SEATTLE CITY COUNCIL
CENTRAL STAFF

June 16, 2026

M E M O R A N D U M

To: Select Committee on Seattle Transportation Benefit District
From: Calvin Chow, Deputy Director
Subject: Seattle Transit Measure Sales Tax Renewal

Introduction and Overview

On June 18, 2026, the Select Committee on Seattle Transportation Benefit District (Select Committee) will meet to discuss the Mayor's proposal to renew the Seattle Transit Measure sales tax, Council Bill (CB) 121226. The Mayor is proposing to double the sales tax from fifteen-hundredths of one percent (0.15 percent) to three-tenths of one percent (0.3 percent). If approved by the Council, the proposition would be placed on the November 2026 ballot. The Mayor's Office and the Seattle Department of Transportation (SDOT) presented their proposal at the June 4 Select Committee (Mayor's Office and SDOT Proposal Presentation).

This memorandum provides background and context on the Seattle Transit Measure, summarizes the Mayor's proposal, and identifies policy considerations for the Council's consideration.

Background

In April 2014, King County proposed a one-tenth of one percent (0.1 percent) sales tax and a $60 vehicle license fee (VLF) for 10 years (King County Transportation Benefit District Proposition 1). The proposal was anticipated to raise approximately $150 million per year to support King County Metro (Metro) transit service, local jurisdiction transportation projects, and roads in unincorporated King County. This proposal was not approved by King County voters, despite majority (two-thirds) support in Seattle.

Following the defeat of the King County proposal, Seattle voters approved a Seattle-only one-tenth of one percent (0.1 percent) sales tax and a $60 VLF to support transit service for six years, approved as Seattle Transportation Benefit District Proposition 1 (STBD Proposition 1, authorized by STBD Resolution 12). Revenue raised under the City's authority as a transportation benefit district may be spent for any transportation purpose.[1]

STBD Proposition 1 generated approximately $55 million per year and was intended to preserve transit service in Seattle in the face of planned Metro service reductions. Ultimately, King County's revenues improved, and Metro service cuts were less severe than anticipated. As a result, the additional funding allowed Seattle to expand transit service on top of Metro's base service. The measure also established a low-income access program to provide subsidized fare cards and a low-income qualified VLF rebate program.

[1] The STBD was a separate government entity with the same jurisdictional boundaries as the City of Seattle, and governed by the STBD Board, comprised of the nine Seattle City Councilmembers. In 2016, the City assumed the rights, powers, and responsibilities of the STBD as authorized by state law (ORD 125070).

In November 2020, as the original STBD funding was set to expire, Seattle voters approved a fifteen-hundredths of one percent (0.15 percent) sales tax as a six-year continuation of STBD Proposition 1 (ORD 126115). This new proposal, the Seattle Transit Measure, passed during the COVID pandemic lockdown, and provided for more flexible spending given the uncertainty of transit needs during that time. This measure generated approximately $50 million per year and supported additional transit-related programs and projects, such as Metro Flex transit service, King County passenger ferry service (during the West Seattle Bridge closure), and transit infrastructure improvements. The Seattle Transit Measure continued the low-income access program and was expanded to provide fare cards to Seattle Public School students until Washington State mandated a zero-fare youth policy in October 2022.

The Seattle Transit Measure currently supports approximately 180,000 bus trips per year. A summary of projected 2026 spending and legislated allowances is shown in Table 1. Note that total of planned expenditures in 2026 is approximately $85.2 million, significantly more than one year's worth of sales tax receipts. This level of spending represents use of available fund balance from previous years, particularly when Metro transit service was reduced during COVID response.

Table 1. Summary of Seattle Transit Measure 2026 spending

Spending Category	Planned 2026 Expenditure	Legislated Allowances
Transit service, Metro	$44.2 million	Minimum of 50 percent of annual revenue raised for transit service
Transit service, Streetcar	$15.4 million	Included in transit service
Emerging Needs & COVID recovery	$0	Up to $9 million per year
Low-income transit access	$5.7 million	Up to $10 million per year
City staffing for Sound Transit 3 (ST3)	$5.2 million	Authorized (ORD 127138)
Transit infrastructure	$14.7 million	Up to $16.4 million per year (ORD 126952)

