Ordinance No. 122862

Council Bill No. 116396

AN ORDINANCE relating to the levy of property taxes; fixing the rates and/or amounts of taxes to be levied, and levying the same upon all taxable property, both real and personal, in the City of Seattle, to finance the departments and activities of City government and to provide for the General Obligation Bond Interest and Redemption requirements for the year beginning on the first day of January 2009; and ratifying and confirming certain prior acts.

CF No.

Date Introduced: 11.10.08	
Date 1st Referred:	To: (committee) Budget
Date Re - Referred:	To: (committee)
Date Re - Referred:	To: (committee)
Date of Final Passage: 11-24-08	Full Council Vote: 9-0
Date Presented to Mayor: 11-25-08	Date Approved: 12.2.08
Date Returned to City Clerk: 12.4.08	Date Published: S / T.O. ___ F.T. ✓
Date Vetoed by Mayor:	Date Veto Published:
Date Passed Over Veto:	Veto Sustained:

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Godden
Councilmember

Committee Action:

11-24-08 Budget Pass 9-0

11-24-08 Passed 9-0

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

Law Department

Law Dept. Review | OMP Review | City Clerk Review | Electronic Copy Loaded | Indexed

City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

September 29, 2008

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill, which fulfills the legal requirement for the collection of property tax levies to finance activities of City government and General Obligation Bond interest and redemption. This legislation and the 2009 Proposed Budget propose a 1 percent increase in the regular non-voted 2009 property tax levy.

Seattle's regular property tax levy provides revenue to fund a significant portion of the General Subfund. In 2008, it accounted for an estimated 28 percent of the General Subfund budget. In 2009, property tax revenue authorized by this Bill will provide significant resources for the Firemen's Pension Fund and, through voter-approved property taxes, fund programs that support emergency medical services, low-income housing, educational and development services, fire facilities, the City's transportation system, neighborhood park and recreation facilities, and the Pike Place Market.

Thank you for your consideration of this legislation. Should you have questions please contact Dave Hennes at 684-0537.

Sincerely,

GREG NICKELS
Mayor of Seattle

600 Fourth Avenue, 7th Floor, Seattle, WA 98104-8154
Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@ci.seattle.wa.us
An equal employment opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.

CITY CLERK

ORDINANCE 122862

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BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. General Municipal and Firefighters' Pension.

A. (i) There is hereby levied a tax on all taxable property, both real and personal, within the City of Seattle and subject to taxation under the laws of the State of Washington in the amount of Four Hundred Eighty-three Million Five Hundred Sixty-one Thousand Four Hundred Fifteen Dollars ($483,561,415), which is calculated as $3.60 per thousand dollars of estimated assessed value of such property. This tax is levied for the purpose of raising revenue to finance the various departments and activities of the municipal government of the City of Seattle for the fiscal (calendar) year 2009. The following sentence is provided for information only. This levy has been calculated at the following dollar rates per thousand dollars of assessed value: Three Dollars and Thirty-seven and one-half cents ($3.375) for general municipal purposes as allowed by RCW 84.52.043 (which includes up to Twenty-two and one-half cents ($0.225) for the Firemen's Pension Fund as allowed by RCW 41.16.060); and Twenty-two and one-half cents ($0.225) for general municipal purposes and the Firemen's Pension Fund as allowed by RCW 41.16.060. This levy includes an amount of Three Million Seven Hundred Four Thousand Seven Hundred Twenty-two Dollars ($3,704,722) for low-income housing that is not restricted to

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serving very low-income households, in accordance with Ordinance 120823; an amount of Sixteen Million Six Hundred Eighty-four Thousand Dollars ($16,684,000) for educational and developmental services in accordance with Ordinance 121529; an amount of Nineteen Million Nine Hundred Thousand Dollars ($19,900,000) for firefighting, life-safety and other emergency response facilities in accordance with Ordinance 121230; an amount of Thirty-seven Million Three Hundred Eighty-six Thousand Six Hundred Sixty-five Dollars ($37,386,665), for transportation purposes in accordance with Ordinance 122232; an amount of Twelve Million Five Hundred Thousand Dollars ($12,500,000) for basic infrastructure improvements to the Pike Place Market in accordance with Ordinance 122737; and an amount of Twenty-four Million Two Hundred Fifty Thousand Dollars ($24,250,000) for parks purposes in accordance with Ordinance 122749.

