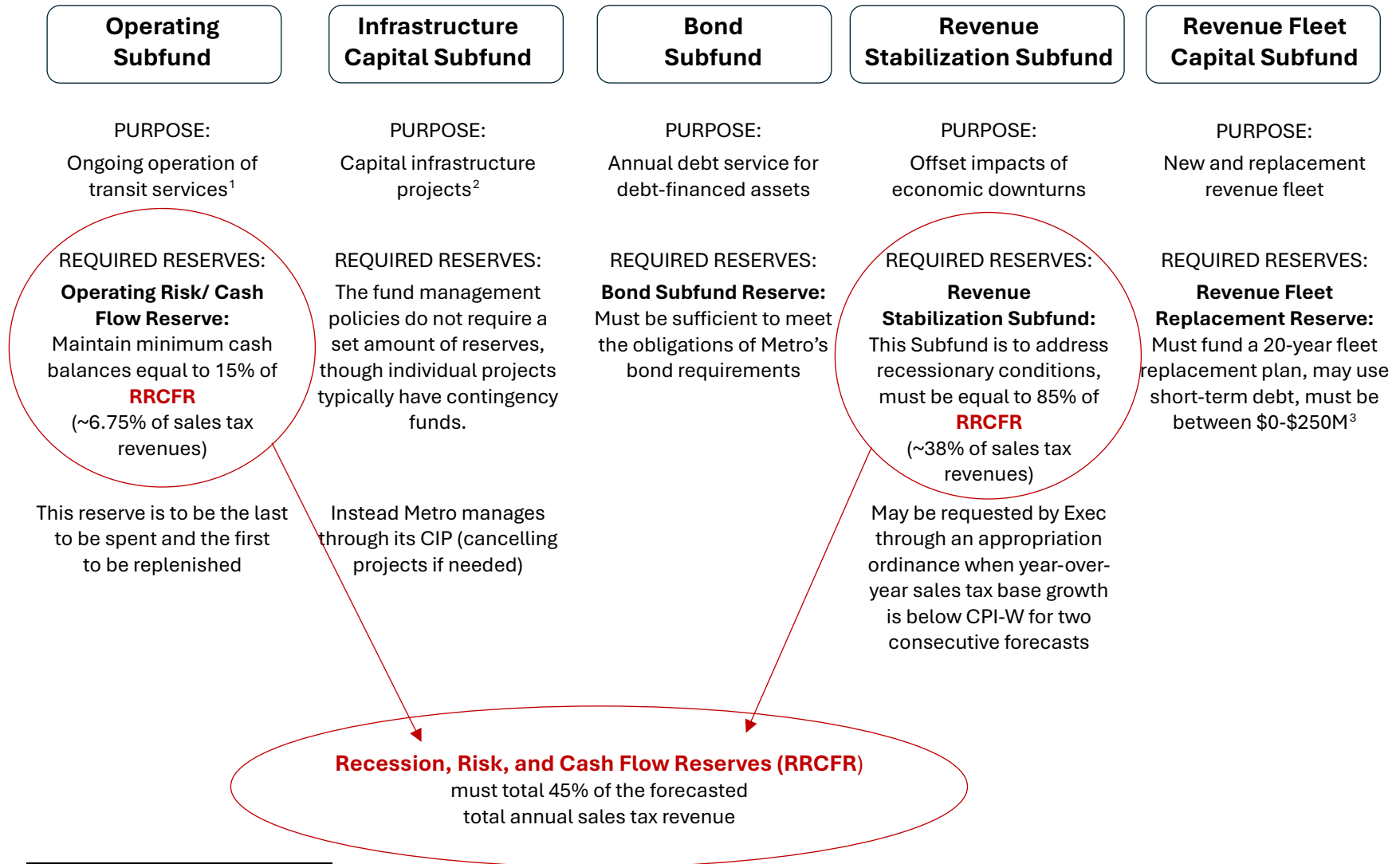
Ordinance	Year	Purpose
16708	2009	Updated the Strategic Plan for Public Transportation to modify the 2007 voter-approved Transit Now program in response to recessionary sales tax shortfalls, also addressed operating reserve levels and future transit fares
17225	2011	Updated Metro’s financial policies, including a focus on reserve structure Note that past fund management plans had been referred to RTC, but following the adoption of the Strategic Plan for Public Transportation, 2011-2021 (Ordinance 17143), the fund management policies were interpreted as simply implementing policy guidance from the Strategic Plan and no longer considered to be a “countywide policy or plan”
18321	2016	Following the work of a Special Committee on Transportation (Executive + three Councilmembers), Council updated Metro’s reserve structures following the recession, increased reserve requirements
19206 19531	2020 2021	Temporarily suspended two sections of the Fund Management Policies during the pandemic: (1) allowed Metro to fund new transit service and capital investments even while not operating full transit service levels; and (2) suspended the 25% farebox recovery requirement and 30% farebox recovery target given the drop in ridership during the pandemic
19863	2024	Changed the fund management policies to reduce the farebox recovery target to 15%, change the floor to 10%, and make farebox recovery targets no longer a requirement

Note: Overall County financial management policies are covered in Motion 16041

What Metro fund management policies do

- **Set general financial practices**, specifically the order in which Metro can spend, in this order:
 1. Debt service
 2. Operation of the current transit system levels
 3. Maintenance and replenishment of reserves
 4. New transit service and capital investments (based on Service Guidelines and Metro Connects)
- **Set requirements for financial planning:**
 - Financial plan and cash flow projection of six years or more for all subfunds
 - Rolling 10-year capital improvement plan
- **Set targets for farebox recovery:**
 - Should recover at least 10% of passenger related operating costs from farebox revenues for bus service
 - Target is 15% of passenger related operating costs from farebox revenues for bus service

