

Bridges and Roads Taskforce - September 16, 2015
Questions & Answers – Meeting #2

Recognizing the Task Force has limited meeting time to identify the most significant solutions for operating, maintaining and preserving the aging bridge and road system in unincorporated King County, the county is providing answers to detailed technical questions in writing. Staff is also available to discuss technical issues with Task Force members. The presentations during Task Force meetings will highlight the most significant issues for consideration, and if desired, the Task Force can request additional presentations and modify agendas for upcoming meetings. Questions answered during the meetings are not included in written materials.

- **Provide a chart showing how long Roads expect to levy a maximum tax rate of \$2.25 per \$1000 and when it will again be bound by the 1 percent revenue growth limits**

September 2015
 Roads Property Tax Annexation Addendum
 Office of Economic and Financial Analysis

Tax Year	Value	Roads Levy Rate
2016	\$81,424,917	\$2.25
2017	\$85,396,587	\$2.25
2018	\$87,612,429	\$2.23
2019	\$88,252,298	\$2.25
2020	\$88,193,882	\$2.25
2021	\$90,079,785	\$2.20
2022	\$91,681,194	\$2.13
2023	\$93,303,271	\$2.08
2024	\$94,947,924	\$2.03

- **How do Annexations impact the forecast?**

Annexation Assumptions

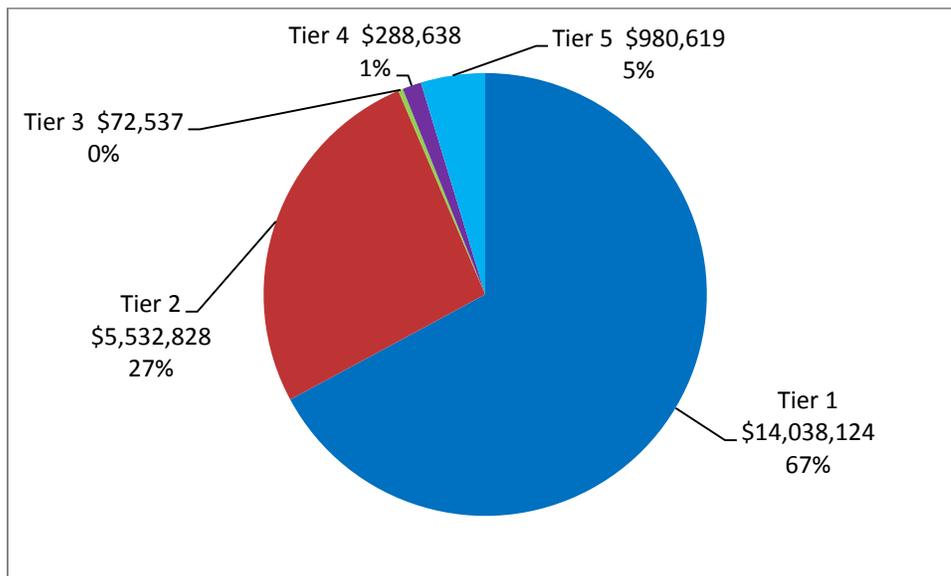
	Annexation Area	Annexation Area Assessed Value	Roads Levy Annexation Reduction
2016	Klahanie	\$1,867,574,551	\$4,202,043
2017	NH Area Q/Sliver	\$121,766,593	\$273,975
2018	North Highline	\$1,524,245,386	\$3,399,067
2019	West Hill	\$1,539,907,483	\$3,464,792

- **Show how Snohomish County has handled its revenue challenges differently than King County – particularly following the recession.**

King County and Snohomish County are at different stages in the implementation of Growth Management which has a big impact on the amount of revenue to provide services.

	Total Road Miles	Arterial Miles	How much of the county population lives in the unincorporated area?	Road Fund
Snohomish	1,570	495	43%	\$103,887,885
King	1,492	463	13%	\$71,721,038

- **Show a breakdown of county spending for each road tier**



- **Provide a chart or narrative showing the impact of each initiative on King County bridges and roads funding so people understand their individual impacts. Explain how the 1% limitation is related to Eyman/other initiatives.**

Estimated Revenue Lost From Voter Initiatives and Annexations	
	2000 – 2015 in millions
VLF Loss ¹	62,400,000
Annexation Loss ²	78,558,078
1% Levy Limit ³	18,572,783
Total Revenue Reductions	159,530,861

¹ VLF loss assumed constant... no assumption for increased or decreased number of licensed vehicles.

² In 2012 the levy rate reaches its statutory maximum, so ongoing decreases in Assessed Value from Annexations cannot be recouped by raising the rate.

Losses at this point become cumulative, rather than annual

³ Until 2005, banked levy capacity was used to compensate for revenue lost due to the 1% levy increase cap

Note: The 1% revenue growth limitation was originally created by Eyman’s initiative 747. Years later, it was ruled unconstitutional by the State Supreme Court due to a drafting error in the initiative (basically, the initiative misstated existing statute because of a previous Eyman initiative that was ruled unconstitutional). The Legislature immediately re-enacted it. So, the 1% isn’t technically an Eyman initiative as of now, but almost certainly wouldn’t exist otherwise. Additional information on property taxes is available at the Municipal Research and Services Center at <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/February-2015/Why-is-Property-Tax-So-Complicated.aspx>