

Ordinance No. 124351

Council Bill No. 117958

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 2014; ratifying and confirming certain prior acts; and by a vote of a majority plus one of the Seattle City Council, finding a substantial need to use, and providing for the use of, 101% as the regular property tax limit factor.

Related Legislation File: CB117957

Date Introduced and Referred: <u>11.12.13</u>	To: (committee): <u>Budget</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>11/25/13</u>	Date Presented to Mayor: <u>11/26/13</u>
Date Signed by Mayor: <u>12.3.13</u>	Date Returned to City Clerk: <u>12.4.13</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: Burgess

Committee Action:

Date	Recommendation	Vote
<u>11/25/13</u>	<u>Pass</u>	<u>9-0</u>

This file is complete and ready for presentation to Full Council.

Full Council Action:

Date	Decision	Vote
<u>11/25/13</u>	<u>Passed</u>	<u>9-0</u>

Law Department

CITY OF SEATTLE
ORDINANCE 124.351
COUNCIL BILL 117950

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 2014; and ratifying and confirming certain prior acts.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. General Municipal and Firefighters' Pension.

A. There is 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 \$461,252,169, which is calculated as \$3.60 per \$1,000 of estimated assessed value of all taxable property in the city. 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 2014. The following sentence is provided for information only. This levy has been calculated at the following dollar rates per \$1,000 of assessed value: \$3.375 for general municipal purposes as allowed by RCW 84.52.043 (which includes up to \$0.225 for the Firemen's Pension Fund as allowed by RCW 41.16.060); and \$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 \$39,293,761 for transportation purposes in accordance with Ordinance 122232; an amount of \$7,812,000 for basic infrastructure improvements to the Pike Place Market in accordance with Ordinance 122737; an amount of \$24,250,000 for parks purposes in accordance with Ordinance 122749; an amount of \$20,714,286 for low-income housing purposes in



1 accordance with Ordinance 123013; an amount of \$32,746,230 for educational and
2 developmental services in accordance with Ordinance 123567; and an amount of \$17,170,000 for
3 library maintenance and services in accordance with Ordinance 123851.

4 B. If the total of the amounts of taxes stated in subsection 1.A or the total of the tax rate
5 stated in subsection 1.A would be in excess of any maximum allowed by law, then such taxes
6 shall be reduced to the maximum amount allowed. The maximum amount allowed by law
7 includes the maximum amount of regular property taxes approved by vote of the people of The
8 City of Seattle pursuant to RCW 84.55.050. For purposes of this subsection, the maximum
9 amount of regular property taxes is determined by the King County Assessor as follows. First,
10 the Assessor determines the amount of regular City property taxes that could be levied for
11 collection in 2014 had the voters approved none of the levy lid lift measures submitted pursuant
12 to RCW 84.55.050 and Ordinances 122232, 122737, 122749, 123013, 123567, and 123851. This
13 amount is computed by the Assessor by multiplying the amount of general purpose regular
14 property taxes levied for collection in 2013 by a limit factor. The limit factor is the lesser of
15 101% or 100% plus the rate of inflation, unless pursuant to RCW 84.55.0101, the Council finds
16 that there is a substantial need to use and approves the use of 101% as the regular property tax
17 limit factor. Second, the Assessor adds the levy for tax refunds authorized by RCW 84.68.040,
18 RCW 84.69.180 and RCW 84.55.070; plus the allowance authorized by RCW 84.55.010 for new
19 construction, increases in assessed value due to construction of electric generation wind turbine
20 facilities classified as personal property, improvements to property, and any increase in the
21 assessed value of state-assessed property. Then, to that total amount is added the six dollar
22 amounts set forth in the last sentence of subsection 1.A authorized for 2014 collection in the
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1 approvals given by the voters of the City pursuant to RCW 84.55.050 and those enumerated
2 ordinances.

3 Section 2. **Voter-approved excess taxes for bonds.** In addition, a further tax is levied
4 to raise revenue to provide for the interest on and redemption of voter-approved general
5 obligation bonds for the fiscal year 2014 in the amount of \$17,789,544. This tax is applicable to
6 all taxable property within The City of Seattle.

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

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

14 Section 5. **Effective date.** This ordinance shall take effect and be in force 30 days after
15 its approval by the Mayor, but if not approved and returned by the Mayor within ten days after
16 presentation, it shall take effect as provided by the Seattle Municipal Code Section 1.04.020.
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1 Passed by the City Council the 25th day of November, 2013, and signed by
2 me in open session in authentication of its passage this 25th day of November,
3 2013.

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6 President _____ of the City Council
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9 Approved by me this 3rd day of December, 2013.

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13 Michael McGinn, Mayor
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16 Filed by me this 4th day of December, 2013.

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19 Monica Martinez Simmons, City Clerk
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23 (Seal)



2014 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
CBO/FAS	Dave Hennes/4-0537	Dave Hennes/4-0537

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 2014; and ratifying and confirming certain prior acts.

Summary of the Legislation:

This ordinance imposes the City's property tax for 2014 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 vote 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. In most years, the inflation rate will exceed 1%. This year the rate is 1.3%. Thus, the Council does not need to make a finding of substantial need with approval by a majority plus one vote. The Council may not increase regular property taxes above 1% without a vote of the people.