- Set a fund structure with five subfunds and targets for reserves in the subfunds



¹ Includes direct operating labor and non-labor costs, administrative costs, and indirect and overhead costs

² Includes planning, design, acquisition, preservation, and replacement

³ This is based on 2016 dollars, is ~\$340M in 2026 dollars



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

TD Resolution

Proposed No. TD2026-01.1

Sponsors Balducci

1 A RESOLUTION of the King County transportation
2 district, fixing and imposing a one-tenth of one percent
3 sales and use tax within the boundaries of the district to
4 finance transportation improvements, as authorized by
5 RCW 36.73.040, 36.73.065, and 82.14.0455.

6 WHEREAS, chapter 36.73 RCW authorizes counties to establish transportation
7 benefit districts for the purpose of acquiring, constructing, improving, providing, and
8 funding transportation improvements, as defined in RCW 36.73.015, within the district,
9 and

10 WHEREAS, Ordinance 17746 established the King County transportation district
11 with the authority to fund, acquire, construct, operate, improve, provide, maintain, and
12 preserve certain transportation improvements, defined in the ordinance to include
13 specified categories of projects or programs contained in the transportation plan of the
14 Puget Sound Regional Council, King County, or a city within King County, and

15 WHEREAS, the King County council is the governing board of the transportation
16 district, acting in an ex officio and independent capacity, with the authority to exercise
17 the statutory power in chapter 36.73 RCW, and

18 WHEREAS, the geographical boundaries of the King County transportation
19 district are coterminous with the boundaries of King County, and

20 WHEREAS, RCW 36.73.065 authorizes the district to fix and impose up to a one-
21 tenth of one percent sales and use tax for up to ten years within the district in accordance
22 with RCW 82.14.0455 upon a majority vote of the governing body of the district for the
23 purpose of financing transportation improvements of the district, and

24 WHEREAS, the King County transportation district may be assumed by King
25 County in accordance with chapter 36.74 RCW, and

26 WHEREAS, the King County road services division of the department of local
27 services manages approximately one thousand five hundred miles of roads, one hundred
28 ninety-three bridges, more than three million linear feet of drainage pipe, more than
29 twenty-eight thousand culverts, more than seven hundred crosswalks, and two hundred
30 seventy-five miles of sidewalk in the county's unincorporated areas outside of cities, and

31 WHEREAS, roads in unincorporated King County support more than one million
32 trips every day, including people traveling to work, school, and recreation, businesses,
33 farmers delivering goods and services, and emergency responders reaching people who
34 need assistance, and

35 WHEREAS, the 2014 Strategic Plan for Road Services indicated that a structural
36 funding crisis caused by a combination of municipal annexations, state limitations on
37 available revenue options, and aging infrastructure, meant that the King County road
38 services division was able to collect less than half the revenue it needed each year to
39 maintain the existing road system in unincorporated King County, and

40 WHEREAS, the 2023-2024 business plan developed by the King County road
41 services division indicates that the structural funding crisis, which has not been addressed
42 during the last decade, means that dedicated funding for capital projects will be exhausted

43 in 2029, significantly constraining King County's capacity to maintain, improve, and
44 replace aging and failed components of the road system, and

45 WHEREAS, aging infrastructure and inadequately maintained facilities have
46 resulted in a road network that is in decline and at risk of failure, and without sufficient
47 funding King County will be unable to maintain the existing road system, respond to
48 emergency situations, and provide for safe and efficient travel for road users, and

49 WHEREAS, among the priorities for the King County road services division are
50 roadway preservation projects to maintain pavement conditions, recovery from flooding
51 and severe weather such as the event that occurred during December 2025, drainage
52 preservation projects to protect road users and existing roadway structures by eliminating
53 failed or failing drainage systems, culvert replacement projects to promote fish passage
54 and complement King County's collaboration with Tribal governments' salmon recovery
55 efforts, improving county roadways sharing connection points with municipalities which
56 are integral to regional mobility, short span timber bridge replacement projects to replace
57 the forty-four aging timber bridges that are less than twenty feet long and are therefore
58 not eligible for federal funding, intersection improvement projects to improve roadway
59 safety for road users, snow and ice removal during inclement weather, and ongoing
60 maintenance of roads, bridges, drainage pipe, culverts, crosswalks, and sidewalks, and

61 WHEREAS, the transportation improvements provided and maintained by the
62 King County road services division are eligible, under chapter 36.73 RCW and Ordinance
63 17746, to be paid for with revenues imposed by the King County transportation district
64 within the boundaries of the district for transportation improvements, and

65 WHEREAS, given the need for additional revenues to acquire, construct, operate,
66 improve, provide, maintain, and preserve the road network in unincorporated King
67 County, it is appropriate for and in the best interests of the district to authorize funding
68 for transportation improvements to support the unincorporated area road network, and

69 WHEREAS, King County's Metro transit department, which is the largest public
70 transportation agency in the Puget Sound region, providing public transit services
71 throughout King County, faces financial challenges due both to increasing costs and the
72 goal to expand transit service to meet the needs of King County's growing population,
73 and

74 WHEREAS, although the Metro transit department is also eligible to use revenues
75 imposed by the King County transportation district it is not the subject of this resolution
76 due to the emergent needs facing the unincorporated area road network, and

77 WHEREAS, it is the intention of the board of supervisors of the King County
78 transportation district to address transit funding needs in the future, including by
79 deliberating a proposal and drafting legislation during 2026 for consideration for future
80 transit funding;

81 BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE KING
82 COUNTY TRANSPORTATION DISTRICT:

83 **SECTION 1. Imposition of sales and use tax.**

84 A. The board of supervisors of the King County transportation district imposes a
85 sales and use tax of one-tenth of one percent under RCW 36.73.040(3)(a),
86 36.73.065(4)(a)(v), and 82.14.0455, to raise revenue to pay for transportation
87 improvements.