In addition to the spending categories listed in Table 1, the Council expanded the allowable uses of Seattle Transit Measure revenues for:

- ***Passenger transportation services*** provided by transit agencies and private transportation service operators (ORD 127357). This provision was intended allow the use of Seattle Transit Measure funding to support alternative transportation services such as the Waterfront Shuttle; however, in the 2026 Adopted Budget, the City's financial support for the Waterfront Shuttle came from Payroll Expense Tax revenue and was administered through the Office for Economic Development.
- Staffing resources and consultant services to advance and ***support transit safety and security efforts*** (ORD 127361). As part of the 2026 Adopted Budget, the Council authorized the use of Seattle Transit Measure funds to support a Chief Transit Security and Safety Officer to implement the recommendations of the King County Regional Transit Safety Task Force. The position has not been filled.

  The base cost of Metro's transit service also includes overhead to support Metro's safety and security efforts. SDOT estimates that roughly nine percent of the City's annual service

investment supports Metro's transit safety and security programs. For 2025, this amount was approximately $3.9 million.

Seattle currently purchases transit service under an interlocal agreement with King County that expires at the end of 2027 (ORD 126285). If voters approve the proposed renewal, a new interlocal agreement will be needed to continue transit service purchases. A new agreement would require future City Council and King County Council legislative approval. In addition, the City Council would consider annual appropriations for transit service, low-income access, and other transit programs and projects as part of Council's annual budget deliberations within the voter-approved spending constraints.

In the event that the Seattle Transit Measure is not renewed, remaining fund balance and sales tax collections through April 2027 would be sufficient to meet the terms of the City's agreement with Metro to gradually wind down the City's transit service purchases through Metro's service change process.

Transit Ridership Patterns

The characteristics of transit ridership have shifted over the course of the 2014 STBD Proposition 1 and the 2020 Seattle Transit Measure. Prior to the COVID pandemic, Seattle transit service was heavily focused on commuter peak-hour service. Much of the purchased STBD Proposition 1 service was used to address overcrowding and improve reliability of service on commuter routes.

During the COVID pandemic, travel demand was significantly reduced. Metro reported that annual county-wide bus ridership fell by more than half from 2019 to 2020, but by 2024 bus ridership had recovered to about 70 percent of 2019 ridership.[2] In the wake of COVID response, Metro reduced service hours and experienced staffing and coach-availability issues which limited its ability to respond to Seattle's service requests. Available Seattle Transit Measure funding was used to support transit-related capital projects and for "emerging issues" such as transit-demand management strategies to mitigate the impacts of the West Seattle Bridge repair.

Reflecting the change in ridership patterns, the City's transit service purchases under the Seattle Transit Measure were focused on the Frequent Transit Network to support riders who are most reliant on transit. The Frequent Transit Network is a concept in the Seattle Transportation Plan that focuses on providing consistent, 15-minute or better frequency on the core arterial network and increasing the span of service to all day and weekends.

Both SDOT and Metro report that ridership recovery since the COVID pandemic has been stronger for off-peak hours and during the weekends, as opposed to historic peak commuting hours. This appears to be a persistent change in travel behavior following the COVID pandemic. The existing Seattle Transit Measure requires that purchased transit service be consistent with the Seattle Transportation Plan and Metro's Service Guidelines, or for routes serving historically low-income communities in Seattle.

[2] Based on King County Metro's annual National Transit Database reports (Federal Transit Administration)

Metro Restoration of Seattle Transit Service

In March 2023, King County approved Metro's Service Recovery Plan (King County Ordinance 19581) to guide restoration of service that had been suspended due to the COVID pandemic. Under these guidelines, Metro restructured bus service related to Madison Street and the RapidRide G line in 2024, resulting in restoration of approximately 4,000 service hours.

Metro is beginning the process of a larger restoration of service effort for the Seattle-area, with planned implementation in 2028. This effort is expected to restore approximately 100,000 service hours in the Seattle service area.[3] Metro's process includes opportunities for community engagement, and service changes will ultimately require approval by the King County Council. King County's Regional Transit Committee will receive a briefing on Metro's Service Recovery Plan at their June 17, 2026, meeting.

