

# ***Proposed 2026 Budget and Property Tax Levy***

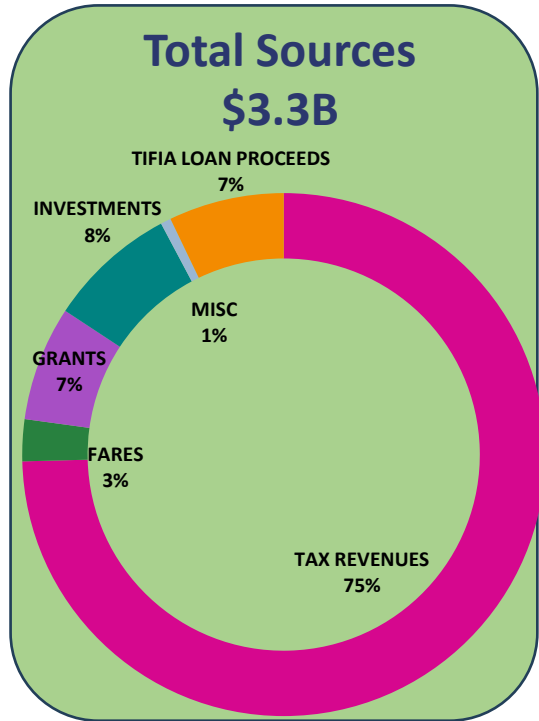
*Public Hearing*

*10/09/2025*



# FY 2026 overview – revenues and financing

(In millions)

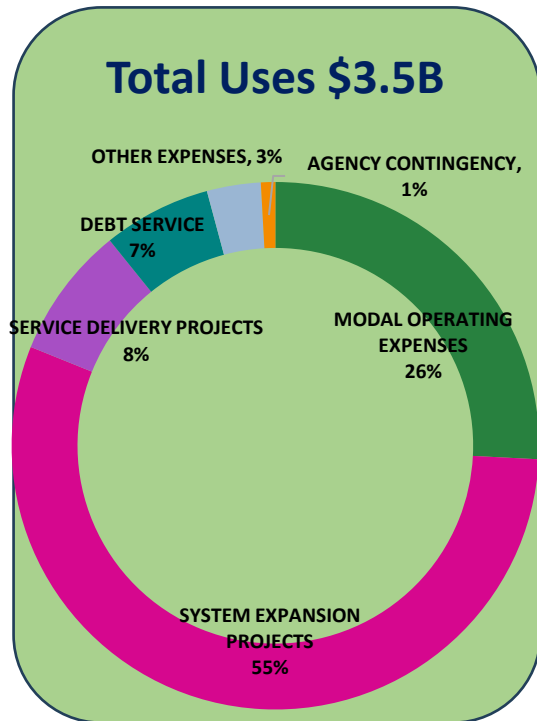


| Total Sources | FY2026 Budget | % change from 2025 forecast |
|---------------|---------------|-----------------------------|
| Taxes         | \$2,443       | 4%                          |
| Fares         | \$85          | 28%                         |
| Grants        | \$232         | 27%                         |
| Investments   | \$261         | -10%                        |
| Misc. Rev     | \$21          | 4%                          |
| TIFIA/ RRIF   | \$233         | -85%                        |

- Tax revenues: Economic growth expected to remain stable plus sales tax expansion
- Fares: Full year of Federal Way Link Extension and open Crosslake Connection Extension
- Grants: Increasing due to final Lynnwood Link Extension funding
- TIFIA and RRIF: Pinehurst and Sounder Access loan drawdowns

# FY 2026 overview – expenditures

(In millions)



| Total Uses   | FY2026 Budget | % change from 2025 forecast |
|--------------|---------------|-----------------------------|
| Expansion    | \$1,924       | 23%                         |
| Modal O&M    | \$891         | 23%                         |
| SD Program   | \$282         | 40%                         |
| Debt Service | \$230         | -19%                        |
| Other        | \$98          | 19%                         |
| Contingency  | \$31          | 17% Compared to budget      |

- Expansion Projects: Link shifts to spending on projects in planning, heavy Stride construction
- Modal Ops: Full year of Downtown Redmond and Federal Way; opening Crosslake Connection
- Service Delivery Program: Fund critical agency IT, SOGR, resiliency, and World Cup needs
- Debt service: Interest begins with drawdown of TIFIA loans; retirement of variable bonds in 2025