88 B. The sales and use tax shall be imposed for ten years.

89 C. The sales and use tax shall be in addition to any other taxes authorized by
90 other jurisdictions and shall be collected from those persons who are taxable by the state
91 under chapters 82.08 and 82.12 RCW, as amended, upon the occurrence of any taxable
92 event within the King County transportation district's boundaries, which are the
93 geographic boundaries of King County.

94 D. The sales and use tax shall not apply to sales of lodging to the extent that the
95 total sales tax rate imposed on such sales of lodging would exceed the greater of:

96 1. Twelve percent; or

97 2. The total sales tax rate that would have applied to the sale of lodging if the
98 sale were made on December 1, 2000, to the extent required by RCW 82.14.410.

99 **SECTION 2. Distribution of revenues.**

100 A. The sales and use tax imposed in section 1 of this resolution shall first pay any
101 administrative costs incurred by the King County transportation district, including for any
102 administrative costs to the state Department of Revenue not to exceed two percent of the
103 taxes collected as required by RCW 82.14.050.

104 B. The remaining revenues shall be distributed to the King County road services
105 division to implement the transportation improvements described in Section 3 of this
106 resolution.

107 **SECTION 3. Use of revenues and description of transportation**
108 **improvements.**

109 A. The sales and use tax revenues, less the administrative costs identified in
110 Section 2 of this resolution, shall be used by the district consistent with chapter 36.73

111 RCW, Ordinance 17746, and this resolution to pay for transportation improvements
112 permitted under that authority, including but not limited to, the acquisition, construction,
113 operation, improvement, provision, maintenance, and preservation of public
114 transportation facilities, services, programs, and roads.

115 B. Revenues distributed to the King County road services division shall be used
116 to acquire, invest in, construct, improve, provide, operate, preserve, maintain, or pay for
117 transportation improvements focused on the following high priority road and bridge
118 needs:

119 1. Addressing maintenance, repairs, improvements, and replacements as
120 necessary to keep roads and bridges open and functional to meet increasing needs;

121 2. Preserving essential county safety and preservation programs, including
122 pedestrian and bicyclist access and safety; and

123 3. Reducing barriers to accessibility and implementing improvement projects
124 such as sidewalks, curb ramps, and street crossings in alignment with the 2021 King
125 County Road Services Division Americans with Disabilities Act Transition Plan.

126 C. Revenues distributed to the King County road services division may also be
127 used to acquire, invest in, construct, improve, provide, operate, preserve, maintain, or pay
128 for transportation improvements focused on the following road and bridge needs:

129 1. Repairing and restoring road network assets damaged by flooding, severe
130 weather, or natural disasters such as the historic flooding experienced in December 2025;

131 2. Preserving necessary levels of operations and maintenance, including health
132 and safety of employees;

- 133 3. Implementing pavement preservation projects to extend the life of existing
134 roadways and reduce long-term costs;
- 135 4. Collaborating with municipalities to address orphan roads and improve
136 county roadways within designated Potential Annexation Areas, as well as those county
137 roadways integral to regional mobility;
- 138 5. Restoring cuts made to the road services division approved in the 2026-2027
139 biennial budget;
- 140 6. Implementing intersection safety projects;
- 141 7. Developing a coordinated safety action plan using the Safe System approach
142 and implementing projects identified in the plan to reduce traffic deaths and serious
143 injuries on county roadways;
- 144 8. Implementing bridge load upgrade program projects; and
- 145 9. Providing local matching moneys to leverage grant opportunities.

146 SECTION 4. Ability to apply sales and use tax revenues to pay bonds. To
147 carry out the purposes of this resolution, the district may pledge or apply the sales and
148 use tax revenues to the payment of and interest on general obligation indebtedness issued
149 by King County within the limitations as now existing or hereafter prescribed by the laws
150 of this state.

151 SECTION 5. Accountability. At the end of the sixth year of collections, the
152 board of supervisors of the King County transportation district, or its successor entity,
153 shall review the projects and programs carried out with these sales and use tax revenues
154 for consistency with this resolution. To inform the review, the road services division
155 shall identify and evaluate projects implemented with these sales and use tax revenues

156 and electronically file a letter to provide that information by October 31 of each year, to
157 the clerk of the council, who shall retain an electronic copy and provide an electronic
158 copy to the King County transportation district, or its successor entity, all
159 councilmembers, and the council chief of staff.

160 SECTION 6. Severability. If any provision of this resolution or its application to
161 any person or circumstance is held invalid, the remainder of the resolution or the
162 application of the provision to other persons or circumstances is not affected.

163 SECTION 7. Effective date. This resolution takes effect immediately after
164 passage of this resolution, but the additional sales and use tax imposed by section 1 of

165 this resolution applies only to taxable events occurring from the earliest practicable date
166 consistent with RCW 82.14.055.

