

City of Federal Way 2019 PROPERTY TAX LEVY

Presented by:

Ade' Ariwoola, Finance Director

November 6, 2018

RCW 84.55.120 – Public Hearing

- (1) A taxing district, other than the state, that collects regular levies must hold a public hearing on revenue sources for the district's following year's current expense budget. The hearing must include consideration of possible increases in property tax revenues and must be held prior to the time the taxing district levies the taxes or makes the request to have the taxes levied. The county legislative authority, or the taxing district's governing body if the district is a city, town, or other type of district, must hold the hearing. For purposes of this section, "current expense budget" means that budget which is primarily funded by taxes and charges and reflects the provision of ongoing services. It does not mean the capital, enterprise, or special assessment budgets of cities, towns, counties, or special purpose districts.
- (2) If the taxing district is otherwise required to hold a public hearing on its proposed regular tax levy, **a single public hearing may be held on this matter.**

RCW 84.55.120 – Public Hearing-cont.

(3)(a) Except as provided in (b) of this subsection (3), no increase in property tax revenue may be authorized by a taxing district, other than the state, except by adoption of a separate ordinance or resolution, pursuant to notice, **specifically authorizing the increase in terms of both dollars and percentage**. The ordinance or resolution may cover a period of up to two years, but the ordinance must specifically state for each year the dollar increase and percentage change in the levy from the previous year.

(b) Exempt from the requirements of (a) of this subsection are increases in revenue resulting from the addition of:

(i) New construction;

(ii) Increases in assessed value due to construction of wind turbine, solar, biomass, and geothermal facilities, if such facilities generate electricity and the property is not included elsewhere under this section for purposes of providing an additional dollar amount. The property may be classified as real or personal property;

(iii) Improvements to property; and

(iv) Any increase in the value of state-assessed property.

Proposed Ordinance

- Public Hearing –
 - October 23, 2018
 - October 30, 2018
 - November 6, 2018
 - November 7, 2018
 - November 20, 2018
 - December 4, 2018
- Limit factor – 101% or IPD 102.17%
- Rates:
 - Old – 1.06161 per \$1,000 of AV
 - New - 0.97655 per \$1,000 of AV
- Percent increase over Last Year – 0.46%
- Total property tax revenue increase of 49,548 & new const. etc.
- This Ordinance will be certified and sent to King County by Dec. 5, 2018.



RCW 84.52.020 – City & District Budgets to Be Filed With CLA.