In addition to fare revenue, Metro's operations are primarily supported by a dedicated nine-tenths of one percent (0.9 percent) county-wide sales tax. Metro's long-term service plan (2021 Metro Connects) faces a significant funding gap, and King County will need to identify additional revenue or slow implementation of the plan. In the event that the King County Transportation Benefit District enacts a county-wide transit funding measure, the Mayor's proposed legislation reserves the City's right to reduce the City's proposed sales tax or to revise the amount of City purchased transit service.

Seattle Transportation Revenue Options

The proposed three-tenths of one percent (0.3 percent) sales tax represents the maximum sales tax that the City may impose under its transportation benefit district authority. This sales tax may be used for any transportation purpose, and one-tenth of one percent (0.1 percent) may be imposed through councilmanic means without a ballot measure. The maximum term allowed under this authority is 10 years. Both previous Seattle transit funding measures were for six-year terms.

State law provides for other revenue options to transportation benefit districts. The City currently imposes a $50 VLF which is projected to raise $22.1 million in 2026. This funding supports transportation programs in SDOT's base budget and is the maximum that the City may impose without voter approval.

The City may ask voters to approve up to an additional $50 VLF (to a combined maximum of $100 VLF). This is the maximum amount that may be collected from any vehicle licensee, and as such this limit is shared jointly with the King County Transportation Benefit District (KCTD). Currently the KCTD does not impose a VLF. Unlike a motor vehicle excise tax (which is based on the value of the vehicle), the VLF is a flat fee per vehicle. A $50 VLF would generate the same revenue as approximately five-hundredths of one percent (0.05 percent) sales tax.

State law provides transportation benefit districts with a few other revenue options; however these are largely duplicative of the City's general powers. These include voter-approved bond measures, one-year excess property tax levies, and impact fees. Transportation benefit districts may also pursue vehicle tolling with approval from the Washington State Transportation Commission and voters.

[3] Metro's Seattle-area service recovery project also includes Vashon Island service.

The primary source of SDOT's dedicated transportation funding comes from the eight-year $1.55 billion transportation property tax levy, authorized by Seattle voters in 2024 (ORD 127053). Of this eight-year total amount, $151 million was identified specifically for Transit Corridors and Connections. This included $27 million for transit spot improvements, $9 million for transit passenger safety, and $115 million for improved access to light rail.

Mayor's Proposal

As presented to the Select Committee on June 4, 2026, the Mayor proposed a three-tenths of one percent (0.3 percent) sales tax that would generate approximately $138 million annually. For comparison, the Seattle Transit Measure is projected to raise $56.6 million in 2026. Note that the $138 million estimate is an average for the next 10 years and that sales tax revenue is projected to grow over that time period.

Table 2 shows anticipated spending annual allowances by category in the Mayor's proposal. The proposal is anticipated to increase Seattle's purchases of transit service from approximately 180,000 bus trips per year to 280,000 bus trips per year compared to the Seattle Transit Measure.

The proposal allows for transit service purchases consistent with the Seattle Transportation Plan, Metro's Service Guidelines, and Metro's long-range plan. The proposal also allows for purchase of service hours on routes serving the City's highest equity priority areas, based on ridership and census data.

Table 2. Mayor's proposed spending for Seattle Transit Measure renewal

Spending Category	Anticipated Annual Expenditure	Proposed Allowances
Transit service, Metro	$94.6 million	Minimum of 60 percent of annual revenue raised for transit service
Transit service, Streetcar	$23.4 million	Included in transit service
Low-income transit access	$9.0 million	Up to $12 million per year
City staffing for ST3	$6.1 million	Up to $8 million per year
Transit & accessibility infrastructure	$5 million	Up to $5 million per year

Following discussion between the Mayor's Office and the Chair, the Mayor's introduced legislation increased the spending allocation on transit infrastructure and accessibility from $3.5 million annually to $5 million annually, with a corresponding decrease in service purchases, when compared to the presentation at the June 4 Select Committee.

Table 3 provides a comparison of the legislated spending allowances between the 2020 Seattle Transit Measure and the Mayor's proposed renewal. Actual appropriations would be proposed annually by the Mayor and approved by the Council as part of annual budget deliberations.

Table 3. Comparison of Spending Allowances.

