

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Josh D. Peters, County Administrator

DATE: August 4, 2025

SUBJECT: In the Matter of the Jefferson County Transportation Benefit District (JCTBD) Providing for a Ballot Proposition to Be Submitted to the Qualified Electors of the District on November 4, 2025, to Authorize a Sales and Use Tax to Be Imposed Within the District Boundaries of the District for Unincorporated Jefferson County upon All Taxable Retail Sales in the Amount of Two-Tenths of One Percent (0.2%) for the Purpose of Financing Costs Associated with Transportation Improvements in the District for a Period of Ten (10) Years.

STATEMENT OF ISSUE:

Jefferson County Board of Commissioners (BoCC) approved Ordinance No. [10-1216-24](#) on December 16, 2024, establishing the Jefferson County Transportation Benefit District (JCTBD) pursuant to chapter [36.73](#) RCW and creating chapter [3.90](#) Jefferson County Code (JCC).

The BoCC, acting as the governing board of the JCTBD, approved Resolution No. [03-0113-25](#) TBD on January 13, 2025, imposing a sales and use tax of one-tenth of one percent (0.1%) within the boundaries of the JCTBD for unincorporated Jefferson County for the purpose of financing the costs associated with transportation improvements in the JCTBD as authorized by RCW [36.73.065](#) and RCW [82.14.0455](#). The BoCC also approved Resolution No. [04-0113-25](#) TBD on January 13, 2025, imposing an annual vehicle fee within the boundaries of the JCTBD for unincorporated Jefferson County for the purpose of financing the costs associated with transportation improvements in the JCTBD as authorized by RCW [36.73.065](#) and RCW [82.80.140](#).

At the time the BoCC adopted Resolution No. [03-0113-25](#) TBD and Resolution No. [04-0113-25](#) TBD on January 13, 2025, it was made clear that these additional funding mechanisms would not be enough to support all necessary road maintenance operations.

The governing body of the JCTBD is authorized pursuant to RCW [36.73.040](#)(3)(a) to impose a sales and use tax in accordance with RCW [82.14.0455](#) in an amount not exceeding three-tenths of one percent (0.3%) for a period of ten years upon a favorable vote of the qualified electors within the JCTBD for the purpose of financing certain transportation improvements.

Since the governing body of the JCTBD has already imposed a councilmanic one-tenth of one percent (1.0%) for a period of ten years as authorized by RCW [36.73.065](#)(4)(a)(v) in Resolution No. [03-0113-25](#) TBD, the governing body of the JCTBD may only impose two-tenths of one percent (0.2%) upon a favorable vote of the qualified electors within the JCTBD.

Per RCW [29A.04.330](#), resolutions calling for an election by a jurisdiction shall be submitted on or before the resolution deadline established by state law. Resolutions calling for a special election in February or April must be submitted at least 60 calendar days prior to the election date. This deadline is August 5, 2025, for the November 4, 2025 General Election.

Attached please find a proposed Resolution to place this JCTBD sales tax measure on the November 4, 2025 General Election ballot. Included are associated and required application forms for submittal to the Auditor's Office by the August 5, 2025 deadline for the November ballot.

ANALYSIS:

Need for additional revenue to maintain county roads

Revenues have grown annually at an average rate of 1.3% since 1998. The consumer price index has grown at nearly 3% in that timeframe and the Construction Cost Index at nearly 5%. This leaves the County's Road program in a hole at least \$3 million deep (or more) trying to maintain service levels equivalent to those in 1998.

Jefferson County Public Works has cut approximately 25% of its staff since 1998, reduced the available equipment fleet, let much of the fleet age to the point where it is unreliable, and cut the chip seal program in half. Further reductions will jeopardize the continuation of many of the already reduced road maintenance activities that are essential to keep roads from falling apart. Jefferson County operates with just about the lowest revenue available per road mile compared to other western Washington counties. For example, Jefferson County operates with 60% to 70% less revenue than Clallam County, while having nearly the same road system to maintain.

Jefferson County is already at the point where road projects are done only if they are funded by grants. The county spends very little of its local money on road projects—about \$275,000 per year—to leverage \$3 to \$5 million (some years even more) per year in grants. A small county investment in matching funds leveraged millions of dollars to build the Larry Scott Trail and now the 3.5-mile extension of the Olympic Discovery Trail to Anderson Lake.

