

2014 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
144	1	A	1

Budget Action Title: Pass C.B. _____, known as the "long" property tax ordinance -- if public financing of campaigns PASSES

Has CIP Amendment: No Has Budget Proviso: No

Councilmembers: Budget Committee

Staff Analyst: Martha Lester

Council Bill or Resolution: TBD

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This green sheet recommends passage of C.B. _____, 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 2014. This bill fixes the rates and/or amounts of property taxes to be levied, and levies the taxes.

This C.B. reflects recent passage of the levy for public financing of campaigns and includes a first-year levy amount of \$2 million for that purpose.

This bill increases the regular non-voted levy by 1% for taxes to be collected in 2014, adds the allowance for new construction and other allowable amounts, and specifies the dollar amounts to be collected for the special purposes of the following voter-approved property tax measures:

- Families and education levy lid lift
- Transportation levy lid lift (Bridging the Gap)
- Pike Place Market levy lid lift
- Parks and green spaces levy lid lift
- Low-income housing levy lid lift
- Library levy lid lift
- Public financing of campaigns levy lid lift

This C.B. also levies the excess levy property taxes to pay debt service on voter-approved bond measures, including the first year of collection under the seawall bond measure approved by voters in November 2012.

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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 2014 is 1.3%. Because the IPD is greater than 1%, this ordinance is not required to include a finding of substantial need to use 101% as the tax limit factor.

This C.B. would result in an overall increase in the property tax levy from 2013 collections of \$405,270 not including amounts for bond redemption, the "refund fund re-levy," or additional taxes resulting from new construction and other categories identified in state law. The total anticipated property tax revenue collected in 2014 under this C.B., including the new public financing of campaigns levy, would be about \$390 million.