KING COUNTY TRANSPORTATION
DISTRICT
KING COUNTY, WASHINGTON

Claudia Balducci, Chair

ATTEST:

Melani Hay, Clerk of the District

Attachments: None



King County

King County Transportation District

STAFF REPORT

Agenda Item:	6	Name:	Nick Bowman
Proposed No.:	TD2026-01	Date:	March 19, 2026

SUBJECT

Proposed Resolution TD2026-01 would impose a 10-year 0.1% sales and use tax for county roadway improvements.

SUMMARY

Washington state law¹ allows cities and counties to create local Transportation Benefit Districts (TBDs), independent governments that fund and implement transportation improvements. 23 cities in King County have established local TBDs. King County also has a TBD, the King County Transportation District (KCTD).

State law gives TBDs access to a number of funding sources, one of which is the sales and use tax. TBDs have access to a total of 0.3% in increased sales tax, of which 0.1% can be imposed by the TBD Board and 0.2% requires a popular vote after approval by the TBD.

Proposed Resolution TD2026-01 would impose a countywide 10-year 0.1% sales and use tax for transportation improvements, with revenues distributed to the Road Services Division of the Department of Local Services (Roads). The revenues allocated to Roads would be focused on safety, preservation, and maintenance projects, including those needed to keep roads and bridges open.

According to the March 2026 revenue forecast by the King County Office of Economic and Financial Analysis (OEFA), a countywide 0.1% sales tax would currently generate approximately \$101.9 million per year.² The Executive Budget Office has estimated that the impact to a median income household would be about \$40 per year.

Should the KCTD approve the Proposed Resolution and notify the Washington State Department of Revenue by April 17, collections would begin July 1, 2026.

¹ RCW 36.73

² As prepared for the Forecast Council’s meeting on March 13, 2026 ([link](#))

BACKGROUND

Transportation Benefit Districts. Washington state law³ 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.⁴

In 2014, King County created the King County Transportation District (KCTD) as a TBD for the county.⁵ Its boundaries are those of King County and it is governed by a Board of Supervisors made up of the nine King County Councilmembers. The KCTD currently has no revenue and no employees.

Of the 23 cities within King County that have established TBDs, 14 have imposed some level of TBD sales tax. Table 1 lists the jurisdictions that have established TBDs, as well as the funding sources these TBDs have imposed.

Table 1. King County Local Jurisdictions with TBDs, October 2025⁶

City	Established	TBD Assumed into City Government?	Sales Tax	Vehicle License Fee (VLF)
Auburn	2011	✓	0.10%	
Bellevue	2023			
Black Diamond	2015	✓		\$20
Bothell	2015			
Burien	2009	✓		\$20
Covington	2013	✓	0.30%	\$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

³ RCW 36.73

⁴ RCW 36.73.020

⁵ Ordinance 17746. The KCTD replaced a prior King County TBD.

⁶ Municipal Research and Services Center, February 2026 list of Transportation Benefit Districts ([link](#))

City	Established	TBD Assumed into City Government?	Sales Tax	Vehicle License Fee (VLF)
North Bend	2011	✓	0.20%	
Pacific	2016	✓	0.10%	
Redmond	2023	✓	0.10%	
Renton	2023	✓	0.10%	
Seattle ⁷	2010	✓	0.15%	\$50
Shoreline	2009	✓	0.20%	\$40
Snoqualmie	2010	✓	0.30%	

Past KCTD and King County action on transportation funding. The KCTD Board met in 2014 to place a roads and transit funding measure on the ballot, which was not successful.⁸ The KCTD met again in 2020 to consider placing a transit funding measure on the ballot, but did not act due to the onset of the Covid-19 pandemic.⁹ Separately from the KCTD, the Executive proposed potential funding measures for county roads in 2020¹⁰ and 2021¹¹ but the Council did not act on those measures due to the pandemic.

TBD funding sources. State law gives TBDs access to a range of voter-approved and councilmanic funding sources, which can be used for “transportation improvements,” defined as projects “contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction.” Eligible transportation improvements may include investments in new projects or the operation, preservation, and maintenance of existing transportation improvements.¹²

A list of funding sources available to TBDs can be found as Attachment 2 to this staff report.¹³

Some of these funding sources, such as development impact fees, tolls, or local improvement districts, can only be used for specific development projects or for defined geographic areas. Others, such as sales tax and vehicle license fees, can be used for general transportation improvements within the boundaries of the TBD.

In terms of the sales tax, TBDs have access to a total of 0.3% in increased sales tax:

- 0.1% can be imposed by the TBD Board (councilmanic)¹⁴

⁷ In 2014, Seattle voters approved a \$60 voted VLF and 0.1% voted sales tax increase. In 2020, voters renewed with a 0.15% voted sales tax only. Seattle has also imposed a \$50 councilmanic VLF.

⁸ Resolution TD2014-03 ([link](#))

⁹ Resolution TD2020-01 ([link](#))

¹⁰ Proposed Ordinance 2020-0110 and Proposed Motion 2020-0111

¹¹ Proposed Ordinance 2021-0206 and Proposed Motion 2021-0207

¹² RCW 36.73.015(6)

¹³ 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](#)).

