Ready for Notebook

Tab	Action	Option	Version
364	1	A	1

Budget Action Title: Pass C.B. 119117, known as the "long" property tax ordinance

Ongoing: No

Has CIP Amendment: No   Has Budget Proviso: No

Primary Sponsor: Budget Committee

Councilmembers:

Staff Analyst: Ketil Freeman

Council Bill or Resolution: C.B. 119117

Date		Total	SB	KH	LG	BH	LH	RJ	DJ	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This green sheet recommends passage of Council Bill (C.B.) 119117, known as the "long" property tax ordinance. The long property tax ordinance is one of two ordinances required to levy property taxes for collection in 2018. 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 2018, 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%, or 100% 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%, 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 2018 is 1.55%. Thus, the Council does not need to make a finding of substantial need to provide for use of 101% as the limit factor.

The total anticipated property tax revenue collected in 2018 under this bill would be about $499,105,419.