SEATTLE CITY COUNCIL

Legislative Summary

CB 118837

Record No.: CB 118837 **Type:** Ordinance (Ord) **Status:** Passed

Version: 1 **Ord. no:** Ord 125195 **In Control:** City Clerk

File Created: 09/14/2016

Final Action: 11/28/2016

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 2017; 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 percent as the regular property tax limit factor.

Notes:

Sponsors: Burgess

Attachments:

Drafter: adam.schaefer@seattle.gov

	Date
Filed with City Clerk:	11/28/2016
Mayor's Signature:	11/28/2016
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: ☐ Yes ☐ No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/26/2016	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	10/07/2016	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office **Notes:**						
1	Council President's Office	10/20/2016	sent for review	Select Budget Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Select Budget Committee **Notes:**						

1	Full Council	11/07/2016	referred	Select Budget Committee	
1	Select Budget Committee	11/16/2016	pass		
1	Select Budget Committee	11/21/2016	pass		Pass

Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:

In Favor: 9 Chair Burgess, Member Bagshaw, Member Harrell, Member Herbold, Member Juarez, Member Johnson, Member González , Member O'Brien, Member Sawant
Opposed: 0

1	Full Council	11/21/2016	passed		Pass

Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:

In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant
Opposed: 0

1	City Clerk	11/22/2016	submitted for Mayor's signature	Mayor
1	Mayor	11/28/2016	Signed	
1	Mayor	11/28/2016	returned	City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:

1	City Clerk	11/28/2016	attested by City Clerk	

Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:

CITY OF SEATTLE

ORDINANCE 125195

COUNCIL BILL 118837

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 2017; 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 percent as the regular property tax limit factor.

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 $651,628,377, 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 2017. 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 $100,000 or the highest lawful amount as the King County Assessor may certify, whichever is higher, to recover amounts refunded within the preceding 12 months. This levy also includes an amount of $33,738,474 for educational and developmental services in accordance with Ordinance 123567; an amount of $17,690,268 for library maintenance and services in accordance with Ordinance 123851; an amount of $14,566,630 for preschool education purposes in accordance with Ordinance 124509; an amount of $95,950,000 for transportation purposes in accordance with Ordinance 124796; an amount of $3,000,000 for election vouchers funding purposes in accordance with Resolution 31601 and Initiative 122; and an amount of $41,428,571 for low-income housing purposes in accordance with Ordinance 125028.

B. If the total of the amounts of taxes stated in subsection 1.A or the total of the tax rate stated in subsection 1.A would be in excess of any maximum allowed by law, then such 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 be levied for collection in 2017 had the voters approved none of the levy lid lift measures submitted pursuant to RCW 84.55.050 and Ordinances 123567, 123851, 124509, 124796, 125028, and Initiative 122. This amount is computed by the Assessor by multiplying the amount of general purpose regular property taxes levied for collection in 2016 by a limit factor. The limit factor is the lesser of 101 percent or 100 percent plus the rate of inflation, unless, pursuant to RCW 84.55.0101, the Council finds that there is a substantial need to use and approves the use of 101 percent as the regular property tax limit factor. Second, the Assessor adds the levy for tax refunds authorized by RCW 84.68.040, RCW 84.69.180, 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 electric 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 authorized for 2017 collection in the approvals given by the voters of the City pursuant to RCW 84.55.050 and those enumerated ordinances.

Section 2. Pursuant to RCW 84.55.0101, and in recognition that the City continues to face in the 2017 budget an ongoing Homeless State of Emergency ratified by the Council through Resolution 31630 and requirements for additional sworn officers and other uncertain public safety costs related to the Department of Justice consent decree, in addition to other resource demands necessary to carry out 2017 budget goals, and the 2017-2022 Capital Improvement Program, the City Council finds that there is a substantial need to use and approves the use of 101 percent as the regular property tax limit factor for regular property taxes to be collected in 2017.

Section 3. Voter-approved excess taxes for bonds. In addition, a further tax is levied to raise revenue to provide for the interest on and redemption of voter-approved general obligation bonds for the fiscal year 2017 in the amount of $30,681,340. This tax is applicable to all taxable property within The City of Seattle.

Section 4. 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 5. Any act pursuant to the authority of this ordinance taken after the passage of this ordinance is ratified and confirmed.

Section 6. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 21st day of November, 2016, and signed by me in open session in authentication of its passage this 21st day of November, 2016.

President __________ of the City Council

Approved by me this 28th day of November, 2016.

Edward B. Murray, Mayor

Filed by me this 28th day of NOVEMBER, 2016.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

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

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

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 2017; 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 percent as the regular property tax limit factor.

Summary and background of the Legislation: This ordinance imposes the City's property tax for 2017 to pay for City government activities and for general obligation bond interest and redemption.

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 0.79%. Thus, the Council needs to make a finding of substantial need with approval by a majority plus one vote to provide for the use of 101% as the regular property tax limit factor. 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 Families & Education levy lid lift and the Library levy lid lift per the terms of their respective ordinances. The seven-year Low Income Housing (2010) levy expired in 2016. The City's regular levy includes for 2017 collection, the new 7-year, Low Income Housing (2017) levy lid lift with a first year levy amount of $41,428,571. Altogether, these changes result in an overall increase from 2016 of $24,549,782, 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.