If the ballot measure fails, all of these grant-funded activities that require matching funds would be at risk. Jefferson County will be unable to put up the match for these grants, many of which pay for pavement preservation projects, or replacing rusted out and failing culverts. These small county investments to leverage grant funds have been the difference in the past between people being able to access their homes and having roads permanently closed and abandoned due to natural disaster.

The biggest risk is the continued reduction in the county's regular road maintenance program. This program is already very small and to the point where further cuts may mean the county would not be able to field a crew to chip seal or patch roads or do the other many, many things it does.

How will the full 0.3% Tax Be Used?

At least 2/3 of the revenue would be used to fund chip sealing and paving projects, which are the difference between roads that are drivable and roads that degrade to the point where they are practically undrivable. Roads cannot maintain themselves. Baking away in the sun cooks the oil out of roads, leaving them dry and brittle just like your skin or paint on your house. The sun baking is followed each winter by water seeping into the cracks and then freezing. If you want to see the difference it makes, go look at Mill Road at the city limit.

The remainder of the funds would be used for a variety of activities including roadway pavement markings, purchasing reliable equipment to perform road maintenance activities like sweeping, brush cutting, mowing, snow and ice control, and grading gravel roads. It would allow the county to continue to acquire grants which pay for essential road upkeep like replacing failing steel culverts (most of which are well over 60 years old and rusted through).

What projects will be eligible?

Generally, any road that hasn't been chip sealed or paved in the last 15, 20, or even 25 years would be a good candidate for the JCTBD funds in the next 3 to 5 years. Many maintenance activities are performed annually on the entire road system, so we would begin to catch up on some of that.

How will the tax impact lower income residents?

Low income is defined as 60% of the statewide median income which would be $60\% \times \$82,400 = \$49,440$. For every \$10,000 worth of goods/services purchased, a person would pay an extra \$20 in sales tax. If the entire \$49,440 were hit with sales tax (which it isn't) then that equals an extra \$100 per year. Food items are not taxed. This is not a property tax, so it will not be passed through in rents.

Roads are not a discretionary item for a community. Significant sales taxes are generated by out of county visitors who do not pay property taxes, so sales tax revenue should help pay for the roads.

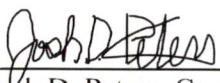
FISCAL IMPACT:

The cost for running a ballot title is estimated at \$20,000.

RECOMMENDATION:

Approve the attached resolution to place this JCTBD sales tax ballot measure on the November 4, 2025 General Election ballot. Authorize staff to submit the adopted resolution and all associated and required ballot measure materials to the Auditor's Office.

REVIEWED BY:



Josh D. Peters, County Administrator

7/30/2025
Date

STATE OF WASHINGTON
County of Jefferson

In the Matter of the Jefferson County Transportation Benefit District (JCTBD) Providing for a Ballot Proposition to Be Submitted to the Qualified Electors of the District on November 4, 2025, to Authorize a Sales and Use Tax to Be Imposed Within the District Boundaries of the District for Unincorporated Jefferson County upon All Taxable Retail Sales in the Amount of Two-Tenths of One Percent (0.2%) for the Purpose of Financing Costs Associated with Transportation Improvements in the District for a Period of Ten (10) Years.

RESOLUTION NO. _____

WHEREAS, Jefferson County Board of Commissioners (BoCC) approved Ordinance No. [10-1216-24](#) on December 16, 2024, establishing the Jefferson County Transportation Benefit District (JCTBD) pursuant to chapter [36.73](#) RCW and creating chapter [3.90](#) Jefferson County Code (JCC); and

WHEREAS, the governing board of the JCTBD approved Resolution No. [02-0106-25](#) TBD on January 6, 2025, adopting a material change policy pursuant to RCW [36.73.160](#)(1); and

WHEREAS, the county road levy has increased at a rate of less than 2% per year, motor vehicle fuel tax revenue has grown at less than 0.5% per year, and over \$ 1 million per year was slashed from federal timber revenue programs more than a decade ago reducing revenues for Jefferson County roads, and

WHEREAS, the rate of inflation has continued to far outpace transportation revenue growth for over a decade; and

WHEREAS, in response to these revenue losses Jefferson County has continued to make cuts to road maintenance programs, projects, and staffing; and

WHEREAS, the governing board of the JCTBD approved Resolution No. [03-0113-25](#) TBD on January 13, 2025, imposing a sales and use tax of one-tenth of one percent (0.1%) within the boundaries of the JCTBD for unincorporated Jefferson County for the purpose of financing the costs associated with transportation improvements in the JCTBD as authorized by RCW [36.73.065](#) and RCW [82.14.0455](#); and