(ii) In addition, there is also hereby levied a tax on all taxable property, both real and personal, within the City of Seattle and subject to taxation under the laws of the State of Washington, in the amount of Eight Million Five Hundred Eighty Thousand Nine Hundred Ninety-two Dollars ($8,580,992), such tax being levied for the purpose of financing affordable housing for very low-income households pursuant to RCW 84.52.105 and pursuant to Ordinance 120823, which tax levy shall be outside of and in addition to the limitations in RCW 84.52.043.

B. If the total of the amounts of taxes stated in subsections 1.A (i) and (ii), or the total of the tax rate stated in subsection 1.A (i) and the rate necessary to generate the amount of taxes stated in subsection 1.A (ii), would be in excess of any maximum allowed by law, then such

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taxes shall be reduced to the maximum amount allowed. The maximum amount allowed by law includes the maximum amount of regular property taxes approved by vote of the people of the City of Seattle pursuant to RCW 84.55.050. For purposes of this subsection, the maximum amount of regular property taxes is determined by the King County Assessor as follows. First, the Assessor determines the amount of regular City property taxes that could have been levied for collection in 2009 had the voters approved none of the levy lid lift measures submitted pursuant to RCW 84.55.050 and Ordinances 120823, 121529, 121230, 122232, 122737 and 122749. This amount is computed as One Hundred One percent (101%) of the general purpose regular property taxes levied for collection in 2008, plus the levy for tax refunds authorized by RCW 84.68.040 and RCW 84.55.070; plus the allowance authorized by RCW 84.55.010 for new construction, increases in assessed value due to construction of electronic generation wind turbine facilities classified as personal property, improvements to property, and any increase in the assessed value of state-assessed property . Then, to that total amount is added the six dollar amounts set forth in the last sentence of subsection 1.A (i), authorized for 2009 collection in the approvals given by the voters of the City pursuant to RCW 84.55.050 and those enumerated ordinances, plus the dollar amount set forth in subsection 1.A (ii).

Section 2. Voter-approved excess taxes for bonds. In addition, a further tax is hereby levied to raise revenue to provide for the interest on and redemption of voter-approved general obligation bonds for the fiscal year 2009 in the amount of Eighteen Million Two Hundred Forty-eight Thousand One Hundred Forty-eight Dollars ($18,248,148). This tax is applicable to all taxable property within the City of Seattle.

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Section 3. Severability. The several provisions of this ordinance are declared to be separate and severable and the invalidity of any clause, sentence, paragraph, subdivision, section, subsection, or portion of this ordinance, or the invalidity of the application thereof to any person, property, or circumstance, shall not affect the validity of the remainder of this ordinance or the validity of its application to other persons, property, or circumstances.

Section 4. Any act pursuant to the authority of this ordinance taken after the passage of this ordinance is hereby ratified and confirmed.

CITY CLERK

Section 5. Effective date. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 24th day of November, 2008, and signed by me in open session in authentication of its passage this 24th day of November, 2008.

President _____ of the City Council

Approved by me this 2nd day of December, 2008.

Gregory J. Nickels, Mayor

Filed by me this 4th day of December, 2008.

City Clerk

(Seal)

LDS CITY CLERK

Form revised April 10, 2006

2009 – 2010 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Finance	Dave Hennes/684-0537	Dave Hennes/684-0537

Legislation Title:
AN ORDINANCE relating to the levy of property taxes; fixing the rates and/or amounts of taxes to be levied, and levying the same upon all taxable property, both real and personal, in the City of Seattle, to finance the departments and activities of City government and to provide for the general obligation bond interest and redemption requirements for the year beginning on the first day of January 2009; and ratifying and confirming certain prior acts.

