

2016 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
125	1	A	1

Budget Action Title: Pass CB _____, 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: TBD

Date		Total	SB	BH	JO	TR	NL	TB	JG	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This green sheet recommends passage of CB _____, 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 green sheet is a placeholder for Budget Committee Action in Round 2. This green sheet will be revised to reflect the results of the election, which will determine whether Initiative Measure 122, related to publicly financed elections, and Proposition 1, related to citywide transportation maintenance and improvements, are approved by the voters.]

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.

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

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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 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 \$_____ million