Other than the 1% increase in the regular non-voted current expense property tax levy proposed in the attached Bill, the same 1% increase is applied to the Bridging the Gap Transportation levy lid lift, the Families & Education levy lid lift and the Library levy lid lift per the terms of their respective ordinances. No lid lifts expired in 2013, but in accordance with the conditions of Ordinance 122737, the City is levying a lesser amount than the original, final year amount planned for the Pike Place Market levy. Altogether, these changes result in an overall decrease from 2013 of \$1,594,730, which does not include changes in the excess levy for redemption of general obligation bonds, 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. Additionally, this ordinance includes a levy of \$17,789,544 for interest on and redemption of voter-approved general obligation bonds for the fiscal year 2014, an approximate \$1.79 million increase from the amount levied for collection in 2013. This amount includes first year payment amounts against the Seawall bonds.



X This legislation has financial implications.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
00100 General Subfund	General Fund	Property Tax	219,573,000	226,396,000
10300 Transportation Fund	Transportation	Property Tax	41,815,000	42,636,000
11010 Pike Place Market Renovation Fund	FAS/Pike Place Market PDA	Property Tax	12,500,000	7,812,000
33860 2008 Parks Levy Fund	Parks	Property Tax	24,250,000	24,250,000
16416 Low Income Housing Levy Subfund (2009)	Office of Housing	Property Tax	20,714,000	20,714,000
17857 2011 Education Support Services Subfund	Neighborhoods	Property Tax	32,422,000	32,746,000
18100 Library Levy Fund	Seattle Public Library	Property Tax	17,000,000	17,170,000
20140 Unlimited Tax Levy GO Bonds	FAS	Property Tax	16,000,000	17,790,000
TOTAL			384,274,000	389,514,000

Revenue/Reimbursement Notes: 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.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**

Yes, please see section b) below.

- b) **What is the financial cost of not implementing the legislation?**

Without this legislation, no **increase** in property tax revenue, other than that resulting from 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 2013 current expense levy, Transportation levy lid lift, Families and Education levy lid lift and Library levy lid lift, estimated to be \$3.02 million. If not passed, the County Assessor will levy the same amounts (general expense and levy lid lifts) as levied for the 2013 tax collection year plus amounts resulting from new construction, improvements to property, construction of wind turbine facilities classified as personal property, and any increase in the value of state-assessed property.

c) Does this legislation affect any departments besides the originating department?

See b) above and the "Anticipated Revenue" Table above for affected departments.

d) 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.

e) Is a public hearing required for this legislation?

Yes. Public hearings will take place on October 3, 2013 and October 24, 2013.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

None.

List attachments to the fiscal note below:

None.



City of Seattle
Office of the Mayor

September 23, 2013

Honorable Sally Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am transmitting the attached proposed Council Bill for consideration with the 2014 Proposed Budget. This legislation fulfills the legal requirement for the collection of property tax levies to fund activities of City government and General Obligation Bond interest and redemption. This legislation and the 2014 Proposed Budget propose a 1 percent increase in the regular non-voted 2014 property tax levy.

Seattle's regular property tax levy provides revenue to fund a significant portion of the General Subfund. In 2013, it accounted for an estimated 27 percent of the General Subfund budget. In 2014, property tax revenue authorized by this Bill will provide significant resources for the Firefighters' Pension and, through voter-approved property taxes, fund programs that support emergency medical services, low-income housing, educational and development services, the City's transportation system, neighborhood park and recreation facilities, libraries 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,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



STATE OF WASHINGTON -- KING COUNTY

--ss.

305473
CITY OF SEATTLE, CLERKS OFFICE

No. 124347,348,349,350,351

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.

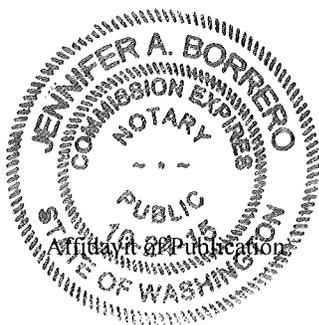
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCE

was published on

12/12/13

The amount of the fee charged for the foregoing publication is the sum of \$99.00 which amount has been paid in full.



Samela Colasby

Subscribed and sworn to before me on
12/12/2013 *[Signature]*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 25, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124347

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; and adding a new Chapter 22.900H, Rental Registration and Inspection Ordinance Program Fees.

ORDINANCE NO. 124348

AN ORDINANCE relating to the Pacific Place Garage; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Downtown Parking Garage Fund; superseding Ordinance 124123; and providing for repayment.

ORDINANCE NO. 124349

AN ORDINANCE adopting a budget, including a capital improvement program and position modifications, for The City of Seattle for 2014; creating positions exempt from civil service; all by a two-thirds vote of the City Council.

ORDINANCE NO. 124350

AN ORDINANCE authorizing the levy of regular property taxes by The City of Seattle for collection in 2014, representing a decrease

below the regular property taxes levied for collection in 2013; and ratifying and confirming certain prior acts.

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Date of publication in the Seattle Daily Journal of Commerce, December 12, 2013.
12/12(305473)

STATE OF WASHINGTON -- KING COUNTY

--SS.

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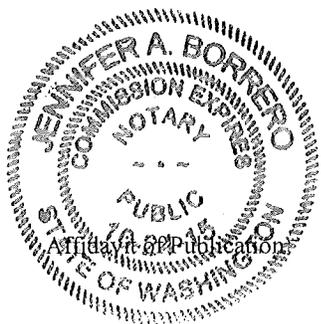
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12/12(305473)