

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Legislative	Mike Fong/5-1675	N/A

Legislation Title: A RESOLUTION of the Seattle Transportation Benefit District authorizing a twenty-dollar vehicle license fee pursuant to RCW 36.73.065

• **Summary of the Legislation:**

RCW 36.73.065 authorizes the Seattle Transportation Benefit District (STBD) to impose, by majority vote of the district’s governing board, a vehicle license fee (VLF) up to twenty-dollars on vehicle owners in the City of Seattle. This action imposes the annual VLF, which would begin to be collected six months after passage of this resolution.

The resolution states that a contractual agreement will need to be established between the City of Seattle and the STBD for the use of the revenues generated from the VLF. It also outlines specific parameters that these revenues shall be allocated as follows, after accounting for costs associated with the collection and disbursement of revenues for and administering the STBD:

- a) Preservation and maintenance of the district’s transportation infrastructure; and
- b) Enhancing bicycle and pedestrian mobility within the district.

• **Background:** *(Include brief description of the purpose and context of legislation and include record of previous legislation and funding history, if applicable):*

It is currently estimated that \$6.8 million in annual revenues could be generated from the STBD vehicle license fee. SDOT revenues have been declining and as a result, the backlog of transportation maintenance and preservation projects continues to grow in spite of new revenues from the City’s Bridging the Gap funding sources (property tax levy and commercial parking tax). Furthermore, the City’s Pedestrian and Bicycle Master Plans identify millions of dollars in unfunded projects that represent a priority for the Mayor, Council and City residents.

In a separate action by the City Council, The City will convene a public advisory group (with assistance from SDOT and Council staff) to develop and recommend a proposed project list and spending plan for review by the Council and STBD Governing Board no later than January 31, 2011. It is anticipated that further discussions related to appropriations will be discussed during mid-year supplemental budget appropriations for 2011.

• *Please check one of the following:*

This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

 X **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations: This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation, please provide details in the Notes section below.

Fund Name and Number	Department	Budget Control Level*	2010 Appropriation	2011 Anticipated Appropriation
TOTAL				

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes: Revenues from the VLF are not anticipated to be collected until the 2nd Quarter/or early 3rd quarter of 2011. It is anticipated that discussions related to the appropriation of STBD revenues will be discussed as part of 2011 mid-year supplemental budget appropriations. SDOT is requested to develop a spending plan and project list for Council consideration by January 31, 2011.

Anticipated Revenue/Reimbursement: Resulting From This Legislation: This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.

Fund Name and Number	Department	Revenue Source	2010 Revenue	2011 Revenue
TOTAL				

Notes: Preliminary information provided by the Washington State Department of Licensing (DOL) indicate that there are 340,484 vehicles with registrations due for renewal between June of 2010 and June of 2011 within the geographic boundaries of the City of Seattle that are subject to the STBD VLF (exempted vehicles accounted for). Given this information, it is estimated that the twenty-dollar VLF would generate approximately \$6,809,680 annually based on one year of data.

During the period time before the VLF is collected, the City’s Administration and Finance Department is expected to work with DOL to coordinate procedures for revenue collection and transfer to the City. During such time, refinement of revenue projections is expected from the Finance Department and City Budget Office.

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: *This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.*

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2010 Positions	2010 FTE	2011 Positions*	2011 FTE*
TOTAL							

* 2010 positions and FTE are total 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.

Notes: Not Applicable

- **Do positions sunset in the future?** (If yes, identify sunset date):

Spending/Cash Flow: *This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.*

Fund Name & #	Department	Budget Control Level*	2010 Expenditures	2011 Anticipated Expenditures
TOTAL				

* See budget book to obtain the appropriate Budget Control Level for your department.

Notes: Project list and spending plan is anticipated from SDOT no later than October 1, 2010.

- **What is the financial cost of not implementing the legislation?** (Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs if the legislation is not implemented.)

The VLF is anticipated to generate approximately \$6.8 million in annual revenue for transportation purposes. The funding is expected to help mitigate for the declining revenues in SDOT for the purposes of preservation and maintenance and to invest in bicycle and pedestrian enhancements. Not implement the VLF would likely result in SDOT fall further behind in its backlog of maintenance projects and delay implementation of elements of the bicycle and pedestrian master plans.

- **Does this legislation affect any departments besides the originating department?** • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc.), and indicate which staff members in the other department(s) are aware of this Bill.*

Seattle Department of Transportation, City Budget Office and the Department of Administration and Finance will have a role in implementing this legislation.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** *(Include any potential alternatives to the proposed legislation, such as reducing fee-supported activities, identifying outside funding sources for fee-supported activities, etc.)*

The TBD has several revenue sources that it could impose or present to the voters. Those include:

- voter approved property tax levy;
- voter approved sales and use tax up to 0.2%;
- voter approved vehicle license fee up to \$100;
- voter approved vehicle tolls;
- vehicle license fee up to \$20 w/o voter approval
- transportation impact fee on commercial and industrial buildings.

The City Council could consider implementing other taxes and fees to support transportation, including an increase to the commercial parking tax rate.

- **Is the legislation subject to public hearing requirements?** *(If yes, what public hearings have been held to date, and/or what plans are in place to hold a public hearing(s) in the future.)*

No. RCW 36.73.050 specifies that the STBD must provide notice and hold a public hearing prior to establishing the TBD, but no hearing requirement is necessary prior to imposing the VLF.

- **Other Issues** *(including long-term implications of the legislation):*
- **List attachments to the fiscal note below:** *(Please include headers with version numbers on all attachments, as well footers with the document's name (e.g., DOF Property Tax Fisc Att A)*