

Revenues Options

Below is a high-level list of revenues options, known available capacity, and known restrictions on their use for Council consideration. This list is meant to be a general overview of revenue options with city/local authority to provide a basic understanding of impact. It is not a legal analysis, nor are all considerations noted. It is updated annually with known legislative changes and it is possible that options are missed. Last update was Spring in 2022. For any option which Council would like more information or more detailed analysis, staff can return at a future meeting with additional information. This list is ordered to maximize pagination and not in any priority order.

SUMMARY OF WHO PAYS AND REVENUE OPTIONS: (O= operating, C= capital, V=voted only)

Revenue Option	Councilmanic	Voter Approved	Who Pays	O	C	Key Considerations (may not be inclusive)
Property Tax RCW: 84.55.092 (Protection of future levy capacity.) RCW 84.52.105 (Affordable housing levies authorized— Declaration of emergency and plan required.)	\$8.9M banked capacity, 12 cents or 14% of the current property tax 1%= ~\$649k annually (\$482K GF, 76k Fire levy, 91k Trans. Levy) 1 Cent=~~\$770k (\$572K GF, 90k Fire Levy, 108K Trans. Levy)	Any increment	All Property owners (residential, business, and developers)	X	V	-Councilmanic banked capacity available -Voted simple levy can be used on pay-as-you-go basis or bonded over 9 years -Voted bonded UTGO levy can be combined with bond issuance to yield large amount of capital up front
B&O Tax RCW 35.21.710 (License fees or taxes on certain business activities—Uniform rate required—Maximum rate established.)	The current gross receipts tax rate of .1496%. Increase by 0.0504% to maximum of 2%; generates ~\$14-15M annually (2021 tax base). Ordinance 4094 reserves .0001 of unlevied capacity for the Bellevue Convention Center as a back-up financial plan.	NA	Business	X	X	-Can be used for operating and capital -To stay competitive within market for business generation, consideration of where rate is compared to other local jurisdictions.

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Affordable Housing Levy RCW 84.52.105 (Affordable housing levies authorized— Declaration of emergency and plan required.)	NA	Property tax up to \$0.50/\$1000 AV, each year up to 10 years *If King County imposes levy for the same purpose, the levies of the last jurisdiction to receive voter approval for the levies shall be reduced or eliminated so that the combined rates of these levies may not exceed the amount above.	All Property owners (residential, business, and developers)	V	V	-Revenues are restricted to finance affordable housing

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Utility Taxes RCW 35.21.870 (Electricity, telephone, natural gas, or steam energy business—Tax limited to six percent—Exception.)	If all available taxes increase by 0.5% then up to \$2M annually <table border="1" data-bbox="790 370 1376 938"> <thead> <tr> <th>Type</th> <th>Current Rate</th> <th>Max. Rate</th> </tr> </thead> <tbody> <tr> <td>Electric</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>Gas</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>Telephone</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Cellular</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Water</td> <td>10.4%</td> <td>No Max.</td> </tr> <tr> <td>Sewer</td> <td>5%</td> <td>No Max.</td> </tr> <tr> <td>Storm</td> <td>5%</td> <td>No Max.</td> </tr> <tr> <td>Garbage</td> <td>4.5%</td> <td>No Max.</td> </tr> <tr> <td>Cable Franchise Fee</td> <td>5%</td> <td>5%</td> </tr> </tbody> </table>	Type	Current Rate	Max. Rate	Electric	5%	6%	Gas	5%	6%	Telephone	6%	6%	Cellular	6%	6%	Water	10.4%	No Max.	Sewer	5%	No Max.	Storm	5%	No Max.	Garbage	4.5%	No Max.	Cable Franchise Fee	5%	5%	If rate needs to go above the maximum for electric, gas, steam or telephone.	Existing business and residential	X	X	Unrestricted in use.
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Electric	5%	6%																																		
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Admission Tax RCW 35.21.280 (Tax on admissions—Exceptions.)	Current rate is 3%. Increase by 2% to maximum of 5% ~ \$176K annually (2021 Tax Base)	NA	People who purchase tickets	X		Unrestricted in use. Admission charges cannot be placed on public facilities unless the revenues are used for construction, operation, maintenance, repair, replacement, or enhancement of that public facility and its programs.																														

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Public Safety Sales Tax RCW: 82.14.450 (Sales and use tax for counties and cities.)	NA	Up to 0.1% sales tax \$10M (based on 2021 collection).	All consumers (residential, business, developers, visitors)	V		<ul style="list-style-type: none"> - 1/3 of all money received under this section must be used solely for criminal justice purposes, fire protection purposes, or both. -15% of the tax proceeds goes to King County. -If King County increase the Criminal justice sales tax (or other sales tax increase under this RCW) rate to above 0.2%, city can only levy for less than 0.1% as the total cannot exceed 0.3%.
Cultural Access Program Sales Tax RCW: 82.14.525 (Sales and use tax.); chapter 36.160 RCW (Cultural Organizations.)	NA	Up to 0.1% sales tax ~\$9M ~ \$10M (based on 2021 collection).	All consumers (residential, business, developers, visitors)	V		<ul style="list-style-type: none"> - Cannot levy if county levies first. -Maximum duration of 7 years; may be renewed for additional 7-year periods. - Revenues are restricted and must be used to benefit or expand access to nonprofit cultural organizations. -DOR doesn't charge the 1% admin fee on this portion of sales tax.

