SOUNDTRANSIT

Resolution No. R2025-28

2026 Property Tax Levy

Meeting:	Date:	Type of action:	Staff contact:
Board	10/23/2025	Final action	**Hughey Newsome, Chief Financial Officer** **Ryan Fisher, Executive Director, Finance** **Stephanie Ball, Director, Finance**

Proposed action

Establishes the amount of property taxes to be levied for the year 2026 based on the assessed value of property within the Sound Transit district.

Key features summary

- This action authorizes a statutory increase of 1.0 percent, or $1,744,746, to the levy for 2026 in accordance with RCW 84.55.010. Per preliminary King County Assessor data, this is an effective increase of -0.0 percent or -$2,931 over last year's actual levy due to refunds and levy corrections.
- The levy rate is estimated to be $0.160 per $1,000 of assessed value, based on preliminary King County Assessor data as of October 9, 2025. The impact on an average homeowner will vary based on whether the assessed value of the home changes year over year. For example, a 3 percent increase to the assessed value of a $800,000 home will result in an increase of $1.50 to the Sound Transit component of a property tax bill.
- Upon Board approval of this resolution, Sound Transit will seek the statutorily maximum allowable levy for 2026 by submitting a levy of $183,000,000 to the King County Assessor, which includes the statutory increase of 1.0 percent, plus $6,780,651 for estimated exempt increases per RCW 84.55.010, including new construction, improvements to property, increases in state-assessed property, increases in assessed value due to the construction of new renewal electric generation facilities, as well as annexations, levy corrections, prior year refunds, and Local Tax Increment Financing.
- Annual collection of the statutorily allowable property tax levy is assumed in Sound Transit's long-range financial plan and contributes to financial capacity to deliver and operate the regional transit system.
- This action also authorizes the Board Administrator to make necessary administrative corrections to the resolution to implement the levy increase.

Background

In June 2016, through Resolution No. R2016-17, the Board acted to place the Sound Transit 3 (ST3) plan on the November 8, 2016, general election ballot. The ST3 plan, placed on the ballot as Proposition 1, asked voters to approve certain local taxes to implement Sound Transit 3 in parts of King, Pierce, and Snohomish Counties. Funding would be utilized to continue developing regional high-capacity transit by expanding Link light rail, Sounder commuter rail, and Stride bus rapid transit, and by continuing interim ST Express bus service to connect the region's population, employment, and growth centers.

Proposition 1 included a property tax to be levied at a rate up to twenty-five cents ($0.25) per $1,000 of assessed value. On November 29, 2016, election officials certified that a majority of the votes cast in the November 8, 2016, general election approved Proposition 1 to implement ST3.

Based on voter approval of ST3, Section 1 of Resolution No. R2016-29 levied a regular property tax on property within the Central Puget Sound Regional Transit Authority Boundary, as set forth in Resolution No. R2016-17, at a rate of $0.25 per $1,000 of assessed value for the 2017 tax year, and a property tax budget of $150,000,000. The final levy of $141,376,225 was based on an assessed value of $565,504,900,891, and a rate of $0.25 per $1,000 of assessed value.

In 2024, by Resolution No. R2024-24, the Board authorized a 2025 levy of $177,000,000 based on preliminary assessed valuation for the district. The final levy of $176,222,281 including prior year refunds of $594,740 and a levy correction of $1,130,880 was based on assessed value of $1,076,280,968,245, and a rate of $0.164 per $1,000 of assessed value.

If this action is approved, it will authorize a 2026 levy of $183,000,000 based on the preliminary King County Assessor data as of October 9, 2025, which includes the statutory increase of 1.0 percent, plus $6,780,651 for estimated exempt increases per RCW 84.55.010. The levy rate is estimated to be $0.160 per $1,000 of assessed value. This is an effective increase of -0.0 percent or -$2,931 over last year's actual levy due to refunds and levy corrections.

Fiscal information

Sound Transit is a joint taxing district covering portions of three counties. King County, as the county with the highest assessed value and location of Sound Transit's head office, is charged with calculating Sound Transit's levy and assessed value, in conjunction with Pierce and Snohomish Counties.