- 0.2% requires approval by voters after action by the TBD Board.¹⁵

Identified funding needs for Roads. Roads manages approximately 1,500 miles of roads, 193 bridges, 49,000 traffic control signs, 79 traffic signals, 118 miles of guardrail, 58 traffic cameras, 3.5 million linear feet of drainage pipe, 4.6 million feet of drainage ditch, 28,000 culverts, 700 crosswalks, and 275 miles of sidewalk in King County's unincorporated areas.¹⁶

The unincorporated area roads system is primarily supported by revenue from a dedicated property tax on unincorporated properties,¹⁷ the state gas tax, and grant funding, with the property tax projected to contribute over 80% of Roads' revenue during the 2026-2027 biennium.¹⁸ Over the years, the combined impact of municipal annexations, state limitations on available revenue options, lingering effects of the 2008 recession, implementation of the Washington State Growth Management Act, voter initiatives, and aging infrastructure has resulted in a structural decline in the County's capacity to fund its road and bridge network.

In January 2016, the Bridges and Roads Task Force identified an annual funding gap of \$250 to \$400 million based on average estimated revenues to Roads of just over \$100 million annually, or less than half the estimated \$220 million needed annually to moderate the decline of the system and minimize risk. Due to this structural funding deficit, current estimates show that dedicated funding for capital projects will be exhausted in 2028.¹⁹

The Transportation Needs Report (TNR), which is a functional plan of the 2024 King County Comprehensive Plan,²⁰ provides the most recent documentation of the funding needs for King County's unincorporated roads network.

The 2024 TNR includes 486 separate projects, totaling approximately \$2.42 billion. Part of this total includes a newly developed Accessibility Improvements category for projects that would improve existing pedestrian facilities to current Americans with Disabilities Act standards, and which totals \$118 million.²¹

The financial analysis included in the 2024 TNR expects Roads to see a combined total of \$289 million over the 20-year period. Only \$85 million of that total is expected to come from dedicated Roads funding sources through 2028. From 2029 through 2043, the remaining \$204 million in anticipated revenues is expected to come from grants

¹⁴ RCW 82.14.0455; 36.73.040(3)(a)

¹⁵ RCW 82.14.0455; 36.73.040(3)(a)

¹⁶ Based on available data from 2025 roads inventory.

¹⁷ RCW 36.82.040

¹⁸ Ordinance 20023

¹⁹ [King County Executive Proposed 2026-2027 Biennial Budget](#) (See Roads CIP Financial Plans Page 437 & 442)

²⁰ 2024 King County Comprehensive Plan (Ordinance 19881), Attachment E, Appendix C1:

Transportation Needs Report ([link](#))

²¹ Due to the large number of accessibility needs and relatively low project costs for individual accessibility improvements, the 2024 TNR reports only the total estimated cost of the high-priority needs identified in the 2021 King County Road Services Division Americans with Disabilities Act Transition Plan.

(\$172,500,000) and other non-Roads revenue sources (\$31,016,000),²² leaving an overall shortfall of over \$2.1 billion.

Table 2 shows the anticipated revenue shortfall over the 20-year period of the TNR.

Table 2. Revenue Shortfall from 2024 to 2043

Item	2024-2043
Total Project Costs	\$2,420,921,000
Anticipated Revenue	\$299,985,000
Shortfall	\$2,131,836,000

ANALYSIS

KCTD Resolution TD2026-01 would impose a 10 year 0.1% sales and use tax in King County for transportation improvements, with revenues being allocated to the county Road Services Division.

The 0.1% sales tax that would be imposed is the amount authorized under State law to be imposed by the TBD Board as a councilmanic tax, without a vote of the people.

According to the March 2026 revenue forecast by the King County Office of Economic and Financial Analysis (OEFA), a countywide 0.1% sales tax would currently generate approximately \$101.9 million per year. The Executive Budget Office has estimated that the impact to a median income household would be about \$40 per year.

Authorized use of revenues. KCTD Resolution TD2026-01 states that any revenues collected by the proposed 0.1% sales tax would first be used to pay administrative costs incurred by KCTD, including any administrative costs owed to the State Department of Revenue, not to exceed 2% of the taxes collected.²³

Remaining revenues would be allocated to Roads to be used for eligible transportation improvements as defined in State law,²⁴ and to address the following “high priority” road and bridge needs:

- Addressing maintenance, repairs, improvements, and replacements as necessary to keep roads and bridges open and functional to meet increasing needs;
- Preserving essential county safety and preservation programs, including pedestrian and bicyclist access and safety; and

²² Non-Roads revenues include Surface Water Mgmt. Fees & Real Estate Excise Taxes among others

²³ RCW 82.14.050

²⁴ RCW 36.73.015(6)

- Reducing barriers to accessibility and implementing improvement projects such as sidewalks, curb ramps, and street crossings in alignment with the 2021 King County Road Services Division Americans with Disabilities Act Transition Plan.

Revenues may also be used for the following roads related needs:

- Repairing and restoring road network assets damaged by flooding, severe weather, or natural disasters such as the historic flooding experienced in December 2025;
- Preserving necessary levels of operations and maintenance, including health and safety of employees;
- Implementing pavement preservation projects to extend the life of existing roadways and reduce long-term costs;
- Collaborating with municipalities to address orphan roads and improve county roadways within designated Potential Annexation Areas, as well as those county roadways integral to regional mobility;
- Restoring cuts made to the road services division approved in the 2026-2027 biennial budget;
- Implementing intersection safety projects;
- Developing a coordinated safety action plan using the Safe System approach and implementing projects identified in the plan to reduce traffic deaths and serious injuries on county roadways;
- Implementing bridge load upgrade program projects; and
- Providing local matching moneys to leverage grant opportunities.

