

City of Federal Way 2020 Property Tax Levy Ordinance

Presented by:

Chase Donnelly, Accounting Manager

November 19, 2019

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 –
 - November 5, 2019
 - November 19, 2019
- A single public hearing may be held
- Limit factor – 101% or IPD 101.396% (Inflation is more than 1%)
 - Rates:
 - Old – 0.97350 per \$1,000 of AV
 - New - 0.93395 per \$1,000 of AV
 - Percent increase over Last Year – 0.73%
 - Total property tax revenue increase of 80,490 & new const. etc.
 - This Ordinance will be certified and sent to King County by Dec. 2, 2019.



Council Action

- **Consider First Reading of 2020 Property Tax Levy Ordinance**

Questions?

Thank You!