

2021 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
BLG	037	A	002

Budget Action Title: Pass CB 119939 - CBO Long Property Tax 2021 Ordinance

Ongoing: Yes Has Budget Proviso: No

Has CIP Amendment: No Has Attachment: No

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Tom Mikesell

Council Bill or Resolution: CB 119939

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Budget Action Description:

This budget action recommends passage of Council Bill 119939, 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 2021. 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 percent for taxes to be collected in 2021, 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. This bill 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 percent, or 100 percent plus the “implicit price deflator” (IPD) (the measure of inflation that applies to property tax calculations), as the limit factor. If the IPD is less than 1 percent, and the Council finds, by supermajority vote, a substantial need to use 101 percent as the limit factor, then the City can use 101 percent as the limit factor.

The IPD for 2021 is 0.64 percent. Because the IPD is less than 1 percent, and due to significant revenue losses projected into 2021 and additional costs resulting from the health and economic effects of the corona virus pandemic, CB 119939 includes a finding of substantial need to use 101 percent as the tax limit factor.

The total anticipated property tax revenue collected in 2021 under this bill would be about \$576.9 million.