Many of these road and bridge categories were identified as intended to receive additional funding by the Council during consideration of Roads levy lid lift proposals in 2020 and 2021 which ultimately did not go forward.²⁵

Additionally, the Proposed Resolution allows the sales tax revenues to be pledged as part of the security for County issued bonds.

Accountability. KCTD Resolution TD2026-01 would require Roads to identify and evaluate projects implemented with the proposed 0.1% sales tax in a letter to KCTD by October 31 each year. At the end of the sixth year of collections, the KCTD Board would review the projects and programs implemented to date for consistency with the Resolution.

Fiscal impact. Retail sales taxes currently average 9.9% in King County. Attachment 3 to this staff report lists the total sales taxes currently collected by each jurisdiction within King County, as tabulated by the Washington Department of Revenue for collections between April 1 and June 30, 2026. Attachment 3 also delineates the components that make up King County's sales tax rate.

²⁵ PM 2020-0111 & PM

PSB estimates that a 0.1% increase in the sales tax would have an annual impact of \$40 on the median income household. This estimate is based on a median household income of \$122,000 and a sales tax ratio of 32.9%, meaning that the median household spends a total of \$40,138 each year on goods subject to the sales tax, resulting in approximately \$3,908 in sales taxes owed. An increase of 0.1% to the sales tax would add \$40 on average to that total.²⁶

In terms of revenues that would be collected by KCTD Resolution TD2026-01, as described above, estimates provided in March by PSB indicate that 0.1% sales tax imposed countywide is currently anticipated to raise approximately \$101.9 million per year in the first year of collections.²⁷

Timeline. Proposed Resolution TD2026-01, as drafted, would take effect immediately upon passage, with the additional sales tax being imposed at the earliest practicable date consistent with State law.²⁸ State law provides that newly authorized sales tax collections begin:

- a. No sooner than 75 days after the Department of Revenue receives notice of the change, and
- b. Only on the first day of January, April, or July.

Given the 75-day timeline after the Department of Revenue is notified and the three dates on which the Department of Revenue begins sales tax collections, if the KCTD Board takes action on the Proposed Resolution and notifies the Department of Revenue by April 17, 2026, sales tax collections would begin on July 1, 2026. If the action is taken and notification is given by October 16, 2026, sales tax collections would begin on January 1, 2027.

Next steps after revenue authorization. If the KCTD were to raise revenue, the district could contract with King County to use the revenue, or the KCTD and its duties could be assumed into King County. 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 King County Ferry District, on the other hand, was created in 2007 as an independent government, but was assumed into King County in 2014 (Ordinance 17935).

ATTACHMENTS

1. Proposed Resolution TD2026-01
2. List of Transportation Benefit District Funding Sources
3. Local Sales and Use Taxes, Department of Revenue, April 1-June 30, 2026

²⁶ PSB notes that this total will vary due to the variation among jurisdictions in sales tax rates.

²⁷ As noted, this estimate is based on the March 2026 OEFA revenue forecast.

²⁸ RCW 82.14.055

Transportation Benefit District (TBD) Funding Sources¹

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	\$15.5M/year per \$10 ²
Voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	Yes	\$100	No restriction	\$15.5M/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>	\$101.9M/year per 0.1% ³
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>	\$101.9M/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>	\$87.9M/year per \$0.10/\$1,000 AV ⁴
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 the councilmanic vehicle license fee (VLF) is not “stackable” meaning that King County would be limited in its ability to impose this funding source within a jurisdiction that has already imposed some or all of the councilmanic VLF for its own TBD. In addition, State law includes revenue-sharing requirements for revenues from councilmanic VLFs imposed by county TBDs.

¹ Source: Metro Connects Implementation Report ([Motion 16155](#)), updated where indicated

² Updated by King County Budget Office, February 2026, based on 907,000 households and 1.55 million vehicles countywide per 2024 American Community Survey data

³ Based on March 2026 King County OEFA revenue forecast ([link](#))

⁴ Based on March 2026 King County OEFA revenue forecast ([link](#))

Local Sales and Use Tax Rates in King County, April 1 – June 30, 2026¹

Jurisdiction	Local Rate	State Rate	Total Sales Tax Rate
Unincorp. Areas	0.038	0.065	0.103
Unincorp. Non-RTA ²	0.024	0.065	0.089
Algona	0.039	0.065	0.104
Auburn/King	0.039	0.065	0.104
Auburn/King Non-RTA	0.025	0.065	0.090
Beaux Arts Village	0.038	0.065	0.103
Bellevue	0.038	0.065	0.103
Bellevue Non-RTA	0.024	0.065	0.089
Black Diamond	0.025	0.065	0.090
Bothell/King	0.038	0.065	0.103
Burien	0.038	0.065	0.103
Carnation	0.024	0.065	0.089
Clyde Hill	0.038	0.065	0.103
Covington	0.027	0.065	0.092
Des Moines	0.039	0.065	0.104
Duvall	0.027	0.065	0.092
Enumclaw	0.025	0.065	0.090
Federal Way	0.038	0.065	0.103
Puyallup Tribe - Federal Way	0.038	0.065	0.103
Hunts Point	0.038	0.065	0.103
Issaquah	0.040	0.065	0.105
Issaquah Non-RTA	0.026	0.065	0.091
Kenmore	0.038	0.065	0.103
Kent	0.039	0.065	0.104
Kent Non-RTA	0.025	0.065	0.090
Kirkland	0.039	0.065	0.104
Lake Forest Park	0.039	0.065	0.104
Maple Valley	0.025	0.065	0.090
Medina	0.038	0.065	0.103
Mercer Island	0.038	0.065	0.103
Milton/King	0.038	0.065	0.103
Newcastle	0.038	0.065	0.103
Newcastle Non-RTA	0.024	0.065	0.089
Normandy Park	0.038	0.065	0.103
North Bend	0.027	0.065	0.092
Pacific/King	0.039	0.065	0.104

