

WASHINGTON COUNTY

Measure No. 34-164

BALLOT TITLE

REFERRAL OF INCREASED COUNTYWIDE TRANSPORTATION TAX ON NEW DEVELOPMENT

QUESTION: Shall existing tax charged to developers of new projects be increased to fund road, transit improvements to handle increased traffic?

SUMMARY: Increases existing transportation tax on development of new projects. Does not impose a property tax. Generally, increase would double current tax on development of new residential projects. Tax on commercial, industrial, and other new development would increase up to 2.5 times. Tax amount based on estimate of increased traffic caused by new development, but capped at no more than 2.5 times current tax. Revenue would be dedicated to road and transit projects that increase transportation system capacity within county and cities. Modifies current tax and amends county code to conform to state system development charge requirements. Provides tax credits as required by statute and additional credits for transportation projects constructed at developer expense. Does not apply to existing development. Exempts minor improvements such as home remodeling. Tax increase takes effect 7/1/09; phased in through 7/1/12. Tax may increase after 7/1/13 based on cost index, not to exceed ten percent per year. Applies countywide, including inside cities. Each city may administer tax within its boundary.

EXPLANATORY STATEMENT

What is the Transportation Development Tax?

The TDT is a charge on developers of new residential, commercial, and other projects within Washington County. It is a one-time charge on development at the time of construction to help pay for capital costs of roads and transit, to serve new development. It is a county-wide tax imposed in the county and within cities. It applies uniform rates county-wide.

What are the Changes to Existing County Law?

Washington County has had a countywide Traffic Impact Fee (TIF) since voters approved it in 1990. When originally adopted, the TIF provided about one-third of the identified need; today it accounts for about 14%. From 1990 through 2007, TIF has raised about \$250 million countywide for transportation projects. The measure would amend TIF, update the tax calculation, increase rates, conform to state statutes, and provide expanded credits. The revised charge would be known as the "transportation development tax" or TDT. If approved, the increased tax would approximately double current rates.

How is the Amount Determined?

TDT is based on the estimated traffic generated by each type of development on the transportation system, but no more than 2.5 times the existing TIF rate. It is designed to help fund a list of growth-related transportation projects in the county estimated to cost more than two billion dollars to construct. Independent nationwide analysis was used to determine the estimated traffic generated by recognized categories of new development. Overall, new rates would fund an estimated 28% of listed transportation projects over twenty years. This measure will increase the rates between 1.5 and 2.5 times the existing charges.

What is the revenue used for?

All revenue would continue to be dedicated to capital improvements needed to accommodate growth. Eligible projects are major roads, including sidewalks and bike lanes, and transit capital projects.

How will the tax be collected?

New development would be required to pay the tax when a building permit or occupancy permit is issued.

When would the new law take effect?

If approved, the increased rates would phase in beginning July 1, 2009 with annual adjustments to approximately double the revenue by July 1, 2012. Starting in 2013, rates may increase every year to address inflation, not to exceed 10% per year. Certain developments receiving final land use permits by July 1, 2009 will pay based on the existing rate structure. All other developments will be charged under the new rate structure.

Does the TDT Affect Property Taxes?

No. The TDT is not a property tax.

What are the Major Exemptions and Credits?

Remodeling, temporary uses, and development by state and federal government are exempt. Developers may receive tax credit for constructing major road improvement at their expense. Credit is based on costs of the improvements with certain limitations. Credit transfers to other properties may be allowed.

Submitted by:
Robert Davis
County Administrator

**NO ARGUMENTS FOR OR AGAINST
THIS MEASURE WERE FILED.**