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Local Improvement District RCW 35.43 (Local Improvements – Authority – Initiation of Proceedings)	NA	Property tax levy with special assessments on property specially benefited to pay the whole or any part of the expense	Existing residential and business property owners		X	-Requires a formal process -Bonds must be repaid, typically over 20 years
Commercial Parking Tax RCW 82.80.030 (Commercial parking tax.)	Can be levied on a per stall, per vehicle, or gross receipts	NA	People who park vehicles	X	X	-Use restricted to transportation or transit purposes (RCW 82.80.070 or Ch. 36.73.)
Regional Fire Authority RCW 52.26 (Regional Fire protection Service Authorities.) RCW 52.26.140 (Levy of taxes—Levies authorized by special election—Indebtedness—Definition.)	NA	Property tax up to \$.50/\$1000 AV Plus Special Benefit Charge	Property owners (residential, business and developers)	X	X	-Requires a formal process -District can levy benefit charges, property taxes or a combination of both

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<p>Transportation Benefit District RCW 35.21.225 (Transportation benefit districts.) RCW 82.80.140 (Vehicle fee—Transportation benefit district—Exemptions.) RCW 82.14.0455 (Sales and use tax for transportation benefit districts.)</p>	<p>\$20 vehicle Fee = \$2M \$40 if at \$20 for 2 yrs = \$4M \$50 if at \$40 for 2 yrs = \$5M (also extensive public outreach)</p> <p>If the TBD contains all territory within the jurisdiction(s) that established the TBD, Council may implement without a vote of the people a \$20 per vehicle fee; increasing to \$40 per vehicle after two years at \$20; increasing to \$50 per vehicle after two years at \$40 with an extensive public outreach.</p>	<p>\$100 vehicle fee = \$10M</p> <p>Up to 0.2% sales tax ~20M based on 2021 tax collection up to 10 years</p> <p>Any increment of property tax</p> <p>-Vehicle fees from \$50 to \$100 per vehicle require voter approval -Sales tax and or property tax requires voter approval</p>	<p>Vehicle Fee: any resident or business with a vehicle</p> <p>Sales tax – all consumers (residential, business, developers, visitors)</p> <p>Property tax – all property owners</p>	X	X	<p>-RCW 35.21.225 governs formation. -Funds could be collected via TBD vehicle fees, TBD sales taxes, or both so long as it is spent in accordance with the requirements of chapter 36.73 RCW. -Funds must be used for transportation improvement projects. Projects may include operation, preservation, and maintenance of these transportation facilities or programs.</p>
<p>Metropolitan Park District RCW Chapter 35.61 (Metropolitan Park Districts.)</p>	NA	<p>Property tax levy up to \$0.75 per \$1,000 AV</p>	<p>Property owners within the district (residential, business and developers)</p>	V	V	<p>Metropolitan park districts may be created for the management, improvement, maintenance, and acquisition of parks and recreational facilities.</p>

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Firefighter Pension Fund Levy RCW 41.16.060 (Tax levy for fund.)	Property tax up to \$0.225/\$1000 AV *Bellevue can use up to the amount of LEOFF 1 Liabilities for Firefighter Levy (~\$1.1 M or 1.7 cents/\$1000AV)	NA	Property owners (residential, business and developers)	X		-Requires a report by a qualified actuary on the condition of the fund establishes that the whole or any part of said dollar rate is not necessary to maintain the actuarial soundness of the fund
Transportation Impact Fees RCW 82.02.050 (Impact fees—Intent—Limitations.) RCW 82.02.090 (Impact fees—Definitions.)	Impact Fee rate schedule.		Developers		X	Current Council fee schedule is about 60% of the maximum allowable. These fees are restricted and must be used for public streets and roads, or where the transportation improvement is within the street right-of-way (such as a bike lane).
Park Impact Fees RCW 82.02.050 (Impact fees—Intent—Limitations.) RCW 82.02.090 (Impact fees—Definitions.)	Park Impact Fee Schedule needed		Developers		X	-mostly to residential construction or the residential portion of a mixed-use building or development, but could also charge commercial or industrial developments, since employees (and not just residents) can directly benefit from nearby parks and recreational facilities.

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Fire Impact Fees RCW 82.02.050 (Impact fees—Intent—Limitations.) RCW 82.02.090 (Impact fees—Definitions.)	Some jursidciations have defined “fire protection facilities” in municipal codes Fire Impact Fee Schedule needed		Developers		X	Fire impact fees must be used for “fire protection facilities” that are addressed by a capital facilities plan element of a comprehensive plan adopted

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<p>Tax Increment Financing</p> <p>Chapter 39.114 RCW (Tax Increment Financing.)</p>	<p>Designate an increment area</p> <p>Submit project analysis to the Office of the State Treasurer.</p> <p>The apportionment of increases in assessed valuation in an increment area cease when the taxing district certifies to the county assessor that allocation revenues are no longer needed to pay the public improvement costs.</p>		<p>Regular property taxes of overlapping local taxing districts generated by increased property tax values within the increment area.</p>		<p>X</p>	<p>-No more than two active increment areas that may not have an assessed valuation of more than \$200 million or more than 20 percent of the sponsoring jurisdiction's total assessed valuation. The increment areas are subject to a 25 year sunset date.</p> <p>-Only pay for public improvements ¹eligible for TIF financing</p> <p>-Receive the portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on the "tax allocation base value"</p> <p>-Receive an additional amount equal to the amount derived from the regular property taxes levied by or for each taxing district upon the "increment value" (no more than is needed to pay or repay costs directly associated with the public improvements)</p>

¹ Public improvements include street and sidewalk improvements, utility improvements, parking, terminal, and dock facilities, park and ride facilities or other transit facilities, park and community facilities and recreational areas, brownfield mitigation; eligible costs include energy efficiency projects, affordable housing, childcare facilities, maintenance and security, and historic preservation costs.

