

2012 Seattle City Council Green Sheet

Approved

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140	1	A	2

Budget Action Title: Pass C.B. 117338, known as the "long" property tax ordinance

Councilmembers: Budget Committee

Staff Analyst: Martha Lester

Council Bill or Resolution: C.B. 117338, tab #3 in gray notebooks

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/21/2011	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Budget Action description:

This green sheet recommends passage of C.B. 117338, 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 2012. 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 Families and Education Levy.

It increases the regular non-voted levy by 1% for taxes to be collected in 2012, 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
- Fire facilities 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

This C.B. also levies the 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 1% or 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 1% as the limit factor, then the City can use 1% as the limit factor.

The IPD for 2012 is estimated to be 2.755%. 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 2011 collections of \$13,769,618 not including amounts for bond redemption, the “refund fund re-levy,” or additional

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taxes resulting from new construction and other categories identified in state law. The total anticipated property tax revenue collected in 2012 under this C.B., including the new Families and Education Levy, would be about \$379 million.