¹ Source: Washington State Department of Revenue, Q2 2026 ([link](#))

² “Non-RTA” refers to geographic areas located outside the boundaries established for Sound Transit, aka Central Puget Sound Regional Transit Authority (RCW 81.112)

Jurisdiction	Local Rate	State Rate	Total Sales Tax Rate
Redmond	0.039	0.065	0.104
Redmond Non-RTA	0.025	0.065	0.090
Renton	0.040	0.065	0.105
Renton Non-RTA	0.026	0.065	0.091
Sammamish	0.038	0.065	0.103
Sammamish Non-RTA	0.024	0.065	0.089
SeaTac	0.039	0.065	0.104
Seattle	0.0405	0.065	0.1055
Shoreline	0.040	0.065	0.105
Skykomish	0.024	0.065	0.089
Snoqualmie	0.028	0.065	0.093
Tukwila	0.039	0.065	0.104
Woodinville	0.038	0.065	0.103
Woodinville Non-RTA	0.024	0.065	0.089
Yarrow Point	0.039	0.065	0.104

Components of the Sales Taxes in King County³

Government	Title of Tax	Tax Rate	Notes
State of Washington	General	6.50%	Rate unchanged in over 40 years
King County/Cities	General	1.00%	Within cities, the city gets 0.85% and King County gets 0.15%. The County gets the full amount in unincorporated areas.
	Criminal Justice	0.10%	Split with cities by formula. In 2025, King County is projected to receive ~20%.
King County	Mental Illness and Drug Dependency (MIDD)	0.10%	Renewed in 2025
	Health Through Housing	0.10%	Except in cities that “opted out” and imposed the same tax.
	Doors Open (Cultural Access)	0.10%	
	Metro	0.90%	
King County	ESHB 2015 CJ Sales Tax Safe & Stable Communities	0.10%	Effective 01/01/26 via Ordinance 19958
	Sound Transit	1.40%	Only in Sound Transit (RTA) service areas

³ Source: King County Budget Office, August 2025



King County

King County Transportation District

STAFF REPORT

Agenda Item:	7	Name:	Mary Bourguignon Nick Bowman
Proposed No.:	TD2026-B06	Date:	March 19, 2026

SUBJECT

Council staff will provide information on potential options and next steps should the KCTD approve funding for transportation improvements.

SUMMARY

If the KCTD imposes funding, there are two options for its future:

1. **Assumption.** The KCTD can be assumed into King County. The King County Executive and Council would take on the rights and responsibilities of the KCTD.¹
2. **Independence.** The KCTD can remain an independent governmental entity, separate from King County. KCTD could contract with King County to implement the programs to be funded.²

Option 1: Assumption into King County

State law³ gives any city or county that has created a TBD the right to assume the TBD and its rights, powers, functions, and obligations. Of the 23 local jurisdictions in King County that have created TBDs, 19 have assumed them into the local city government; of the four that have remained independent, two have authorized any form of revenue. State law requires several steps to assume a TBD:

- The Council passes an ordinance declaring its intent to conduct a public hearing on whether to assume the KCTD.
- After the public hearing, the Council passes a second ordinance assuming governance of the KCTD and making any needed changes to the King County Code to carry out the KCTD’s responsibilities.
- The KCTD passes a Resolution or Motion authorizing the assumption.

¹ The King County Ferry District was assumed into King County in 2014 (Ordinances 17908 and 17935, Motion FD14-01)

² the King County Flood Control District is an independent government that carries out its work through an Interlocal Agreement with King County to perform needed duties (see FCD2021-06).

³ RCW 36.74

If the County assumes the KCTD, the KCTD's funding source authority and any revenues that have been imposed would become King County's. Any programs the KCTD has authorized would become King County's responsibility to implement.

Instead of a KCTD Board of Supervisors, KCTD functions would be carried out by the King County Executive and Council as part of the normal course of conducting County business. KCTD-authorized transportation improvements would be implemented by the appropriate Executive agency within the regular course of their business.

Option 2: KCTD Remains Independent

If KCTD chooses to remain an independent government entity, it would be required to establish systems to collect and account for any revenues it receives. Based on the experience of the King County Flood Control District and for the King County Ferry District during the years it was independent (2007-2014), this would likely require staff or consultant support.

In addition, KCTD would need to contract with King County to implement any authorized transportation improvements.

Attachment 1 to this staff report includes a list of potential next steps for an independent KCTD to implement a Roads funding measure. These steps could include:

- KCTD would sign a Cash Management Agreement and potentially an Investment Pool Agreement with King County so King County Treasury⁴ could accept tax revenues on its behalf. KCTD would also need to establish accounting systems.
- KCTD could request by Resolution that the Executive develop an implementation plan and interlocal agreement (ILA) to carry out the authorized transportation improvements. For a Roads funding measure, the implementation plan and ILA could include:
 - A description of KCTD and County obligations to effectively and efficiently plan and implement County roadway infrastructure improvements
 - A prioritized work plan of County roadway programs and projects, including preliminary cost estimates and anticipated funding allocations, proposed for the 2026-2027 biennium
 - A framework for determining County roadway programs and projects to receive KCTD revenues in future biennia
 - Performance metrics to track financial accountability, project delivery, and transportation system outcomes
 - Regular financial and performance reporting transmitted to, and reviewed by, the KCTD and County

⁴ RCW 36.73.020 requires KCTD to use King County as ex officio Treasurer absent an interlocal agreement contracting with another government for this function.

