

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

| Tab | Action | Option | Version |
|-----|--------|--------|---------|
| BLG | 042 | A | 001 |

Budget Action Title: Pass CB 119951 to implement a \$20 increase in the Seattle Transportation Benefit District vehicle license fee and add \$3.6 million to SDOT for bridge maintenance programs

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Alex Pedersen

Council Members:

Staff Analyst: Calvin Chow

Council Bill or Resolution: CB 119951

| Date | | Total | LH | TM | KS | AP | DJ | DS | AL | BC | LG |
|------|---------|-------|----|----|----|----|----|----|----|----|----|
| | Yes | 0 | | | | | | | | | |
| | No | 0 | | | | | | | | | |
| | Abstain | 0 | | | | | | | | | |
| | Absent | 0 | | | | | | | | | |

Summary of Dollar Effect

See the following pages for detailed technical information

| | 2021 Increase (Decrease) | 2022 Increase (Decrease) |
|--|--------------------------|--------------------------|
| General Fund | | |
| General Fund Revenues | \$0 | |
| General Fund Expenditures | \$0 | |
| Net Balance Effect | \$0 | |
| Other Funds | | |
| Transportation Benefit District Fund (19900) | | |
| Revenues | \$3,600,000 | |
| Expenditures | \$3,600,000 | |
| Net Balance Effect | \$0 | |
| | | |
| | | |
| Total Budget Balance Effect | \$0 | |

Budget Action Description:

This Council Budget Action recommends passage of CB 119951, which would impose an additional \$20 vehicle license fee, as authorized by State law. The increase would change the current \$20 vehicle license fee to a \$40 vehicle license fee. This Council Budget Action would also add \$3.6 million of

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appropriations to the Seattle Department of Transportation's (SDOT's) Bridge & Structures BSL for the Structures Engineering and Structures Maintenance programs.

In 2010, the Seattle Transportation Benefit District (STBD) was established by Ordinance 123397 as a separate legal entity, with a governing board comprised of City Councilmembers. In 2010, the STBD Board imposed \$20 vehicle license fee by STBD Resolution 1. The \$20 vehicle license fee has continually been in effect since 2010.

In 2016, the City Council passed Ordinance 125070 which absorbed the Seattle Transportation Benefit District into the City of Seattle, as authorized by a 2015 change in State law. Ordinance 125070 vested the City Council with the STBD's duties and authority.

In November 2019, Washington voters approved Initiative 976, which would have eliminated State authorization for the local vehicle license fee. The City of Seattle received an injunction against Initiative 976 and continued to collect the \$20 vehicle license fee while joining a legal challenge to the initiative. In October 2020, the Washington State Supreme Court ruled that Initiative 976 was unconstitutional, and the authorization for the local vehicle license fee therefore remains in effect.

Chapter 36.73 RCW allows local transportation benefit districts to impose a \$40 vehicle license fee, if a \$20 vehicle license fee has been in effect for twenty four months.

The existing \$20 vehicle license fee generates approximately \$7.2 million annually. RCW 82.80.140 limits the collection of vehicle license fees until six months after approval. This Council Budget Action anticipates that the increase from the existing \$20 vehicle license fee to a \$40 vehicle license fee will add an additional \$3.6 million of revenue in 2021 and \$7.2 million in subsequent years.

This Council Budget Action directs the additional vehicle license fee revenue in 2021 to SDOT's Bridge & Structures BSL to support the Structures Engineering and Structures Maintenance programs, which would increase the 2021 Proposed Budget for these two programs from \$8.9 million to \$13.5 million. These funds are intended to focus on critical bridges and structures that support the City's Frequent Transit Network and partially address the funding gap for bridge maintenance identified in the City Auditor's 2020 Bridge Maintenance Audit.

Budget Action Transactions

| # | Transaction Description | Position Title | Number of Positions | FTE | Dept | BSL | Fund | Year | Revenue Amount | Expenditure Amount |
|---|---|----------------|---------------------|-----|--------------|---|--|------|----------------|--------------------|
| 1 | Add STBD VLF for Structures Engineering | | 0 | 0 | SDOT - TR000 | SDOT - BO-TR-17001 - Bridges & Structures | 19900 - Transportation Benefit District Fund | 2021 | \$0 | \$1,800,000 |
| 2 | Add STBD VLF for Structures Maintenance | | 0 | 0 | SDOT - TR000 | SDOT - BO-TR-17001 - Bridges & Structures | 19900 - Transportation Benefit District Fund | 2021 | \$0 | \$1,800,000 |
| 3 | Revenue from VLF increase | | 0 | 0 | SDOT - TR000 | SDOT - BO-TR-17001 - Bridges & Structures | 19900 - Transportation Benefit District Fund | 2021 | \$3,600,000 | \$0 |