WHEREAS, the governing board of the JCTBD approved Resolution No. [04-0113-25](#) TBD on January 13, 2025, imposing an additional twenty dollar fee to the annual vehicle licensing fee within the boundaries of the JCTBD for unincorporated Jefferson County for the purpose of financing the costs associated with transportation improvements in the JCTBD as authorized by

RCW [36.73.065](#) and RCW [82.80.140](#); and

WHEREAS, BoCC approved Ordinance No. [01-0210-25](#) on February 10, 2025, approving the assumption of the rights, powers, functions, and obligations of the JCTBD as authorized by RCW [36.74.010](#); and

WHEREAS, BoCC approved Resolution No. [13-0218-25R](#) on February 18, 2025, implementing the material change policy previously adopted by the JCTBD; and

WHEREAS, the county does not currently have sufficient funds for road all necessary maintenance and repair; and

WHEREAS, the JCTBD is authorized pursuant to RCW [36.73.040](#)(3)(a) to impose a sales and use tax in accordance with RCW [82.14.0455](#) in an amount not exceeding three-tenths of one percent (0.3%) for a period of ten years upon a favorable vote of the qualified electors within the JCTBD for the purpose of financing certain transportation improvements; and

WHEREAS, since the JCTBD has already imposed a councilmanic one-tenth of one-percent (1.0%) for a period of ten years as authorized by RCW [36.73.065](#)(4)(a)(v) Resolution No. [03-0113-25](#) TBD, the JCTBD may only impose two-tenths of one percent (0.2%) by a vote; and

WHEREAS, at the time the existing JCTBD-imposed sales tax rate of one-tenth of one percent (1.0%) and the additional twenty-dollar fee to the annual vehicle licensing fee were adopted, it was acknowledged that they would not be not sufficient to cover all of the costs associated with transportation improvements in the JCTBD; and

WHEREAS, BoCC has identified a sales and use tax imposed in accordance with RCW [82.14.0455](#) as a funding source available to the JCTBD, as well as any other lawful funding sources available to the JCTBD pursuant to RCW [36.73.040](#); and

WHEREAS, if approved by the voters, revenues from a sales and use tax shall be used to fund transportation improvements in the JCTBD as identified in the establishing Ordinance No. [10-1216-24](#) and consist with JCC [3.90.060](#) Use of funds; and

WHEREAS, funds shall primarily be used for road maintenance, including, pavement preservation treatments such as chip sealing and paving, bridge maintenance and repairs, and drainage repairs; and

WHEREAS, funds may also be used for road safety-related items such as guardrail, pavement marking, and signage, as well as used to provide matching funds for transportation projects and to help fund emergency road repairs; and

WHEREAS, BoCC considers this resolution is necessary to preserve basic road maintenance for Jefferson County public roads; and

WHEREAS, the BoCC serves as the governing body of the JCTBD; and

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS OF

JEFFERSON COUNTY, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Whereas Clauses are Findings of Fact. BoCC hereby adopts the above “Whereas” clauses as Findings of Fact.

Section 2. Purpose.

BoCC hereby finds that the best interests of the inhabitants of the JCTBD to require the JCTBD to submit to the qualified voters of the JCTBD, at a special election to be held on November 4, 2023, a proposition authorizing the JCTBD to impose a sales and use tax in the amount of two-tenths of one percent (0.2%) pursuant to RCW [36.73.040\(3\)\(a\)](#), RCW [36.73.065\(1\)](#), and RCW [82.14.0455](#) for the purpose of providing a portion of the funds necessary to finance transportation improvements in the JCTBD, and to impose such sales and use tax if approved by an affirmative vote of a majority of the JCTBD voters voting at the election.

Section 3. Description of the transportation improvements.

The transportation improvements carried out with the sales and use tax revenues shall be projects or programs authorized by JCC [3.90.060](#). Use of funds and shall be spent in accordance with the requirements of chapter [36.73](#) RCW, including all associated maintenance, operation, labor, material, and equipment required for these projects and programs. The transportation improvements funded by the JCTBD shall be made to reduce the risk of transportation facility failure and improve safety performance, increase operating efficiency, and pursue optimal performance of the infrastructure over time to avoid expensive infrastructure replacement in the future by prioritizing investments in programs that provide:

- (a) Transportation System Preservation. Preserve, operate, maintain, or improve existing transportation infrastructures;
- (b) Transportation System Safety. Improve the safety performance and security of those who use the transportation system; or,
- (c) Other Projects.

