

Public Funding Options Summary

Source	Implementation Mechanics	Revenue Generated	Potential Cost for \$416,000 AV home
Conservation Futures Tax (CFT)	50% voter approval; No minimum voter turnout. Originally authorized at 6.25¢, has eroded to about 4.45¢ today.	Lift to 6.25¢ creates \$340M new funding over 30 yrs. With 2 nd lid lift to restore to 6.25¢ 15 years out, add \$290M more to total \$630M .	Increase of \$7.50 per year (from \$18.50 per year to \$26 per year) on a \$416K home.
REET 3	50% voter approval; no minimum voter turnout. Can be authorized at rate of up to 1%. It is a tax on the property buyer. Both REET 1 and 2 are in effect in King County; these are taxes on the property seller.	A 0.10% tax (1/10th of maximum) would generate \$1.8B over 30 years. A 0.021% tax generates \$386M over 30 years.	At 0.10%, buyer pays \$416 on a \$416K transaction; \$10,000 on \$10M transaction. At 0.021%, buyer pays \$87 on \$416K transaction; \$2,100 on \$10M transaction.
Property Tax Lid Lift	50% voter approval; no minimum voter turnout. This is the County Parks Levy mechanism (levy expires 2019; authorized in 2014 at rate of 18.77¢ per \$1,000 of assessed value.) Structure can vary as to years imposed, rate imposed. A King County property tax levy lid lift could reduce the taxing capacity of junior taxing districts such as parks districts.	Options here could include: <ul style="list-style-type: none"> • A shorter term, higher tax rate levy. <ul style="list-style-type: none"> ○ More money available for acceleration. ○ Higher rate costs property owners more per year, for a shorter duration ○ Levies of up to 6 years can include inflation adjustor (exempting receipts from 1%/year growth limit) • A longer-term, lower tax rate levy. <ul style="list-style-type: none"> ○ Cannot bond against a levy longer than 9 years – limits money available to accelerate purchases ○ Lower rate costs property owners less in any single year. 	In 2016, a Countywide 1¢ property tax levy generates \$4.3M, and costs \$4.16 per year for a median homeowner (home value of \$416,000). The following scenarios raise \$385 million in 6 or 9 years: A 12.5¢, 6-year levy costing \$52 a year on a \$416K home. An 8¢, 9-year levy costing \$33 a year on a \$416K home.
General Obligation Bonds	60% voter approval Validation requirement	Assuming 20-year bonds, \$385M could be raised at annual avg. homeowner cost of about \$22 (2016)	A 15-year bond at 2.8% costs \$27 a year on a \$416K home. A 20-year bond at 3.0% costs \$22 a year on a \$416K home.

Source: King County.