



SCA Policy Position on KCTD Revenue Proposal

Summary

As the King County Transportation District (KCTD) considers new transportation revenues, SCA recognizes both the needs of unincorporated roads and the challenges that countywide sales taxes create for cities. As a result, SCA believes that any proposal should include funding for cities and city involvement in the process for allocating funds.

Policy Context

1. KCTD is considering new revenue options, primarily a 0.1% councilmanic sales tax and/or a 0.2% voter-approved sales tax, for unincorporated roads and King County Metro.
2. City residents depend on unincorporated roads for work, commerce, and recreation, and these roads face significant and pressing funding challenges; however, unincorporated roads make up only 20% of roads in the county. Residents also depend on King County Metro, but Metro's funding challenges are less immediate.
3. Just as King County, city budgets are highly constrained, and cities are already limited in their ability to fund critical transportation projects.
4. Countywide sales tax collection creates further pressures on the ability of cities to fund these projects; 95% of sales tax collection occurs in incorporated cities, and the cumulative countywide tax burden contributes to tax fatigue in cities.
5. Sharing revenue from a countywide KCTD revenue proposal is not unprecedented: a 2014 sales tax proposal included 40% for King County's Road Services Division and cities based on population. This proposal did not pass. More importantly, King County Parks levies included direct pass-through amounts.
6. As the region looks for long-term, structural solutions to transportation funding challenges, SCA is concerned about an overreliance on the use of sales tax; Sales taxes are regressive and make our region less affordable for residents.

SCA Policy Priorities

1. Any countywide revenue proposal from KCTD should include a 25% pass through to each city of the sales tax revenue.
2. If the KCTD enacts the sales tax, cities should be involved in the decision-making process for allocating funds generated.