Any change or expansion of these authorized purposes shall be undertaken only after notice, public hearing and adoption of an authorizing ordinance in accordance with RCW [36.73.050\(2\)\(b\)](#).

The cost of all necessary design, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses, and other costs incurred in connection with the foregoing JCTBD projects shall be deemed a part of the costs of the JBTBD projects.

The BoCC shall determine the application of moneys available for the JCTBD projects so as to accomplish, as nearly as may be practical, all of the JCTBD projects. In the event that the proceeds of sales and use taxes authorized herein, plus any other money of the JCTBD legally available, are insufficient to accomplish all of the JCTBD projects, the BoCC shall use the available funds for paying the cost of those portions of the JCTBD projects deemed by the BoCC most necessary and in the best interests of the JCTBD.

The BoCC may alter, make substitutions to, and amend the JCTBD project descriptions as it determines is in the best interests of the JCTBD consistent with the general descriptions provided above and in accordance with the material change policy adopted by the BoCC and the notice, hearing, and other procedures described in chapter [36.73](#) RCW, including RCW [36.73.050](#)(2)(b), as the same may be amended.

If the BoCC shall determine that it has become impractical to acquire, construct, or implement all or any portion of the JCTBD projects by reason of changed conditions, incompatible development, costs substantially in excess of the amount of sales and use tax proceeds estimated to be available, or acquisition by a superior governmental authority, the BoCC shall not be required to acquire, construct, or implement such portions. If all of the JCTBD projects have been acquired, constructed, implemented or duly provided for, or found to be impractical, the BoCC may apply the sales and use tax proceeds (including earnings thereon) or any portion thereof to other transportation improvements then identified as meeting eligible JCTBD criteria and in accordance with the material change policy adopted by the BoCC and the notice, hearing, and other procedures described in chapter [36.73](#) RCW, including RCW [36.73.050](#)(2)(b) as the same may be amended.

Section 4. Ballot Proposition.

Attached here as **Appendix A** is a copy of the proposed Ballot Proposition. It is hereby found and declared that the best interests of the JCTBD require the submission to the qualified electors of the JCTBD a proposition whether the JCTBD shall impose a sales and use tax within the limitations established in RCW [82.14.0455](#) for their approval or rejection at a special election to be held on November 4, 2025. For the purpose of providing funds necessary to pay or finance a portion of the costs of the JCTBD Projects, the Jefferson County Auditor, as ex officio supervisor of elections in Jefferson County, Washington, is hereby requested to call and conduct such election to be held within the JCTBD on such day and to submit to the qualified electors of the JCTBD for their approval or rejection, a proposition to impose a sales and use tax in the amount of two-tenths of one percent (0.2%) of the selling price in the case of a sales tax or value of the article used in the case of the use tax. The sales and use tax authorized by this section is in addition to any other taxes authorized by law, shall be collected from those persons who are taxable by the State of Washington under chapters [82.08](#) and [82.12](#) RCW upon the occurrence of any taxable event within the boundaries of the JCTBD and shall be imposed for a period of ten years from its first date of collection.

Upon approval of the voters of the proposition hereinafter set forth, the JCTBD may use proceeds of such sales and use tax for the purpose of paying or financing a portion of the costs of JCTBD projects. The Clerk of the Board is hereby authorized and directed to certify said proposition to said official in the following form:

JEFFERSON COUNTY TRANSPORTATION BENEFIT DISTRICT

UNINCORPORATED JEFFERSON COUNTY, WASHINGTON SALES
AND USE TAX FOR TRANSPORTATION IMPROVEMENTS

The Governing Board of the Jefferson County Transportation Benefit District (JCTBD) adopted Resolution No. _____ concerning a sales and use tax to fund transportation improvements. This proposition would authorize a sales and use tax of two-tenths of one percent (0.2%) to be collected from all taxable retail sales within the JCTBD in accordance with RCW [82.14.0455](#) for a ten-year term for the purpose of paying for or financing the costs of the transportation improvement projects, including pavement preservation treatments such as chip sealing and paving; bridge maintenance and repairs; drainage repairs; safety-related items such as guardrails; pavement markings; and, signage.

Should this proposition be approved?

YES..... ☐

NO..... ☐

Section 5. Explanatory Statement. Attached hereto as **Appendix B** is a copy of the Explanatory Statement.