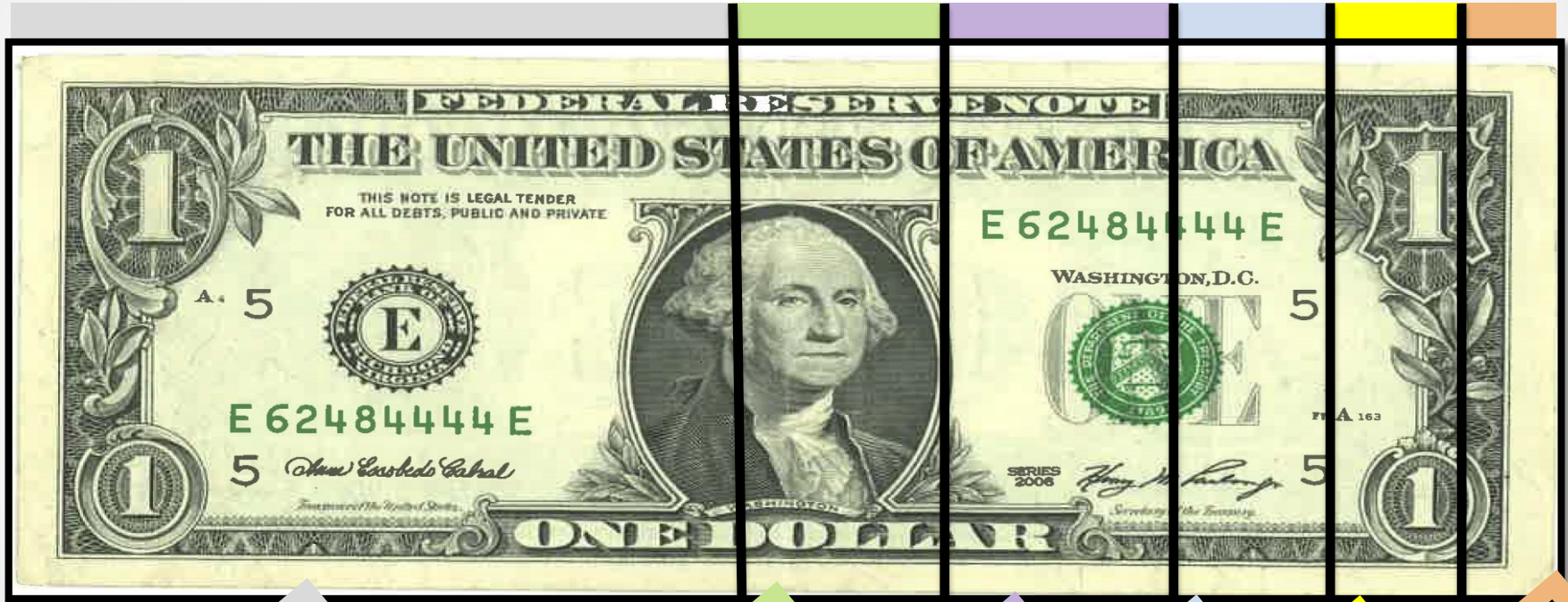
- It shall be the duty of the city council or other governing body of every city, other than a city having a population of three hundred thousand or more, the board of directors of school districts of the first class, the superintendent of each educational service district for each constituent second-class school district, commissioners of port districts, commissioners of metropolitan park districts, and of all officials or boards of taxing districts within or coextensive with any county required by law to certify to the county legislative authority (CLA), for the purpose of levying district taxes, budgets or estimates of the amounts to be raised by taxation on the assessed valuation of the property in the city or district, through their chair and clerk, or secretary, to make and file such certified budget or estimates with the clerk of the county legislative authority on or before the fifth of December.

Property Tax Rate 2018 Collection

	Voted	Non-voted	Total	%
City	-	1.06161	1.06161	7.62%
FWPS	5.77510	-	5.77510	41.44%
King County	0.54312	0.78423	1.32735	9.52%
Washington State	-	2.91820	2.91820	20.94%
Port of Seattle	-	0.13518	0.13518	0.97%
Fire District #39	0.13609	1.59792	1.73401	12.44%
Library	0.04509	0.36681	0.41190	2.95%
EMS	0.23940	-	0.23940	1.72%
County Flood Zone	-	0.10708	0.10708	0.77%
Sound Transit	-	0.22745	0.22745	1.63%
	6.73880	7.19848	13.93728	100.00%