The proposed 2026 revenue & other financing sources (excluding TIFIA loan proceeds) are budgeted at $3.0 billion and the proposed 2026 expenses and outlays are budgeted at $3.4 billion. Property taxes represent 5.6 percent of the proposed 2026 revenue & other financing sources budget. Sound Transit will submit a 2026 levy of $183,000,000 to the assessor, which includes the statutory increase of 1.0 percent. The effective increase is estimated to be -0.0 percent or -$2,931 under last year's actual levy inclusive of refunds and levy corrections. The 2026 levy also includes $6,780,651 for estimated exempt increases per RCW 84.55.010, including new construction, improvements to property, increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, increases in state-assessed property, as well as annexations, levy corrections, prior year refunds, and Local Tax Increment Financing. The preliminary district assessed valuation is $1,120,887,266,726 as of October 09, 2025.

The assessor will certify the final assessed value and levy by January 2026. The 2026 levy rate is currently estimated to be $0.160 per $1,000 of assessed value, lower than the 2025 levy rate of $0.164 per $1,000 of assessed value, and the statutory levy limit of $0.25 per $1,000 of assessed value, due to the increase in the district's assessed valuation. If the Board declines to authorize this resolution, then the revenue loss in 2026 is estimated to be $1.7 million. However, there is a more significant and permanent reduction in the levy base as included in the long-range financial plan projections with an estimated revenue loss through 2046 of $48.0 million.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

A public hearing was held on the Proposed 2026 Budget and Property Tax Levy on October 9, 2025.

Time constraints

Pursuant to RCW 84.52.020, the levy certification form authorized by the Board must be submitted to King, Pierce, and Snohomish Counties by November 30, 2025.

Prior Board/Committee actions

Resolution No. R2024-24: (1) Authorized a 1.0 percent statutory increase in the property tax levy for 2025, (2) certified the total property tax levy amount inclusive of levy increases per RCW 84.55.010, and (3) authorized the preparation of the levy certification forms.

Resolution No. R2021-02: Amended Sound Transit's existing legal boundary description to include an annexation to the City of Everett.

Resolution No. R2016-29: Fixed, levied, and imposed a twenty-five cents ($0.25) per $1,000 of assessed valuation property tax as authorized by the voters during the November 8, 2016, general election, authorizing the preparation of the levy certification, and authorizing the chief executive officer to contract for tax collection and administration services.

Environmental review – LS for KH 10/16/2025

Legal review – MT 10/17/25

SoundTransit

Resolution No. R2025-28

A RESOLUTION of the of the Central Puget Sound Regional Transit Authority establishing the amount of property taxes to be levied for the year 2026 based on the assessed value of property within the Sound Transit district.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit's actual allowable levy amount from the 2025 tax year was $176,221,281 including prior year refunds of $594,740 and a levy correction of $1,130,880; and based on assessed value of $1,076,280,968,245 and a rate of $0.164 per $1,000 of assessed value.

WHEREAS, the Sound Transit Board is considering the Proposed 2026 Budget and held a public hearing on October 9th, 2025; and

WHEREAS, after considering all of the relevant information, the Sound Transit Board has determined an increase to the property tax levy is necessary to generate sufficient funds to continue implementation of the Sound Transit 3 Regional Transit Plan for Central Puget Sound (ST3 Plan), which was approved by voters on November 8, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

<u>Section 1.</u> A 1.0 percent statutory increase to the property tax levy is hereby authorized for the levy to be collected in the 2026 tax year. The dollar amount of the statutory increase applied to the levy over the actual levy amount from the previous year inclusive of refunds is estimated to be -$2,931, which is an effective percentage increase of 0.0 percent, based on preliminary King County Assessor data as of October 9th, 2025.

<u>Section 2.</u> The total property tax levy for 2026 is currently estimated to be $183,000,000 inclusive of the 1.0 percent statutory increase, plus $6,780,651 for estimated revenue from new construction, improvements to property, increases in assessed value due to newly constructed wind turbine, solar, biomass, and geothermal facilities, any increase in the assessed value of state-assessed property, annexations, levy corrections, prior year refunds, and Local Tax Increment Financing.

<u>Section 3.</u> The Board Administrator is authorized to make any necessary administrative corrections to this resolution to give effect to the Board's intent.

ADOPTED by no less than a two-thirds affirmative vote of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on ____________________.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator