

Proposed 2026 Budget and Property Tax Levy

Public Hearing

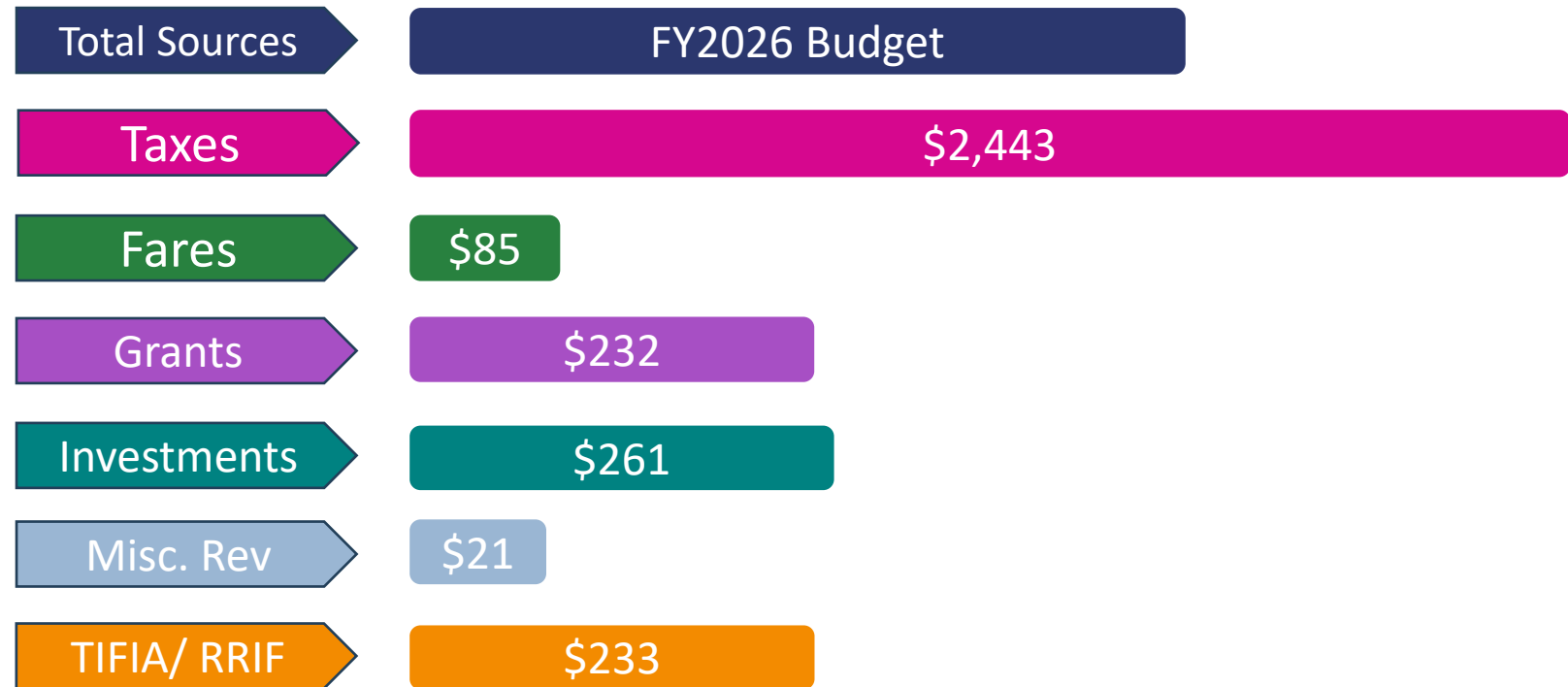
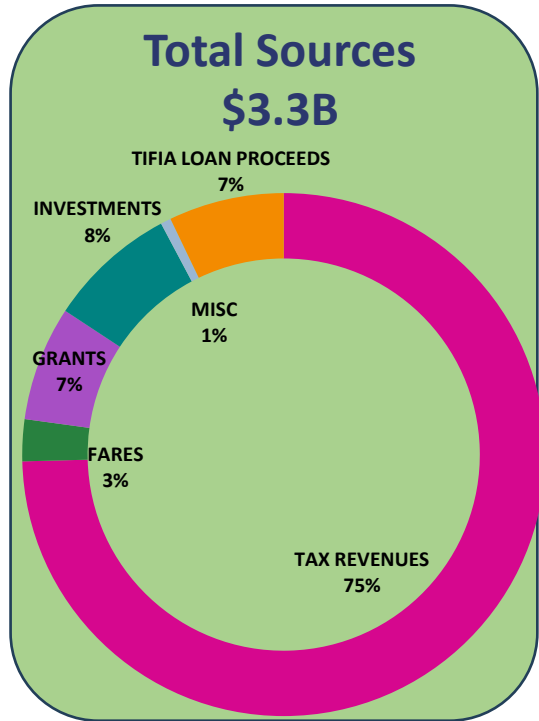
10/09/2025



2026 Proposed Budget

FY 2026 overview – revenues and financing

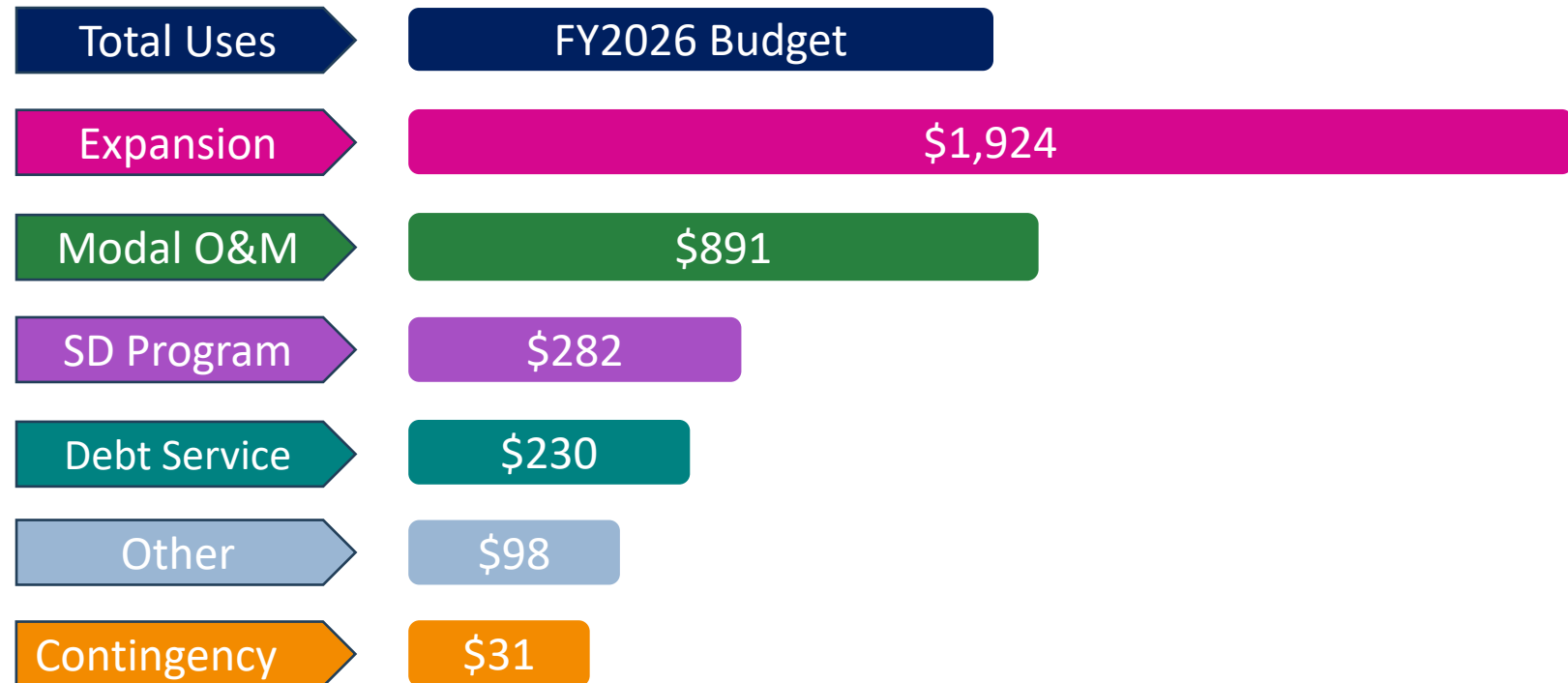
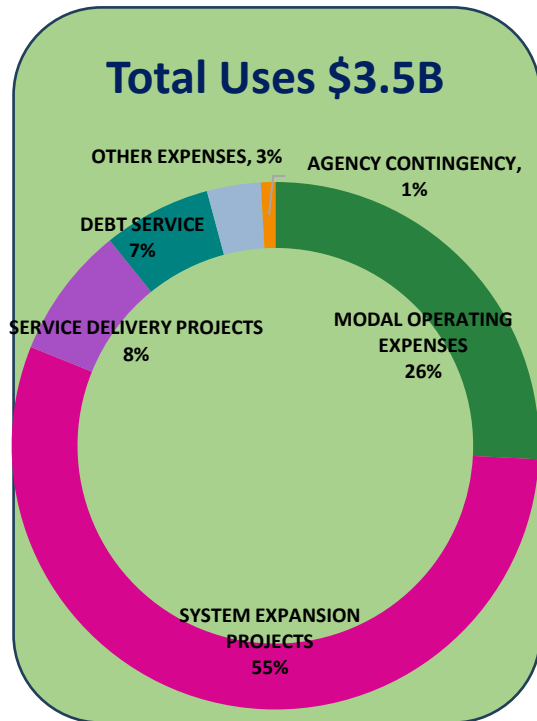
(In millions)



- 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)



- 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

Property Tax Levy

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

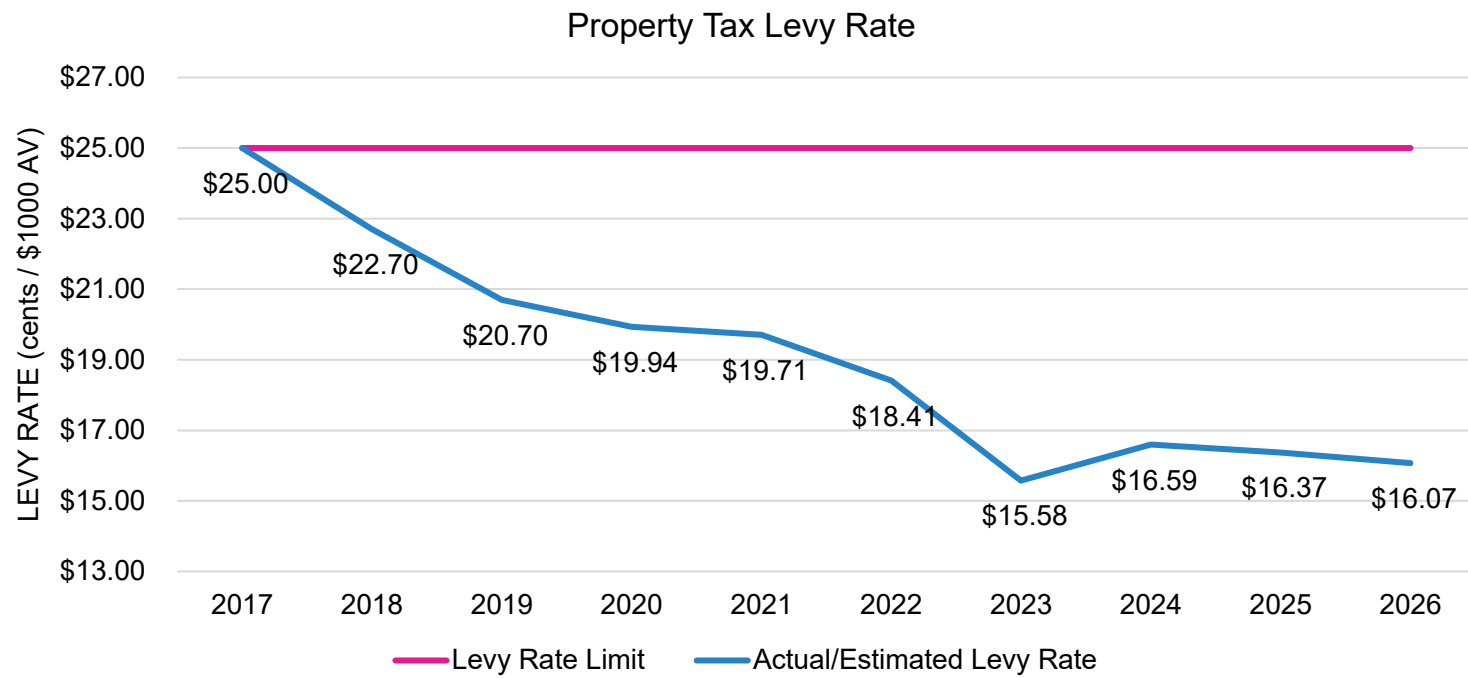
2026 Property Tax Levy* (in millions)

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
2026 Property Tax Levy		\$	183.0

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

Levy Rate Projected to decrease from 2025

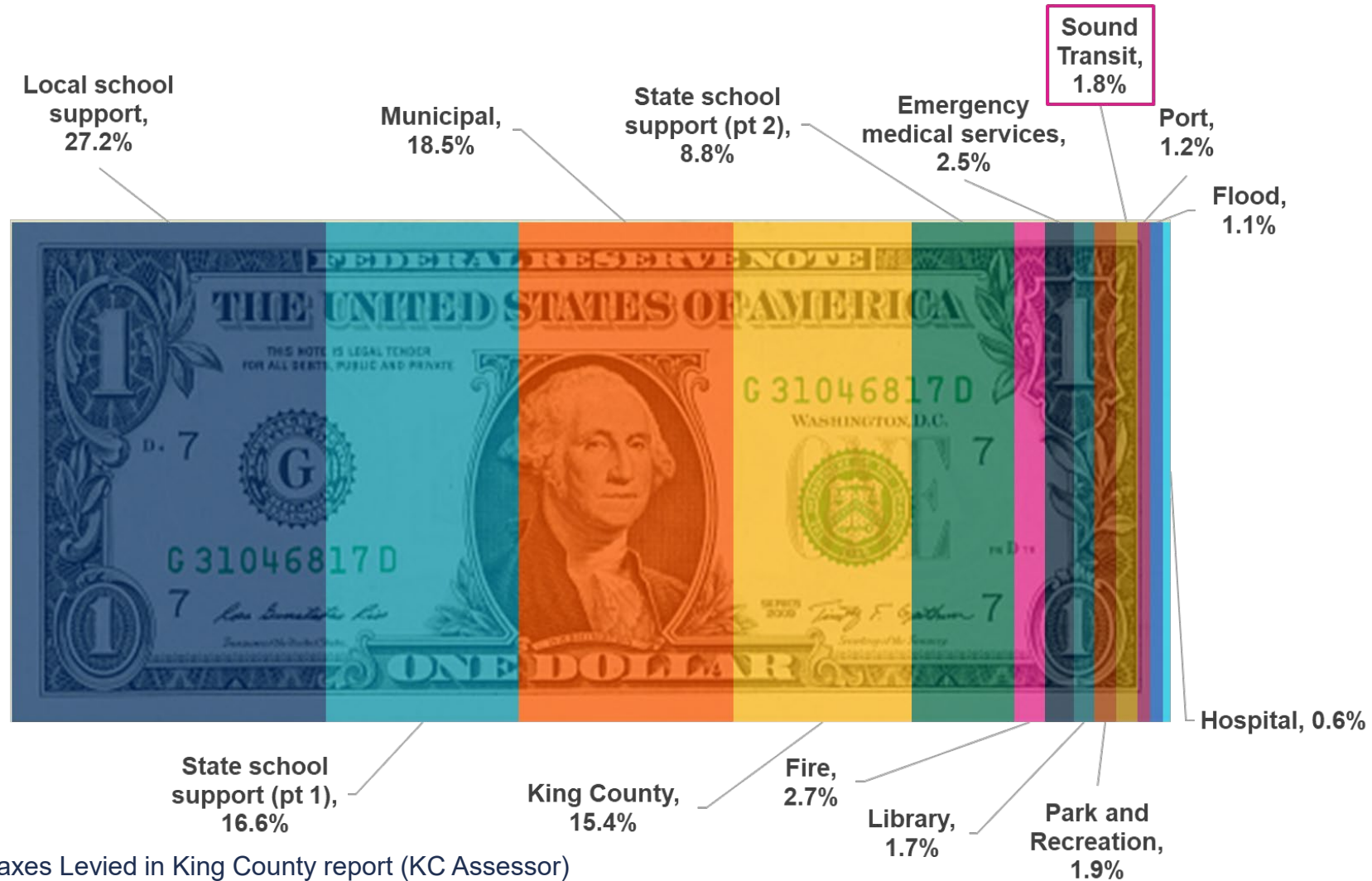
- **Levy rate limit: \$0.25 per \$1000 of assessed value (AV)**
- **Estimated 2026 levy rate: \$0.16 per \$1000 AV**



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.



 *soundtransit.org*

