Committee of the Whole

Deb Bell

Council Initiated:
☒Yes; CM Low
☐No

ECAF: 2026-1677
Ordinance: 26-031

Type:
☐Contract
☐Board Appt.
☒Code Amendment
☐Budget Action
☐Other

Requested Handling:
☐Normal
☒Expedite
☐Urgent

Fund Source:
☐General Fund
☐Other
☒N/A

Executive Rec:
☐Approve
☐Do Not Approve
☒N/A

Approved as to Form:
☐ Yes
☒No
☐N/A

Subject: Amending Snohomish County Code Section 2.85, to impose a 10-year 0.1% sales and use tax for county roadway improvements.

Scope: The Ordinance would add a new code section to Snohomish County Code: 2.85.036 Sales and Use Tax. This would fix and impose a sales tax of one-tenth of one percent; is in addition to any other taxes authorized by law within the boundaries of the district; shall apply for ten (10) years from the date the tax is first collected (unless affirmed by voters voting in an election or a majority vote by the Snohomish County Council); and notice shall be given to the state department of revenue.

Duration: Ten years from the date the tax is first collected.

Fiscal Impact: ☐**Current Year** ☒**Multi-Year** ☐**N/A**

Revenue	2026	2027	2028	2029	2030	2031
102 Road Fund TBD sub-fund	$0	~$5,000,000	~$5,000,000	~$5,000,000	~$5,000,000	~$5,000,000

Authority Granted: RCW 36.73.040(3)(a) and 82.14.0455 allows for the most common Transportation Benefit District funding source in the state, a sales and use tax of up to 0.3%. As of July 1, 2022, up to 0.1% of the sales tax may be imposed by a majority vote of the governing board.

Background: In 2015, the Washington State Legislature enacted RCW 36.74.010, which permits counties by ordinance to assume the rights, powers, functions and obligations of a TBD, thereby consolidating its operations under the county's direct governance. (This allows counties to streamline the TBD administration, reduce duplicative functions and cost, and provide greater efficiency and accountability in the use of transportation funds. Full list of TBD in WA State.)

Snohomish County established a TBD in 2011 as a separate governing body to provide funding for transportation projects in unincorporated Snohomish County. The County Council was established as the ex officio governing body/board. However, a funding mechanism for transportation improvements was not included in the original ordinance.

Proposed Ordinance 26-009 includes changing the governing board to the County Council, and would establish the geographic boundaries of the TBD to be the boundaries of unincorporated limits of the county.

State law gives TBDs access to a number of funding sources (see chart below), one of which is the sales and use tax. TBDs have access to a total of 0.3% increased sales tax, of which 0.1% can be imposed by the TBD Board and 0.2% requires a popular vote after approval by the TBD.

The proposed ordinance would amend Snohomish County Code 2.85 to reflect the changes necessary to impose, by majority vote of the governing board (County Council), a sales and use tax of 0.1% for an initial period of 10 years. At the end of the 10-year period, the tax may be renewed by a majority vote of the governing body (County Council), or by a vote of the people.

Action Requested: For the Council to move the ordinance to July 15th GLS to set time and date for a Public Hearing, with the suggested date and time of August 12, 2026, at 10:30 am.

List of TBD's in Snohomish County	**Established**	**Powers Assumed**	**Sales Tax**	**Vehicle License Fee (VLF)**	**Other Notes**
Arlington	2013		0.20%		
Bothell	2015				
Brier	2025			$20	
Edmonds	2008			$40	
Everett	2014			$20	
Granite Falls	2015			$20	
Lake Stevens	2018		0.20%		
Lynnwood	2010		0.10%	$40	
Marysville	2013		0.20%		
Mill Creek	2026			$20	
Monroe	2012		0.20%		
Mountlake Terrace	2011			$20	
Mukilteo	2017		0.10%		
Snohomish	2010		0.20%		
Stanwood	2012			$20	
Woodway	2025			$20	
List of TBD's WA - Counties	**Established**	**Powers Assumed**	**Sales Tax**	**Vehicle License Fee (VLF)**	**Other Notes**
King County	2026	Yes	0.10%		Imposed council manic revenue sources in June 2026.
Jefferson County	2024	Yes	0.10%	$20	Imposed council manic revenue sources in 2025.
Funding Source	**Authorizing Statute**	**Voter Approval Needed?**	**Max. Rate**	**Max. Term**	**Snohomish County projected amount to be raised**
Councilmanic Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	No	$50 (over time in increments of $20, $20, $10)	No restriction	~$6M
Voted Vehicle License Fee	RCW 82.80.140; 36.73.040(3)(b); 36.73.065	Yes	$100	No restriction	~$30M
Councilmanic Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	No	0.1%	10 years (can be bonded, but TBD must vote to renew every 10 years)	~$5M
Votes Sales Tax	RCW 82.14.0455; 36.73.040(3)(a)	Yes	0.2%	10 years (plus 2nd 10 years with vote, can be longer if bonded)	~$5M/year per 0.1%
Development Impact Fee	RCW 36.73.040(3)©; 36.73.120; 39392.040; 39.92.030	No (must be reasonably necessary as a result of the impact of development	Must be linked to development impact	One-time (can be paid over 5+ years, must be spent within 6 years)	Depends on size of fee, geographic area where fee is applied

Property Tax Excess Levy (Lid lift)	RCW 36.73.060; 84.52.056; Article VII, 2(a)	Yes (60% approval, plus required percentage of participation of previous election)	In excess of 1% limit	1 year (up to 40 years if bonded)	Estimated $17M in revenue in first year from a 1x lid lift of 23%
Local Improvement District (LID)	RCW 36.73.080	No	Up to amount of special benefit to property owners	No more than 30 years for term of bonds	Depends on size of fee, geographic area of LID
Tolls	RCW 36.73.040(3)(d)	Yes	As limited by Transportation Commission and voters	As limited by Transportation Commission and voters	Depends on size of toll, geographic area where toll is applied