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**Budget Action Title:** Pass C.B. 117615, known as the "long" property tax ordinance

**Councilmembers:** Budget Committee

**Staff Analyst:** Martha Lester

**Council Bill or Resolution:** C.B. 117615

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. 117615, 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 2013. 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 Library levy.

It increases the regular non-voted levy by 1% for taxes to be collected in 2013, 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

This C.B. also levies the taxes to pay debt service on voter-approved bond measures.

The seawall bond measure will be on the November 6, 2012 ballot. Even if it is approved, no excess levy property taxes related to the seawall would be collected in 2013. Initial bond issues for the seawall are scheduled for 2013. If these proceed as scheduled, the City would levy excess levy property taxes for collection in 2014 to begin covering the related debt service payments.

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

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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 2013 is 1.295%. 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 2012 collections of \$12,472,903 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 2013 under this C.B., including the new Library levy, would be about \$390 million.