VOTED: 6.73880 or 48.35% NON-VOTED: 7.19848 or 51.65%

2018 Property Tax Distribution



41.44¢ School

20.94¢ State

14.16¢ Fire/EMS

9.52¢ County

7.62¢ City

6.32¢ Port/Lib/Fld/ST

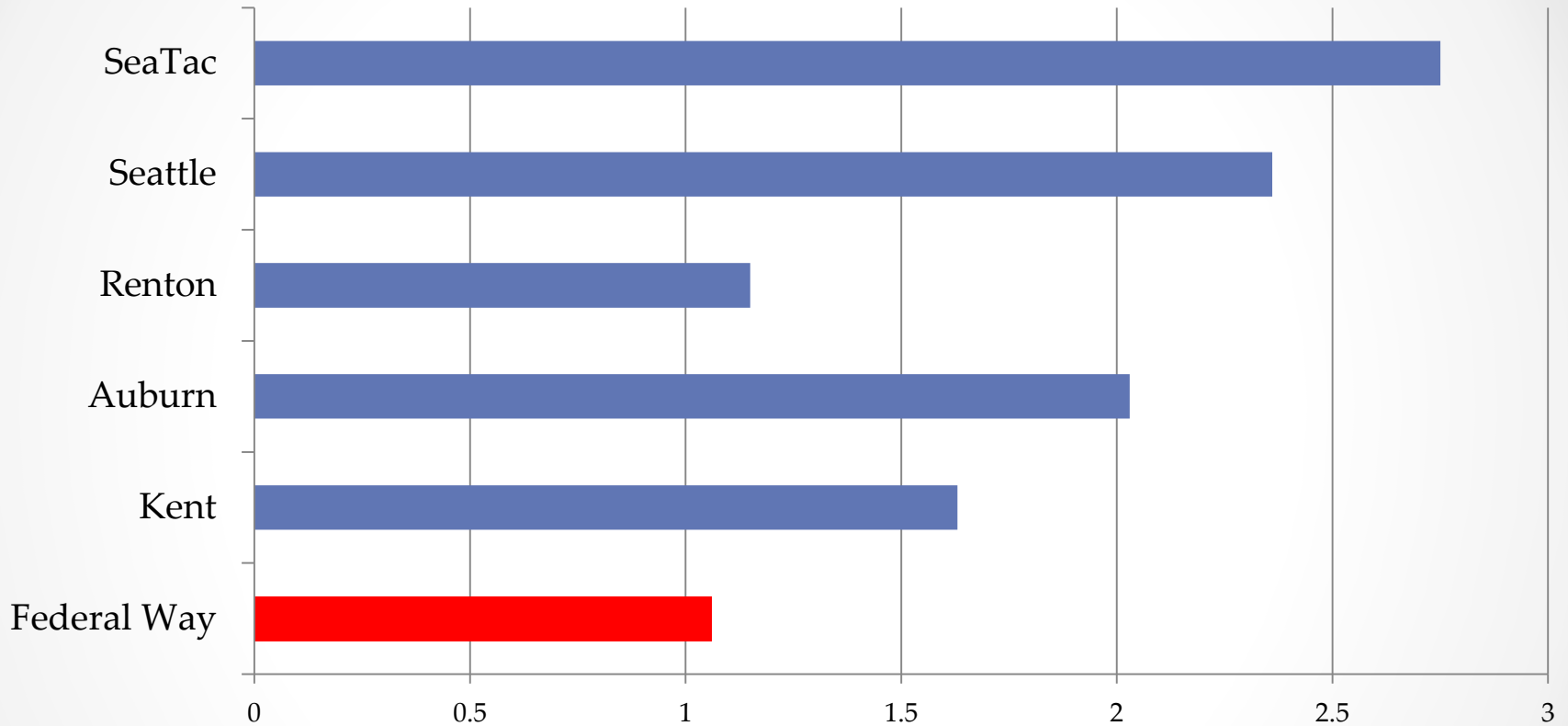
Property Tax Growth

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Federal Way	1.06	1.13	1.19	1.25	1.40	1.42	1.30	1.20	1.13	0.97
Kent	1.63	1.41	1.51	1.58	1.65	1.69	1.57	1.48	2.36	2.18
Auburn	2.03	2.20	2.05	2.08	2.17	2.10	2.08	1.93	1.82	1.49
Renton	1.15	2.61	2.71	2.83	3.15	3.10	3.10	2.83	2.71	2.37
Seattle*	2.36	2.61	2.77	2.62	3.05	3.29	3.58	3.36	3.23	2.86
SeaTac**	2.75	2.89	3.00	3.16	3.10	3.10	2.88	2.80	2.58	2.34

*Seattle has Fire, and Library departments

**SeaTac has Fire department

How We Stack Up In 2018



Property Tax Rates

Policy Question

Should the City Council increase the regular property tax consistent with the limit factor as authorized by State statute?

Proposed Levy:

- Based on Statutory IPD increase limit, plus new construction
- **Preliminary** rate is approximately \$0.97655 per \$1,000 assessed value

Mayor's Recommendation:

- Conduct public hearing and approve the 2019 Property Tax Levy Ordinance
- Authorize the Finance Director to sign the appropriate form

Questions?

Thank You!