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125	1	Α	2

**Budget Action Title:** Pass CB 118567, known as the long property tax ordinance.

Has CIP Amendment: No Has Budget Proviso: No

Councilmembers: Budget Committee

Staff Analyst: Ketil Freeman

Council Bill or Resolution: 118567

Date		Total	SB	ВН	JO	TR	NL	ТВ	JG	МО	KS
	Yes										
	No										
	Abstain										
	Absent										

## **Budget Action description:**

This green sheet recommends passage of Council Bill (CB) 118567, known as the "long" property tax ordinance. The long property tax ordinance is one of the two ordinances required to levy property taxes for collection in 2016. This bill fixes the rates and/or amounts of property taxes to be levied, and levies the taxes.

This bill increases the regular non-voted levy by 1% for taxes to be collected in 2016, adds the allowance for new construction and other allowable amounts, and specifies the dollar amounts to be collected for the special purposes of voter-approved property tax measures. These include: (1) the Families and Education levy lid lift, (2) the Transportation levy lid lift, (3) the Library levy lid lift, (4) low-income Housing levy lid lift, (5) Election Vouchers levy lid lift, and (6) the Early L earning Preschool levy lid lift.

This CB also levies the excess levy property taxes to pay debt service on voter-approved bond measures.

RCW 84.55 limits the increase in regular property tax that the City can collect, based on the previous year's regular property tax multiplied by a "limit factor." The City is generally required to use the lesser of 101%, or 100% plus the "implicit price deflator" (IPD) (the measure of inflation that applies to property tax

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calculations), as the limit factor. If the IPD is less than 1%, and the Council finds, by supermajority vote, a substantial need to use 101% as the limit factor, then the City can use 101% as the limit factor.

The IPD for 2016 is 0.3%. Because the IPD is less than 1%, this ordinance is required to include a finding of substantial need to use 101% as the tax limit factor.

The total anticipated property tax revenue collected in 2016 under this CB would be about \$453 million.