It also does not include levy amounts for the Metropolitan Parks District (MPD). Pursuant to RCW 35.61, the MPD is a legally separate taxing jurisdiction from the City of Seattle, whose property tax levy authority of $0.75 per $1,000 assessed value is outside of the City's statutory rate limit of $3.60 per $1,000 assessed value. The MPD began collecting tax revenues in the

2016 tax collection year.

Additionally, this ordinance includes a levy of $30,681,340 for interest on and redemption of voter-approved general obligation bonds for the fiscal year 2017, an increase of $1,828,609 from the amount levied for collection in 2016. This amount includes payment amounts against the Libraries and Seawall bonds.

2. CAPITAL IMPROVEMENT PROGRAM

____ This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

__X_ This legislation has direct financial implications.

Budget program(s) affected:				
Estimated $ Appropriation change:	**General Fund $**		**Other $**	
	2017	**2018**	**2017**	**2018**
Estimated $ Revenue change:	**Revenue to General Fund**		**Revenue to Other Funds**	
	2017	**2018**	**2017**	**2018**
	$7,092,197		**$42,887,767**	
Positions affected:	**No. of Positions**		**Total FTE Change**	
	2017	**2018**	**2017**	**2018**
Other departments affected:	Ofc. Of Housing, SDOT, DEEL and Libraries			

3.a. Appropriations

____ This legislation adds, changes, or deletes appropriations.

3.b. Revenues/Reimbursements

__X_ This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2016 Revenue	2017 Estimated Revenue
00100 General Subfund	General Fund	Property Tax	$239,940,494	$247,332,117
10300 Transportation Fund	Transportation	Property Tax	$95,000,000	$95,950,000
16416 Low Income Housing Levy Subfund (2009)	Office of Housing	Property Tax	$20,714,286	$0
16418/16419 2016 Low Income Housing Levy	Office of Housing	Property Tax	$0	$41,428,571
17857 2011 Education Support Services Subfund	Neighborhoods	Property Tax	$33,404,429	$33,738,474
18100 Library Levy Fund	Seattle Public Library	Property Tax	$17,515,117	$17,690,268
17861 Preschool Services Fund	Dept. of Education & Early Learning	Property Tax	$14,566,630	$14,566,630
12300 Election Vouchers Fund	Ethics & Elections Commission	Property Tax	$3,000,000	$3,000,000
20140 Unlimited Tax Levy GO Bonds	FAS	Property Tax	$28,852,731	$30,681,340
TOTAL			**$452,993,687**	**$484,387,400**

Revenue/Reimbursement Notes:

3.c. Positions

____ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**
Yes, please see section b) below.

b) **Is there financial cost or other impacts 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 2016 current expense levy, Families and Education levy lid lift, Library levy lid lift and Move Seattle Transportation levy lid lift estimated to be $8.55 million. If not passed, the County Assessor will levy the same amounts (general expense and levy lid lifts) as levied for the 2016 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) Is a public hearing required for this legislation?
Yes. Public hearings will take place on October 5, 2016 and October 25, 2016.

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?
No.

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) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
The revenues generated through the property tax, both general expense and levy lid lifts for particular purposes, support a broad range of government services, many of which support vulnerable or historically disadvantaged communities. This legislation has no policy or program implementation ramifications affecting vulnerable or historically disadvantaged communities beyond providing the underlying funding that supports City programs.

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.
NA

j) Other Issues:
None.

List attachments/exhibits below:

STATE OF WASHINGTON -- KING COUNTY

--ss.

344221

No. 125190,91,92,93,94,95,96

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:TITLE ONLY ORDINANCES

was published on

12/09/16

The amount of the fee charged for the foregoing publication is the sum of $127.60 which amount has been paid in full.

Subscribed and sworn to before me on

12/09/2016

Notary public for the State of Washington, residing in Seattle

Affidavit of Publication

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 21, 2016, and published below by title only, will be mailed upon request, or can be accessed at https://seattle.legistar.com/Legislation.aspx. 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 125190

AN ORDINANCE relating to the Firefighters' Pension Fund established under chapter 41.16 RCW; amending Ordinance 117216 as last amended by Ordinance 124640 to change the date by which full funding of the Actuarial Account will be achieved.

Ordinance 125191

AN ORDINANCE relating to wastewater and drainage services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income wastewater and drainage customers; and amending Section 21.33.050 of the Seattle Municipal Code to revise drainage service charge adjustment procedures.

Ordinance 125192

AN ORDINANCE relating to public outreach and engagement; creating a Community Involvement Commission to advise and make recommendations to the Mayor and City Council; amending Sections 3.35.010, 3.35.030, and 3.35.050 of the Seattle Municipal Code; and adding a new Chapter 3.62, consisting of Sections 3.62.010, 3.62.020, 3.62.030, 3.62.040, 3.62.050, and 3.62.060, to the Seattle Municipal Code.

Ordinance 125193

AN ORDINANCE relating to pet licensing; adjusting and simplifying cat and dog license fees; and amending Section 9.26.020 of the Seattle Municipal Code.

Ordinance 125194

AN ORDINANCE increasing the fee for marijuana business licenses; amending Section 6.500.080 of the Seattle Municipal Code.

Ordinance 125195

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 2017; 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 percent as the regular property tax limit factor.

Ordinance 125196

AN ORDINANCE relating to the Animal Fee Ordinance; adjusting spaying and neutering fees at the Seattle Animal Shelter Spay and Neuter Clinic; and amending Section 9.26.060 of the Seattle Municipal Code.

Date of publication in the Seattle Daily Journal of Commerce, December 9, 2016.

12/9(344221)