If approved, this measure would enact an increase of two-tenths of one percent (0.2%) in the local sales tax rate to fund costs of preserving public roadways in unincorporated Jefferson County. The sales tax rate increase would remain in place for 10 years and raise approximately \$1,000,000 (one million dollars) annually for transportation improvement projects necessary to preserve public roadways in unincorporated Jefferson County. The funds to be generated from this ballot measure shall be used for transportation improvement projects, including pavement preservation treatments such as chip sealing and paving, bridge maintenance and repairs, drainage repairs, safety-related items such as guardrails, pavement markings, and signage. At the time the existing JCTBD-imposed sales tax rate of one-tenth of one percent (1.0%) and the additional twenty-dollar fee to the annual vehicle licensing fee were adopted, it was acknowledged that revenue generated from them would not be not sufficient to cover all of the costs associated with the necessary transportation improvements in the JCTBD. All consumers making purchases subject to sales tax in unincorporated Jefferson County would be taxed equally under this new tax rate regardless of where they reside. If the measure is approved, a consumer's \$50 purchase would be taxed an additional 10 cents as a result of the new rate.

Section 5. Corrections. The Clerk of the JCTBD and the codifiers of this resolution are authorized by the JCTBD Governing Body to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's or clerical errors, references, resolution numbering, section or subsection numbers and any references thereto, and to make corrections or revisions consistent with the requirements of the Jefferson County Prosecuting Attorney or County Auditor that do not change the substantive meaning of this resolution.

Section 6. Severability. If any section, subsection, sentence, clause, or phrase of this resolution or

its application to any person or circumstance is held invalid, the remainder of this resolution or its application to other persons or circumstances shall be fully valid and shall not be affected.

Section 7. SEPA Categorical Exemption. This resolution is categorically exempt from the State Environmental Policy Act under WAC [197-11-800](#)(19).

Section 8. Effective Date. This resolution shall take effect and be in full force immediately upon approval and adoption by the Jefferson County Board of Commissioners.

(SIGNATURES FOLLOW ON THE NEXT PAGE)

APPROVED AND ADOPTED this _____ day of _____ 2025.

SEAL:

JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS

Heidi Eisenhour, Chair

Greg Brotherton, Member

Heather Dudley-Nollette, Member

ATTEST:

APPROVED AS TO FORM:

Carolyn Gallaway, CMC Date
Deputy Clerk of the Board

Philip C. Hunsucker, Date
Chief Civil Deputy Prosecuting Attorney

APPENDIX A

JEFFERSON COUNT TRANSPORTATION BENEFIT DISTRICT

UNICORPORATED JEFFERSON COUNTY, WASHINGTON SALES
AND USE TAX FOR TRANSPORTATION IMPROVEMENTS

The Governing Board of the Jefferson County Transportation Benefit District (JCTBD) adopted Resolution No. _____ concerning a sales and use tax to fund transportation improvements. This proposition would authorize a sales and use tax of two-tenths of one percent (0.2%) to be collected from all taxable retail sales within the JCTBD in accordance with RCW [82.14.0455](#) for a ten-year term for the purpose of paying for or financing the costs of the transportation improvement projects, including pavement preservation treatments such as chip sealing and paving; bridge maintenance and repairs; drainage repairs; safety-related items such as guardrails; pavement markings; and, signage.

Should this proposition be approved?

YES..... ☐

NO..... ☐

APPENDIX B

If approved, this measure would enact an increase of two-tenths of one percent (0.2%) in the local sales tax rate to fund costs of transportation improvement projects necessary to preserve public roadways in unincorporated Jefferson County. The sales tax rate increase would remain in place for 10 years and raise approximately \$1,000,000 (one million dollars) annually for preserving public roadways. The funds to be generated from this ballot measure shall be used for transportation improvement projects, including pavement preservation treatments such as chip sealing and paving, bridge maintenance and repairs, drainage repairs, safety-related items such as guardrails, pavement markings, and signage. At the time the existing JCTBD-imposed sales tax rate of one-tenth of one percent (1.0%) and the additional twenty-dollar fee to the annual vehicle licensing fee were adopted, it was acknowledged that revenue generated from them would not be not sufficient to cover all of the costs associated with the necessary transportation improvements in the JCTBD. All consumers making purchases subject to sales tax in unincorporated Jefferson County would be taxed equally under this new tax rate regardless of where they reside. If the measure is approved, a consumer's \$50 purchase would be taxed an additional 10 cents as a result of the new rate.