Spending Category	2020 Seattle Transit Measure	Mayor's Proposed Renewal
Transit service, Metro	Minimum of 50 percent of annual revenue raised for transit service	Minimum of 60 percent of annual revenue raised for transit service
Transit service, Streetcar	Included in transit service	Included in transit service
Emerging Needs	Up to $9 million per year	Not included
Low-income transit access	Up to $10 million per year	Up to $12 million per year
City staffing for ST3	Authorized (ORD 127138)	Up to $8 million per year
Transit and accessibility infrastructure	Up to $16.4 million per year (ORD 126952)	Up to $5 million per year
Passenger transportation services	Authorized (ORD 127357)	Not included
Transit safety & security, line-item	Authorized (ORD 127361)	Not included

Compared to the 2020 Seattle Transit Measure, the Mayor's proposal does not include funding for Emerging Needs, passenger transportation services, or a separate program budget for transit safety and security.

Consistent with the current Seattle Transit Measure, the Mayor's proposal requires an annual report of the transit service and other investments funded by the voter-approved measure. SDOT's most recent 2025 Annual Report and historical annual reports are available on SDOT's webpage. Continuing with past practice, the Mayor's proposal names the Transit Advisory Board as the public oversight committee charged with advising the City Council, Mayor, and SDOT on transit measure spending (Resolution 31572).

Considerations

1. Size of Proposal

   The Council may wish to consider the size of the proposal. The 0.3 percent sales tax is projected to raise $138 million annually for 10 years. SDOT has estimated the cost of this sales tax on a two-person median income household to be $58 per year. This is generally consistent with Central Staff's presentation on affordability at the June 1 Council Briefing. In that presentation, Central Staff noted that the current rate of 10.55 percent (which includes the current 0.15 percent Seattle Transit Measure) represented $2,414 in annual sales tax for the median income household.

   The Council may wish to consider preserving 0.1 percent of the sales tax authority to support other transportation purposes. The 0.3 percent sales tax proposal utilizes this taxing capacity that would otherwise be subject to councilmanic authority.

   Of note, the KCTD just imposed a one-tenth of one percent (0.1 percent) county-wide sales tax to support roads in unincorporated King County (Resolution TD2026-01). The legislation included a 12.5 percent pass-through to local jurisdictions for roadway improvements (not for transit service) and Seattle's share of this revenue is approximately $4.7 million per year. The KCTD sales tax will begin collections in January 2027 and is authorized for 10 years. With this action, the KCTD has 0.2 percent of remaining sales tax capacity, which would be subject to voter approval.

2. Ten-Year Term

The Council may wish to consider revising the length of the proposal to allow the City to revisit its transportation priority needs for this revenue source sooner than the proposed 10-year term. Both the 2014 STBD Proposition 1 and the 2020 Seattle Transit Measure were previously approved as six-year measures.

3. Spending Categories and Limits

The Council may wish to consider revising the categories or definitions of allowable spending. The expiring Seattle Transit Measure included provisions that are not currently included in the renewal proposal, such as the $9 million annual allowance for emerging needs, authorization to purchase passenger transportation services from sources other than Metro, or explicit spending on transit safety and security programs.

The Council may also wish to consider revising allowed spending limits by category. These allowances will establish the baseline parameters for the Council's deliberations on future budgets. The Mayor's proposal reserves a minimum of 60 percent of revenue for transit service and establishes maximum allowable annual spending for other categories.

Next Steps

To be eligible for the November 2026 General Election, the Council must pass legislation, and the ballot title must be delivered to King County Elections by August 4.

The Select Committee is scheduled to meet on the following dates:

- *Thursday, June 4 - 9:30 a.m. (Completed)*
- Thursday, June 18 - 9:30 a.m.
- Monday, July 6 – 2:00 p.m.
- Monday, July 13 (Public Hearing) - 9:30 a.m. (remote) and 5:00 p.m. (in person)
- Thursday, July 16 - 9:30 a.m.

Under this schedule, City Council consideration and final approval of the legislation could occur at the July 21 or July 28 City Council meeting to allow time for the City Attorney's Office to write the final ballot title by the deadline of August 4 to place the measure on the November ballot.

Central Staff is available to assist Councilmembers in crafting potential amendments for discussion at the July 6 Select Committee meeting. The Chair has requested that Councilmembers engage with Central Staff by June 24 to facilitate publication of amendments prior to the July 4 holiday.

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