# ***Proposed 2026 Property Tax Levy: \$183M***

***Includes 1.0% statutory increase plus revenue from new construction and other items (refunds, annexations, etc.)***

## **Proposed 2026 Property Tax Levy \$183M**

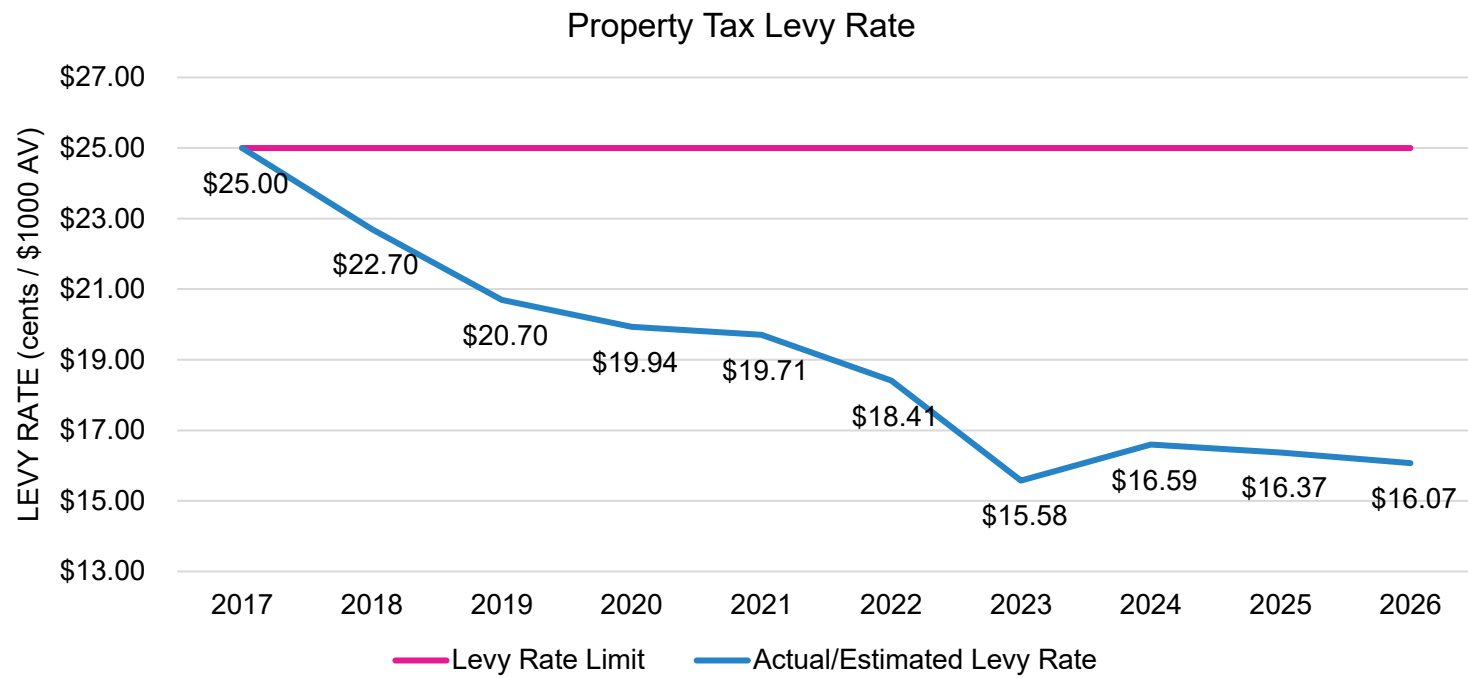
### **2026 Property Tax Levy\*** (in millions)

|                                                      |    |            |              |
|------------------------------------------------------|----|------------|--------------|
| 2025 Property Tax Levy                               |    | \$         | 176.2        |
| Estimated Statutory 1% Levy Increase                 | \$ | 1.8        |              |
| Estimated levy from new construction and other items | \$ | <u>5.0</u> |              |
| Total Change from 2025                               |    | \$         | 6.8          |
| <b>2026 Property Tax Levy</b>                        |    | <b>\$</b>  | <b>183.0</b> |

\* Based on preliminary 2025 assessed value data from King County Department of Assessments.