- Reimbursement by KCTD to King County for services as authorized by the implementation plan and ILA

Both the Council (by Ordinance) and the KCTD (by Resolution) would need to approve the implementation plan and ILA.

- The Executive and Council would need to provide appropriation authority via a budget ordinance for any revenues received from the KCTD.
- The interlocal agreement would likely include accountability measures for KCTD oversight.

King County has experience with both an independent government entity (Flood Control District) and with assuming an independent entity into King County (Ferry District). Either option could be implemented, it would be a policy decision for the KCTD Board.

ATTACHMENTS

1. Potential Next Steps for Independent KCTD to Implement Roads Funding Measure

Potential Next Steps for Independent KCTD to Implement Roads Funding Measure¹

Timeframe	Entity	Action
Prior to April 17, 2026	KCTD	Approve Resolution imposing 0.1% sales tax for Roads KCTD passes Resolution TD2026-01, which imposes a 0.1% councilmanic sales tax for roads funding needs
April 17, 2026	KCTD	Inform WA Department of Revenue (DOR) For sales tax collections to begin July 1, 2026, KCTD must inform WA DOR by April 17, 2026
April – June 2026	KCTD	Approve Resolution requesting Executive to develop Implementation Plan KCTD passes second Resolution asking King County Executive to develop an Implementation Plan to use the revenues from Resolution TD2026-01, including: <ul style="list-style-type: none"> • Proposed Interlocal Agreement (ILA) between KCTD and King County for use of the revenues • Work plan with projects and proposed budget for 2026-2027 biennium • Proposed process to develop a work plan and budget for future biennia • Proposed accountability metrics • Proposal for regular review by King County Council and KCTD Board <p>If KCTD intends for King County Roads to be able to expend revenues prior to the approval of an implementation plan and ILA, the Resolution would need to grant authority for KCTD to contract with King County to spend a specified amount during this time.</p>
April – June 2026	KCTD	Execute administrative agreements to receive revenues KCTD would need to sign a Cash Management and optionally an Investment Pool agreement with King County so Treasury can accept their tax revenues RCW 36.73.020 requires KCTD to use King County as ex officio Treasurer absent an interlocal agreement contracting with another government for this function <i>NOTE: If collections begin July 1, KCTD would begin receiving revenues from DOR in late September (two months after end of first month of collections)</i>
April – June 2026	KC Executive KC Council KCTD	Create new King County fund(s) for KCTD revenues Executive transmits ordinance creating new RSD KCTD Fund for revenues (potentially a Subfund within the Roads Fund) ² KCTD would also need to create a special District Fund as part of the Cash Management agreement with Treasury for tax collections

¹ King County is authorized to assume the KCTD under RCW 36.74. The next steps shown on this timeline, however, are based on the KCTD remaining an independent entity

² Procedures from Office of the Washington State Auditor, Transportation Benefit Districts, Accounting ([link](#))

Timeframe	Entity	Action
April – June 2026	KC Executive KC Council	<p>Request additional appropriation authority for Roads Appropriate sales tax revenues in budget omnibus Executive requests and Council approves appropriation authority for the estimated revenues to be received due to Resolution TD-2026-01 through the end of the 2026-2027 biennium, with provisos or expenditure restrictions to:</p> <ul style="list-style-type: none"> • Appropriate the revenues needed for administrative purposes (DOR, KC Treasury, PAO, Council staff, etc.) under existing KCTD-KC ILA (TD2014-04) • Appropriate revenues as desired for initial Roads work prior to adoption of Implementation Plan and ILA • Encumber remaining revenues until Implementation Plan and ILA are approved by Council and KCTD
June – September 2026	KC Executive	<p>Develop Implementation Plan and ILA King County Executive develops a proposed Implementation Plan and ILA, including a project proposal for 2026-2027</p>
July – December 2026	KC Executive	<p>Possibly begin work using sales tax revenues KC Roads begins work using the sales tax revenues under the conditions approved by the KCTD Resolution and budget ordinance</p>
September 2026	KC Executive	<p>Transmit Implementation Plan to KCTD and Council The Executive transmits an Implementation Plan, including a proposed ILA between King County and the KCTD, to the Council and KCTD <i>NOTE: Existing ILA (TD2014-04) authorizing County staff to do “startup” work expires upon the KCTD receiving any authorized revenues (DOR sales tax collections estimated to begin July 1, 2026, if Resolution TD2026-01 approved by April 17 deadline)</i></p>
September – November 2026	KC Council KCTD	<p>Review and approve Implementation Plan and ILA KC Council and KCTD each review the proposed implementation plan and ILA</p> <ul style="list-style-type: none"> • Council must pass the implementation plan and ILA by Ordinance • KCTD must pass the implementation plan and ILA by Resolution
January 2027 – June 2036	KC Executive	<p>Continue work using sales tax revenues, report as required KC Roads continues to use the sales tax revenues for projects as allowed by KCTD Resolution, implementation plan, and ILA, reports to Council and KCTD as required</p>