

April 13, 2021

## MEMORANDUM

**To:** Transportation and Utilities Committee  
**From:** Calvin Chow, Analyst  
**Subject:** Legislation to approve 2021 appropriations for \$20 Vehicle License Fee

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On April 21, 2021, the Transportation and Utilities Committee will consider and possibly vote on Council Bill (CB) 120042, which transfers \$3.6 million of appropriations from Finance General to various Seattle Department of Transportation (SDOT) Budget Summary Levels (BSLs) in support of a spending plan for the revenue generated by the additional \$20 Vehicle License Fee (VLF) previously authorized by [Ordinance 126234](#). CB 120042 would also remove a proviso in the 2021 Adopted Budget that restricted the use of the \$3.6 million of Finance General appropriations; the proviso would no longer be needed once the Council has transferred the appropriations to SDOT.

### Background

As part of the 2021 Budget process, Council passed Ordinance 126234, which increased the councilmanic VLF from \$20 to \$40. This additional \$20 VLF is anticipated to raise \$3.6 million in 2021 (for a half-year of collections beginning in July 2021), and \$7.2 million annually beginning in 2022. The 2021 Adopted Budget included \$3.6 million of appropriations in Finance General as a placeholder for future legislative action pending a spending plan. By State law, the VLF revenues may only be used for transportation purposes.

In Budget Action BLG-042-B-001 and in Ordinance 126234, Council requested that SDOT to develop a spending plan for the new revenue after conducting a stakeholder process “that includes input 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.”

SDOT convened meetings with stakeholder groups in February and March 2021 to develop the proposed spending plan, and SDOT transmitted its proposed spending plan to Council by email on April 1, 2020. CB 120042 would make the corresponding appropriation adjustments necessary to implement the proposed spending plan.

## **Proposed Spending Plan**

For 2021, CB 120042 would authorize the following expenditures (\$3.6 million total):

- \$1,125,000 for Safe Streets (e.g., Vision Zero safety improvements);
- \$1,025,000 for Safe Sidewalks (e.g., sidewalk repairs and maintenance of crosswalks and crossing signals);
- \$850,000 for Strong Bridges and Structures (e.g., maintenance of bridges, structures, and areaways);
- \$350,000 for Active Transportation Maintenance (e.g., maintenance and upkeep of bicycle lanes and bicycle signal improvements); and
- \$250,000 for Planning Ahead (e.g., integration of modal plans, assessment of transportation revenue, and planning for the expiry of the Move Seattle Levy).

For 2022 and beyond, the proposed spending plan anticipates that the additional VLF revenues (approximately \$7.2 million annually) would be allocated in future budget proposals as follows:

- 28 percent for Safe Streets;
- 28 percent for Safe Sidewalks;
- 24 percent for Strong Bridges and Structures;
- 10 percent for Active Transportation Maintenance;
- 7 percent for Planning Ahead; and
- 3 percent for Reserves/Revenue Stabilization.

Please contact me if you have any questions or concerns regarding this legislation.

cc: Dan Eder, Interim Director  
Aly Pennucci, Policy and Budget Manager