

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
BLG	042	B	001

Budget Action Title: Amend and pass as amended CB 119951 to implement a \$20 increase in the Seattle Transportation Benefit District (STBD) vehicle license fee, add \$3.6 million to Finance General, and add a proviso

Ongoing: Yes Has Budget Proviso: Yes

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Lorena González

Council Members:

Staff Analyst: Calvin Chow

Council Bill or Resolution: CB 119951

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
11/18/2020	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 amends and 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. The proposed amendments to CB 119951 are

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shown in Attachment A and reflect Council's intention to require approval of a spending plan for the new revenue.

This Council Budget Action would also add \$3.6 million of appropriations to the General Purpose BSL in Finance General and add a proviso as follows:

“Of the appropriation in the 2021 budget for the General Purpose BSL in Finance General, \$3.6 million is appropriated solely for transportation purposes and may be spent for no other purpose. Furthermore, none of the money so appropriated may be spent until authorized by future ordinance. Council anticipates that such authority will not be granted until the Seattle Department of Transportation has presented a spending plan for the additional vehicle license fee revenue after conducting a transparent, inclusive, and public stakeholder engagement process.”

This Council Budget Action anticipates that the Seattle Department of Transportation (SDOT) will seek input on the spending plan from the Move Seattle Levy Oversight Committee, the city's transportation boards and commissions, transit equity organizations, and community organizations, particularly those organizations representing communities that are disproportionately reliant on transit, and labor unions whose members are impacted by transportation investments, including Ironworkers, Building Trades, and Laborers. This Council Budget Action anticipates that that SDOT will develop the spending plan proposal by April 1, 2021 or earlier, and that City Council will consider and approve the spending plan by May 1, 2021 or earlier.

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.

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Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add VLF appropriations with proviso		0	0	FG - FG000	FG - BO-FG-2QD00 - General Purpose	19900 - Transportation Benefit District Fund	2021	\$0	\$3,600,000
2	Revenue from VLF increase		0	0	FG - FG000	FG - BR-FG-REVENUE - Finance General - Revenue	19900 - Transportation Benefit District Fund	2021	\$3,600,000	\$0