# Levy Rate Projected to decrease from 2025

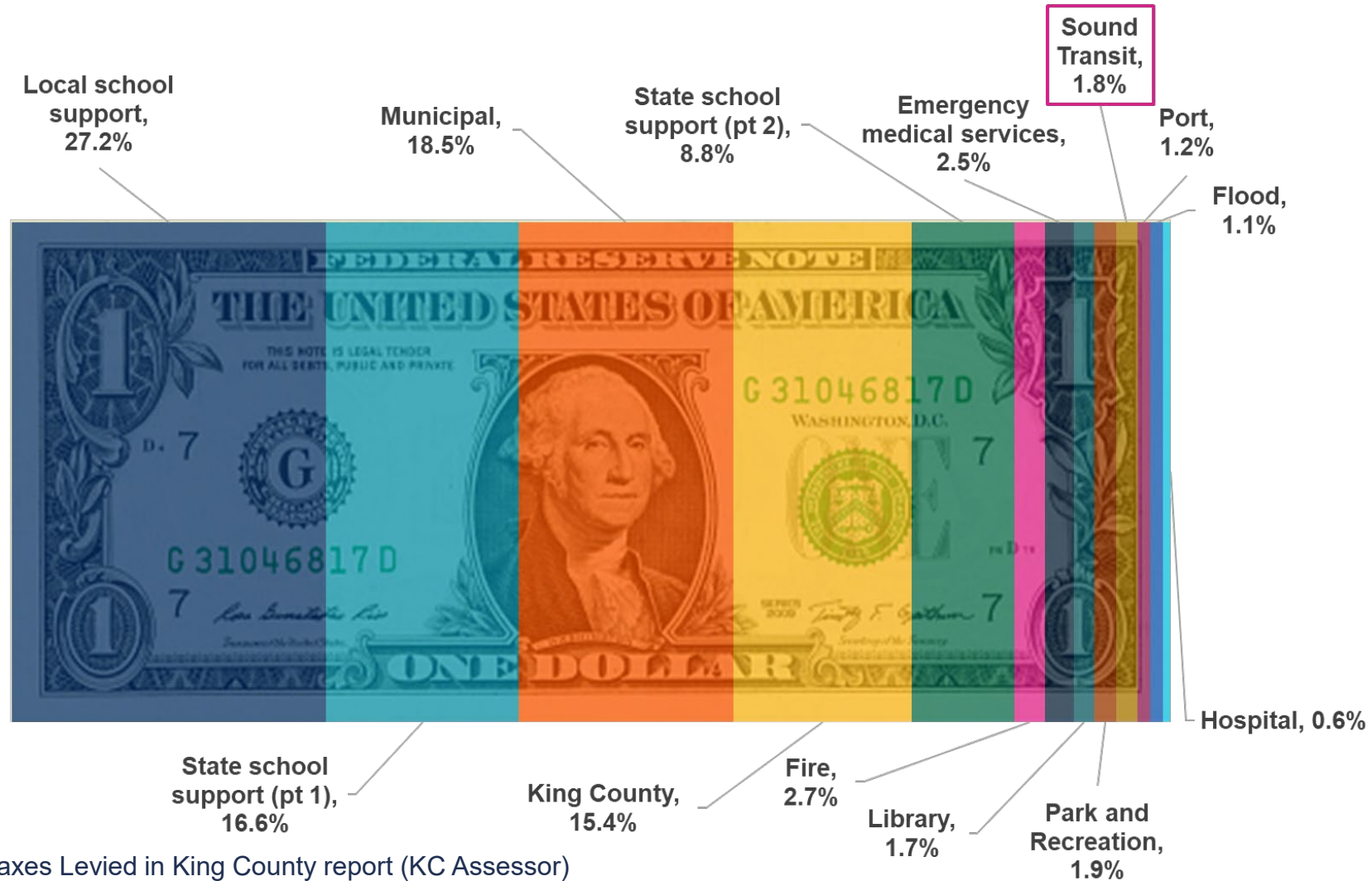
- **Levy rate limit: \$0.25 per \$1000 of assessed value (AV)**
- **Estimated 2026 levy rate: \$0.16 per \$1000 AV**



# ***Financial Plan Assumes Annual 1% Levy Increase***

- *The voter-approved plan assumes 1% annual property tax increase.*
- *Any levy increase less than 1% lowers tax revenue projections in the Financial Plan.*
- *Failure to pass any property tax resolution would result in a projected material revenue loss through 2046.*
- *Annual cost inflation is significantly higher than the 1% revenue increase.*

# Property tax allocations per household



\*based on 2025 Property Taxes Levied in King County report (KC Assessor)

*Thank you.*



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