- **Summary of the Legislation:** This ordinance imposes the City's property tax for 2009 to pay for City government activities and for general obligation bond interest and redemption.

- **Background:** RCW 84.55.010 provides that the City may, with a simple majority of the Council, levy a property tax increase equal to inflation but not greater than a 1% increase over the prior year's regular property tax collection. If inflation is lower than 1%, the law requires a majority plus one vote, with a finding of substantial need, to have a tax increase exceed inflation to the maximum of 1%. Inflation is measured by the implicit price deflator for the United States published in September. As in most years, this year's inflation rate will exceed 1%. Thus, there is no need for the Council to make a finding of substantial need or take more than a simple majority vote. The Council may not increase regular property taxes above 1% without a vote of the people.

  In addition to the 1% increase in the regular non-voted property tax levy proposed in the attached Bill, the levy includes new voter-approved amounts of $12,500,000 for improvements to the Pike Place Market and $24,250,000 for Parks purposes. At the same time, the 2001-2008 Pro Parks levy lid lift is expiring and the Fire Facilities levy amount is scheduled to decrease, resulting in an overall increase from 2008 of $15,687,762, which does not include the "refund fund levy" or additional taxes resulting from new construction, construction of wind turbine facilities classified as personal property, improvements to property, or increases in the value of state-assessed property.

__X__ **This legislation has financial implications.** *(Please complete all relevant sections that follow.)*

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Anticipated Revenue/Reimbursement: Resulting From This Legislation:

Fund Name and Number	Revenue Source	2009 Revenue (in $ 1,000)
00100 General subfund	Property Tax	207,241
16414 Housing lid lift	Property Tax	12,286
17856 Families & Education lid lift	Property Tax	16,684
34440 Fire Facilities lid lift	Property Tax	19,900
10300 Transportation Fund	Property Tax	38,313
35300 Pike Place Market lid lift	Property Tax	12,500
35400 Parks lid lift	Property Tax	24,250
20140 GO Bond Redemption	Property Tax	18,248
TOTAL		**349,422**

Note: Due to the levy's design, the transportation lid lift also receives a portion of new construction revenues, which accounts for the difference between the numbers reflected in the ordinance and fiscal note.

Anticipated Total Revenue from Entire Program, Including Changes Resulting From This Legislation:

Fund Name and Number	Revenue Source	Total 2009 Revenue (In 000's)
	Property Tax	**$349,422**
TOTAL		**$349,422**

- **What is the financial cost of not implementing the legislation?** Without this legislation, no increase in property tax revenue, other than that resulting from the addition of new construction, improvements to property, construction of wind turbine facilities classified as personal property, and any increase in the value of state-assessed property, may be authorized. The cost of not implementing this legislation is the 1% increase over the 2008 current expense levy, estimated to be $2.04 million plus the additional $12.5 million in taxes for the Pike Place Market and the $24.250 million in taxes for parks purposes as approved by the voters.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Without voter approval, there is no other mechanism to increase property tax revenue.

- **Is the legislation subject to public hearing requirements:** Yes. Public hearings will take place on October 8, 2008 and October 27, 2008.

BJS CITY CLERK

STATE OF WASHINGTON – KING COUNTY

--ss.

232349 No.
CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122862 ORDINANCE

was published on

12/11/08

The amount of the fee charged for the foregoing publication is the sum of $ 224.80, which amount has been paid in full.

Subscribed and sworn to before me on

12/11/08

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

ORDINANCE 122862

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Richard Conlin

President of the City Council

Approved by me this 2nd day of December, 2008.

Gregory J. Nickels, Mayor

Filed by me this 4th day of December, 2008.

(Seal) Judith Pippin; City Clerk

Publication ordered by JUDITH PIPPIN, City Clerk

Date of publication in the Seattle Daily Journal of Commerce, December 11, 2008.

12/11(232349)