

Briefing on I-976

Board of Directors Meeting
03/26/2020

I-976 Application to Sound Transit

- Repeals statutory authority for MVET and Rental Car Tax
- Repeal of taxes takes effect after ST retires, refinances, or defeases bonds that are secured by the MVET and Rental Car Tax
- Reduces MVET authority from .8% to .2% if taxes are not repealed by April 1, 2020 (would apply only to future expansion plans submitted to voters)

***I-976 does not repeal Sound Transit's
MVET tax until bonds are repaid and no
longer outstanding***

Sound Transit has an obligation to pay for all committed expenses

- Capital
- Operating
- Debt service
- State of Good Repair
- Other committed expenditures

Committed Capital Projects



- Northgate Link Extension
- Hilltop Tacoma Link Extension
- East Link Extension
- Lynnwood Link Extension
- Downtown Redmond Link Extension
- Federal Way Link Extension
- Stride Bus Rapid Transit
- OMFE
- Sounder, STEX, LRV Fleet Expansion
- Other

Bond Defeasance

- Current Bond outstanding: \$2.3 billion
- Cash needed to defease bonds: \$2.9 billion
- Insufficient funds before or after funding committed expenses.

Sound Transit does not have sufficient financial resources to defease the bonds to which MVET is pledged.

We will notify the Board when/and if the agency has sufficient fund to defease the bonds.