

2020 Seattle City Council Budget Action

Agenda

Tab	Action	Option	Version
BLG	7	A	1

Budget Action Title: Pass CB 119691, known as the long property tax 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 119691

Date		Total	LH	BH	KS	AP	DJ	MO	SB	TM	LG
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Budget Action Description:

This budget action recommends passage of Council Bill (C.B.) 119691, 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 2020. 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 2020, 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 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 2020 is 1.39 percent. Because the IPD is more than 1 percent, this ordinance is not required to include a finding of substantial need to use 101 percent as the tax limit factor.

The total anticipated property tax revenue collected in 2020 under this bill would be about \$565.6 million.