

## SUMMARY and FISCAL NOTE\*

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*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE imposing a revenue measure of 0.15 percent sales and use tax for transportation purposes as authorized by Seattle voters at the November 3, 2020, election; and ratifying and confirming certain prior acts.

**Summary and background of the Legislation:**

This legislation is necessary to enact the 0.15% sales and use tax approved by voters in November 2020. Funds will be used to maintain and enhance transit service and access in Seattle. Revenue collections will begin April 1, 2021 and continue through the first quarter of 2027.

The November 2020 ballot measure replaces a previous measure that imposed a 0.1% sales and use tax and \$60 vehicle license fee; that measure was approved by voters in November 2014 and expires December 31, 2020.

### 2. CAPITAL IMPROVEMENT PROGRAM

**Does this legislation create, fund, or amend a CIP Project?**       Yes  No

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

**Does this legislation amend the Adopted Budget?**       Yes  No

**Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

No

**Is there financial cost or other impacts of *not* implementing the legislation?**

This legislation is necessary in order to collect the 0.15% sales and use tax approved by Seattle voters. Without this legislation, the City will be unable to receive this tax revenue which will be used to fund transit service and other items.

### 3.a. Appropriations

\_\_\_ This legislation adds, changes, or deletes appropriations.

**Appropriations Notes:** This legislation does not provide appropriations. Funds will be appropriated in separate budget legislation.

### 3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

**Revenue/Reimbursement Notes:** This legislation will provide an estimated \$294 million of dedicated revenue for transportation purposes over six years; approximately \$33 million of this revenue will be generated in 2021, and just over \$45 million will be generated in the first full year of collections in 2022. These revenues are not added to the City's budget through this legislation but will be accounted for in separate budget revision and appropriation legislation.

Annual revenues are estimated as follows (dollars in millions):

2021	2022	2023	2024	2025	2026	2027	Total
\$33.4M	\$45.6M	\$48.1M	\$49.9M	\$51.5M	\$53.3M	\$12.6	\$294.3M

Revenue collections are estimated to begin April 1, 2021 and continue through the first quarter of 2027.

### 3.c. Positions

\_\_\_ This legislation adds, changes, or deletes positions.

**Position Notes:** This legislation does not add, change or delete positions. Position additions, changes or deletions are being determined through separate budget legislation.

## 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?  
No
- b. Is a public hearing required for this legislation?  
No
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?  
No

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No

**e. Does this legislation affect a piece of property?**

No

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

While the regressive effects of relying on sales tax has a disproportionate impact on lower income communities of color, including immigrant and refugee communities, the Mayor and Council agreed to increase the STBD sales tax rate by .05% after hearing from many of these same communities about the need to maintain frequent transit service. People of color tend to rely on public transportation more than Seattle residents as a whole. For example, through the pandemic, routes like Metro Route 7 that serve more racially diverse parts of Seattle have retained roughly half their pre-COVID levels of ridership while routes serving less diverse parts of the City are generating approximately 20% pre-COVID ridership.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**

Yes. This legislation allows the Seattle Transportation Benefit District investments in transit service and access first approved by Seattle voters in 2014 to continue for another 6 years. Given the uncertainty created by Initiative I-976, the measure approved by voters on November 3 relies entirely on sales tax revenue; unlike the 2014 measure, the 2016 measure does not authorize any vehicle license fees.

**List attachments/exhibits below:**