

Initiative Measure ____

Property Tax Levy Lid Lift to Support Transit in Seattle

WHEREAS, transit service in the City of Seattle is provided by King County Metro Transit (Metro), a public transportation agency;

WHEREAS, Metro's largest source of funding is a share of the retail sales tax collected in its service area, leaving agency revenues vulnerable to downturns in consumer spending;

WHEREAS, since the economic downturn in 2008 and the resulting reduction in sales tax collections, Metro has experienced funding shortfalls that threatened to substantially reduce available services;

WHEREAS, since 2009, Metro has cut costs, improved operational efficiency, tapped reserve funds, deferred scheduled maintenance, found new revenue sources, and raised fares four times in four years;

WHEREAS, Metro and local officials also sought different funding capacity from the state legislature;

WHEREAS, in 2011, the King County Council passed a two-year congestion reduction charge to help bridge Metro's funding gap and preserve service while the state legislature considered transportation funding options;

WHEREAS, in June 2013, the state Senate failed to act on a proposed transportation package, as passed by the state House of Representatives, that would have provided additional funding for Metro, along with many other services;

WHEREAS, following the state legislature's failure to address the Metro funding problem, Metro announced that it was facing a shortfall of about \$75 million per year beginning mid-2014, and that in the absence of additional funding, it would be forced to cut up to 600,000 hours of bus service by the end of 2015;

WHEREAS, in an attempt to avoid service cuts, the King County Council voted to introduce a ballot measure, Proposition 1, to fund Metro's shortfall via a 0.1% sales tax increase in King County and a \$60 vehicle fee for county residents;

WHEREAS, in April 2014, the ballot measure failed by a vote of King County residents, despite enjoying support from a large majority of voters in Seattle;

WHEREAS, given the failure on the part of both the State Legislature and King County residents to approve funding to continue Metro service at existing levels, the only remaining option for preserving existing service levels in Seattle is to utilize a local funding mechanism; and

WHEREAS, the City is now growing rapidly, and reduction in Metro services would be harmful to the City's economy and quality of life;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1 - Definitions

As used in this initiative, the following words have the following meanings:

“Metro” means King County Metro Transit;

“Metro Service Cuts” refers to proposed reductions in service announced by Metro in November 2013 and April 2014, and any subsequent service reductions proposed to address Metro’s current projected funding shortfall;

“Annual Revenue Hours” means the number of hours per year that Metro buses and the Seattle Streetcar are scheduled to travel while in revenue service;

“Seattle Routes” means Metro routes that deliver at least 80% of their Annual Revenue Hours within the city limits of Seattle;

“Seattle Metro Service Cuts” means Metro Service Cuts to Seattle Routes; and

“Levy Funds” means all regular property tax levy proceeds authorized by this initiative, and all interest earnings earned by those proceeds.

Section 2 - Authority

The people have vested the legislative powers of the City in a Mayor and City Council, but also reserved to themselves the power to propose and accept or reject measures dealing with any matter within the realm of local affairs or municipal business. This power includes the use of an initiative petition to submit to the qualified electors of the City a measure as authorized by RCW 84.55.050 to exceed the limitations of regular property taxes contained in RCW Chapter 84.55.

Section 3 - Levy of Additional Regular Property Taxes

Upon adoption of this initiative, the City is authorized to exceed the levy limitation on regular property taxes contained in RCW 84.55.010 for property taxes levied in 2015 through 2020, in order to allow collection of an additional \$0.22 per \$1,000 of assessed property value per year, and no more than \$155 million in aggregate over a period of six years.

All Levy Funds shall be used for the purposes specified in Section 4 of this initiative. The taxes authorized by this initiative will be in addition to the maximum amount of regular property taxes the City would be limited to by RCW 84.55.010 in the absence of voter approval under this initiative, plus other authorized lid lifts.

Pursuant to RCW 84.55.050(5), the maximum regular property taxes that may be levied in 2021 and in later years shall be computed as if the limit on regular property taxes had not been increased under this initiative.

Section 4 – Eligible Uses of Funds

All Levy Funds shall be used as follows:

- 1) 100 percent to purchase service for Seattle Routes until Seattle Metro Service Cuts are restored; then,
- 2) 100 percent of any remaining Levy Funds to purchase additional service for Seattle Routes as determined by the City consistent with the Seattle Transit Master Plan and Metro Service Guidelines, and approved by the City Council.

Levy Funds shall only be used for these specified purposes, for related costs required to achieve these specified purposes, for financing costs, or for costs to administer and oversee Levy Funds pursuant to this initiative.

Section 5 - Deposit of Funds

The additional taxes authorized under this initiative shall be deposited into the "City of Seattle Metro Service Fund," which is hereby created in the City Treasury. Money in that fund may be temporarily deposited or invested in such manner as is lawful for the investment of City money and interest and other earnings shall be deposited in the fund. The additional taxes and any interest shall be applied solely for the projects and programs authorized pursuant to this initiative. The Finance Director is authorized to create other funds, subfunds or accounts as may be needed to implement the purposes of this initiative.

Section 6 - Election - Ballot Title

The Ballot Title for this measure shall be as follows or as modified by the City Attorney pursuant to SMC 2.08.020:

If approved, this measure would provide funding to preserve transit services operated by King County Metro in the City of Seattle. It would authorize regular property taxes higher than RCW 84.55 limits, allowing collection of up to \$155 million in additional taxes over six years. Taxes collected in 2015 would be limited to \$3.27 per \$1,000 of assessed value, including no more than \$0.22 of additional taxes.

Section 7 – Oversight Committee

The City shall designate a Public Oversight Committee to oversee spending of Levy Funds. The Committee shall consist of not less than 12 members of the public. An existing public committee may be designated by the City Council, or a new committee may be created as prescribed by the City Council. The primary purpose of the Public Oversight Committee is to issue public reports, not less than semi-annually, on Levy Fund spending, in addition to any tasks assigned by the City Council.

Section 8 – No Supplantation of Existing Funding

Before purchasing any service hours from Metro with Levy Funds, the City shall enter into an agreement with Metro to ensure that Levy Funds do not supplant funding for Seattle Routes that Metro would otherwise provide.

Section 9 - Severability

In the event any one or more of the provisions of this initiative shall for any reason be held to be invalid, such invalidity shall not affect any other provision of this initiative or the levy of the additional taxes authorized herein, but this initiative and the authority to levy those taxes shall be construed and enforced as if such invalid provisions had not been contained herein; and any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.